

CHAPTER 80

AN ACT concerning urban enterprise zones and amending P.L.1983, c.303.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 3 of P.L.1983, c.303 (C.52:27H-62) is amended to read as follows:

C.52:27H-62 Definitions.

3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

- a. "Enterprise zone" or "zone" means an urban enterprise zone designated by the authority pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.);

- b. "Authority" or "UEZ Authority" means the New Jersey Urban Enterprise Zone Authority created by P.L.1983, c.303 (C.52:27H-60 et seq.);

- c. "Qualified business" means any entity authorized to do business in the State of New Jersey which, at the time of designation as an enterprise zone or a UEZ-impacted business district, is engaged in the active conduct of a trade or business in that zone or district; or an entity which, after that designation but during the designation period, becomes newly engaged in the active conduct of a trade or business in that zone or district and has at least 25 percent of its full-time employees employed at a business location in an eligible block group as defined under section 12 of P.L.2021, c.197 (C.52:27H-99), and which employees meet one or more of the following criteria:

- (1) Residents within the zone, the district, within another zone or within a qualifying municipality; or

- (2) Unemployed for at least six months prior to being hired and residing in New Jersey, and recipients of New Jersey public assistance programs for at least six months prior to being hired, or either of the aforesaid; or

- (3) Determined to be low income individuals pursuant to the Workforce Investment Act of 1998, Pub.L.105-220 (29 U.S.C. s.2811);

Approval as a qualified business shall be conditional upon meeting all outstanding tax obligations, and may be withdrawn by the authority if a business is continually delinquent in meeting its tax obligations;

- d. "Qualifying municipality" means any municipality that was previously designated as a qualifying municipality prior to the effective date of P.L.2021, c.197;

- e. "Public assistance" means income maintenance funds administered by the Department of Human Services or by a county welfare agency;

- f. "Zone development corporation" means a nonprofit corporation or association created or designated by the governing body of a qualifying municipality to formulate and propose a preliminary zone development plan pursuant to section 9 of P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer and implement the zone development plan;

- g. "Zone development plan" means a plan adopted by the governing body of a qualifying municipality for the development of an enterprise zone therein, and for the direction and coordination of activities of the municipality, zone businesses and community organizations within the enterprise zone toward the economic betterment of the residents of the zone and the municipality;

- h. "Zone neighborhood association" means a corporation or association of persons who either are residents of, or have their principal place of employment in, a municipality in which an enterprise zone has been designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.); which is organized under the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes; and which has for its principal purpose the encouragement and support

of community activities within, or on behalf of, the zone so as to (1) stimulate economic activity, (2) increase or preserve residential amenities, or (3) otherwise encourage community cooperation in achieving the goals of the zone development plan;

i. "Enterprise zone assistance fund" or "assistance fund" means the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);

j. "UEZ-impacted business district" or "district" means an economically-distressed business district classified by the authority as having been negatively impacted by two or more adjacent urban enterprise zones in which 50 percent less sales tax is collected pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);

k. "Block group" means statistical divisions of census tracts, that are generally defined by the United States Census Bureau to contain between 600 and 3,000 people and are used to present data and control block numbering;

l. "Municipal Revitalization Index" means the index developed, maintained, and updated from time to time, by the Department of Community Affairs ranking New Jersey's municipalities according to separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions in each locality;

m. "Qualified assistance fund expense" means any reasonable expense related to:

(1) a construction project improving, altering, or repairing the real property of a qualified business located in an enterprise zone;

(2) full or part time economic and community development positions in the municipality, other governmental, or not-for-profit organization, or marketing;

(3) loans, grants, and guarantees to businesses;

(4) payroll expenses, personnel, services, and equipment purchases primarily for the provision of law enforcement, fire protection, or emergency medical services within commercial and transportation corridors located exclusively in an enterprise zone;

(5) planning and other professional services related to economic and community development;

(6) cleaning and maintenance of commercial and transportation corridors;

(7) the improvement of public infrastructure in a commercial or transportation corridor and transportation infrastructure located within an enterprise zone, including, but not limited to, the payment of debt service related to the financing of a transportation infrastructure project, and the pledge of funds credited to the assistance fund toward the repayment of any loan issued by the State Transportation Infrastructure Bank pursuant to section 34 of P.L.2016, c.56 (C.58:11B-10.4) or any government agency, for a transportation infrastructure project, provided that up to 75 percent of any zone assistance funds may be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of any loan for the cost of a transportation infrastructure project if such use is detailed in that municipality's zone development plan certified by the UEZ Authority;

(8) the improvement of public infrastructure related to a commercial, industrial, mixed use, or multi-family residential property;

(9) employment and training programs; or

(10) events meant to support and draw activity into the enterprise zone, including fairs, festivals, and concerts.

n. "UEZ coordinator" means an individual designated by a qualified municipality or zone development corporation as the individual in charge of the activities related to the Urban Enterprise Zone program in that municipality;

o. "UZ-2 certification" means the UEZ Authority's certification of a qualified business, pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80), allowing the qualified business an exemption to the extent of 50 percent of the tax imposed under the "Sales and Use Tax Act,"

P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales transaction physically occurs within an enterprise zone. The qualified business may deliver merchandise to the purchaser at a location outside an enterprise zone provided the sales transaction was physically made within the enterprise zone. The regular tax rate shall be charged for mail order, telephone, internet, and similar sales transactions delivered within the State;

p. "UZ-4 certification" means the UEZ Authority's certification of a qualified business, pursuant to section 8 of P.L.2021, c.197 (C.52:27H-79.1), allowing a contractor of the qualified business to make tax-free purchases of materials, supplies, and services for the exclusive use of erecting a structure or building on, or substantially improving, altering, or repairing, the real property of a qualified business located in an enterprise zone at the address indicated on the qualified business's application for certification to the UEZ Authority;

q. "UZ-5 certification" means the UEZ Authority's certification of a qualified business, as defined under section 20 of P.L.1983, c.303 (C.52:27H-79), allowing the qualified business to make tax-free purchases of office and business equipment and supplies, furnishings, trade fixtures, repair, or construction materials and all other tangible personal property (other than motor vehicles and motor vehicle parts and supplies) for the exclusive use or consumption on the premises of the qualified business within an enterprise zone at an address indicated on the qualified business's application for certification to the UEZ Authority. The exemption may be used only for personal property controlled by the qualified business. This exemption shall also apply to delivery charges and charges for services performed for a qualified business at its zone location, including repair, janitorial, and maintenance services;

r. "Economic Distress Index" means a standardized score developed and maintained by the Department of Community Affairs that equally incorporates the block group unemployment rate and median household income according to the most recent five-year estimate by the United States Census Bureau;

s. "Commercial corridor" means the land area with frontage on a State, county, local, or rail thoroughfare in an enterprise zone which is predominantly commercial or industrial;

t. "Transportation corridor" means a broad geographical band that follows a general directional flow or connects major sources of trips. It may contain a number of streets and highways and transit lines or routes;

u. "Improvement of transportation infrastructure" means the undertaking of a capital project for the construction, repair, upgrade, or maintenance of transportation infrastructure;

v. "Transportation infrastructure" includes, but is not limited to:

(1) all public highways, roads, bridges, and streets in the State, whether maintained by the State or by any county, municipality, or other political subdivision; and

(2) public transportation facilities used in connection with public transportation service, such as passenger stations, shelters, and terminals, automobile and bus parking facilities, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights-of-way, equipment storage and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment, and any other equipment, facility, or property useful or related to the provision of public transportation service;

w. "Public transportation service" means rail passenger service, motorbus regular route service, paratransit service, motorbus charter service, and ferry passenger service;

x. "Rail passenger service" means and includes the operations of a railroad, subway, street, traction, or electric railway for the purpose of carrying passengers in this State or between points in this State and points in other states;

y. "Motorbus regular route service" means and includes the operation of any motorbus or motorbuses on streets, public highways, or other facilities over a fixed route and between fixed termini on a regular schedule for the purpose of carrying passengers for hire or otherwise in this State or between points in this State and points in other states;

z. "Paratransit services" means and includes any service, other than motorbus regular route service and charter services, including, but not limited to, dial-a-ride, non-regular route, jitney or community minibus, and shared-ride services such as vanpools, limousines, or taxicabs which are regularly available to the public. Paratransit services shall not include limousine or taxicab service reserved for the private and exclusive use of individual passengers;

aa. "Motorbus charter service" means and includes subscription, tour, other special motorbus services, school bus services, or charter services as set forth in section 7 of P.L.1979, c.150 (C.27:25-7); and

bb. "Ferry passenger service" means any service which involves the carriage of persons for compensation or hire by waterborne craft in this State or between points in this State and points in other states.

2. This act shall take effect immediately.

Approved September 12, 2024.