

[First Reprint]

ASSEMBLY, No. 3914

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED JUNE 20, 2016

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

SYNOPSIS

Allows existing rural development areas zoned for industrial use under pinelands comprehensive management plan to be included as eligible areas under certain business incentive programs.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce and Economic Development Committee on September 8, 2016, with amendments.



1 AN ACT concerning eligibility under certain business incentive
2 programs and amending P.L.2011, c.149 and P.L.2009, c.90.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to
8 read as follows:

9 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

10 "Affiliate" means an entity that directly or indirectly controls, is
11 under common control with, or is controlled by the business.
12 Control exists in all cases in which the entity is a member of a
13 controlled group of corporations as defined pursuant to section 1563
14 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the
15 entity is an organization in a group of organizations under common
16 control as defined pursuant to subsection (b) or (c) of section 414 of
17 the Internal Revenue Code of 1986 (26 U.S.C. s.414). A taxpayer
18 may establish by clear and convincing evidence, as determined by
19 the Director of the Division of Taxation in the Department of the
20 Treasury, that control exists in situations involving lesser
21 percentages of ownership than required by those statutes. An
22 affiliate of a business may contribute to meeting either the qualified
23 investment or full-time employee requirements of a business that
24 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-
25 209).

26 "Authority" means the New Jersey Economic Development
27 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

28 "Aviation district" means the area within a one-mile radius of the
29 outermost boundary of the "Atlantic City International Airport,"
30 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
31 24).

32 "Business" means an applicant proposing to own or lease
33 premises in a qualified business facility that is:

34 a corporation that is subject to the tax imposed pursuant to
35 section 5 of P.L.1945, c.162 (C.54:10A-5);

36 a corporation that is subject to the tax imposed pursuant to
37 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
38 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

39 a partnership;

40 an S corporation;

41 a limited liability company; or

42 a non-profit corporation.

43 If the business or tenant is a cooperative or part of a cooperative,
44 then the cooperative may qualify for credits by counting the full-
45 time employees and capital investments of its member

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted September 8, 2016.

1 organizations, and the cooperative may distribute credits to its
2 member organizations. If the business or tenant is a cooperative
3 that leases to its member organizations, the lease shall be treated as
4 a lease to an affiliate or affiliates.

5 A business shall include an affiliate of the business if that
6 business applies for a credit based upon any capital investment
7 made by or full-time employees of an affiliate.

8 "Capital investment" in a qualified business facility means
9 expenses by a business or any affiliate of the business incurred after
10 application for:

11 a. site preparation and construction, repair, renovation,
12 improvement, equipping, or furnishing on real property or of a
13 building, structure, facility, or improvement to real property;

14 b. obtaining and installing furnishings and machinery,
15 apparatus, or equipment, including but not limited to material goods
16 subject to bonus depreciation under sections 168 and 179 of the
17 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the
18 operation of a business on real property or in a building, structure,
19 facility, or improvement to real property;

20 c. receiving Highlands Development Credits under the
21 Highlands Transfer Development Rights Program authorized
22 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

23 d. any of the foregoing.

24 In addition to the foregoing, in a Garden State Growth Zone, the
25 following qualify as a capital investment: any **【and all】**
26 development, redevelopment, and relocation costs, including, but
27 not limited to, site acquisition if made within 24 months of
28 application to the authority, engineering, legal, accounting, and
29 other professional services required; and relocation, environmental
30 remediation, and infrastructure improvements for the project area,
31 including, but not limited to, on- and off-site utility, road, pier,
32 wharf, bulkhead, or sidewalk construction or repair.

33 In addition to the foregoing, if a business acquires or leases a
34 qualified business facility, the capital investment made or acquired
35 by the seller or owner, as the case may be, if pertaining primarily to
36 the premises of the qualified business facility, shall be considered a
37 capital investment by the business and, if pertaining generally to the
38 qualified business facility being acquired or leased, shall be
39 allocated to the premises of the qualified business facility on the
40 basis of the gross leasable area of the premises in relation to the
41 total gross leasable area in the qualified business facility. The
42 capital investment described herein may include any capital
43 investment made or acquired within 24 months prior to the date of
44 application so long as the amount of capital investment made or
45 acquired by the business, any affiliate of the business, or any owner
46 after the date of application equals at least 50 percent of the amount
47 of capital investment, allocated to the premises of the qualified
48 business facility being acquired or leased on the basis of the gross

1 leasable area of **【such】** the premises in relation to the total gross
2 leasable area in the qualified business facility made or acquired
3 prior to the date of application.

4 "Commitment period" means the period of time that is 1.5 times
5 the eligibility period.

6 "Deep poverty pocket" means a population census tract having a
7 poverty level of 20 percent or more, and which is located within the
8 qualified incentive area and has been determined by the authority to
9 be an area appropriate for development and in need of economic
10 development incentive assistance.

11 "Disaster recovery project" means a project located on property
12 that has been wholly or substantially damaged or destroyed as a
13 result of a federally-declared disaster which, after utilizing all
14 disaster funds available from federal, State, county, and local
15 funding sources, demonstrates to the satisfaction of the authority
16 that access to additional funding authorized pursuant to the "New
17 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
18 (C.52:27D-489p et al.), is necessary to complete **【such】** the
19 redevelopment project, and which is located within the qualified
20 incentive area and has been determined by the authority to be in an
21 area appropriate for development and in need of economic
22 development incentive assistance.

23 "Distressed municipality" means a municipality that is qualified
24 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
25 municipality under the supervision of the Local Finance Board
26 pursuant to the provisions of the "Local Government Supervision
27 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
28 identified by the Director of the Division of Local Government
29 Services in the Department of Community Affairs to be facing
30 serious fiscal distress, a SDA municipality, or a municipality in
31 which a major rail station is located.

32 "Eligibility period" means the period in which a business may
33 claim a tax credit under the Grow New Jersey Assistance Program,
34 beginning with the tax period in which the authority accepts
35 certification of the business that it has met the capital investment
36 and employment requirements of the Grow New Jersey Assistance
37 Program and extending thereafter for a term of not more than 10
38 years, with the term to be determined solely at the discretion of the
39 applicant.

40 "Eligible position" or "full-time job" means a full-time position
41 in a business in this State which the business has filled with a full-
42 time employee.

43 "Full-time employee" means a person:

44 a. who is employed by a business for consideration for at least
45 35 hours a week, or who renders any other standard of service
46 generally accepted by custom or practice as full-time employment

47 **¹【.】:**¹ or

1 b. who is employed by a professional employer organization
2 pursuant to an employee leasing agreement between the business
3 and the professional employer organization, in accordance with
4 P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or
5 who renders any other standard of service generally accepted by
6 custom or practice as full-time employment, and whose wages are
7 subject to withholding as provided in the "New Jersey Gross
8 Income Tax Act," N.J.S.54A:1-1 et seq. **'[.];'** or

9 c. who is a resident of another State but whose income is not
10 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
11 et seq. or who is a partner of a business who works for the
12 partnership for at least 35 hours a week, or who renders any other
13 standard of service generally accepted by custom or practice as full-
14 time employment, and whose distributive share of income, gain,
15 loss, or deduction, or whose guaranteed payments, or any
16 combination thereof, is subject to the payment of estimated taxes, as
17 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
18 et seq. **'[.];'** and

19 d. who, except for purposes of the Statewide workforce, is
20 provided, by the business, with employee health benefits under a
21 health benefits plan authorized pursuant to State or federal law.

22 With respect to a logistics, manufacturing, energy, defense,
23 aviation, or maritime business, excluding primarily warehouse or
24 distribution operations, located in a port district having a container
25 terminal:

26 the requirement that employee health benefits are to be provided
27 shall be deemed to be satisfied if **[such]** the benefits are provided
28 in accordance with industry practice by a third party obligated to
29 provide such benefits pursuant to a collective bargaining agreement;

30 full-time employment shall include, but not be limited to,
31 employees that have been hired by way of a labor union hiring hall
32 or its equivalent;

33 35 hours of employment per week at a qualified business facility
34 shall constitute one "full-time employee," regardless of whether or
35 not the hours of work were performed by one or more persons.

36 For any project located in a Garden State Growth Zone which
37 qualifies under the "Municipal Rehabilitation and Economic
38 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any
39 project located in the Atlantic City Tourism District as established
40 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
41 by the Casino Reinvestment Development Authority, and which
42 will include a retail facility of at least 150,000 square feet, of which
43 at least 50 percent will be occupied by either a full-service
44 supermarket or grocery store, 30 hours of employment per week at a
45 qualified business facility shall constitute one "full-time employee,"
46 regardless of whether **[or not]** the hours of work were performed
47 by one or more persons, and the requirement that employee health

1 benefits are to be provided shall be deemed to be satisfied if the
2 employees of the business are covered by a collective bargaining
3 agreement.

4 "Full-time employee" shall not include any person who works as
5 an independent contractor or on a consulting basis for the business.
6 Full-time employee shall also not include any person who at the
7 time of project application works in New Jersey for consideration
8 for at least 35 hours per week, or who renders any other standard of
9 service generally accepted by custom or practice as full-time
10 employment but who prior to project application was not provided,
11 by the business, with employee health benefits under a health
12 benefits plan authorized pursuant to State or federal law.

13 "Garden State Growth Zone" or "growth zone" means the four
14 New Jersey cities with the lowest median family income based on
15 the 2009 American Community Survey from the US Census, (Table
16 708. Household, Family, and Per Capita Income and Individuals,
17 and Families Below Poverty Level by City: 2009); or a municipality
18 which contains a Tourism District as established pursuant to section
19 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
20 Reinvestment Development Authority.

21 "Highlands development credit receiving area or redevelopment
22 area" means an area located within a qualified incentive area and
23 designated by the Highlands Water Protection and Planning Council
24 for the receipt of Highlands Development Credits under the
25 Highlands Transfer Development Rights Program authorized
26 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13).

27 "Incentive agreement" means the contract between the business
28 and the authority, which sets forth the terms and conditions under
29 which the business shall be eligible to receive the incentives
30 authorized pursuant to the program.

31 "Incentive effective date" means the date the authority issues a
32 tax credit based on documentation submitted by a business pursuant
33 to paragraph (1) of subsection b. of section 6 of P.L.2011, c.149
34 (C.34:1B-247).

35 "Major rail station" means a railroad station located within a
36 qualified incentive area which provides access to the public to a
37 minimum of six rail passenger service lines operated by the New
38 Jersey Transit Corporation.

39 "Mega project" means:

40 a. a qualified business facility located in a port district housing
41 a business in the logistics, manufacturing, energy, defense, or
42 maritime industries, either:

43 (1) having a capital investment in excess of \$20,000,000, and at
44 which more than 250 full-time employees of **[such]** the business
45 are created or retained ¹**[.];**¹ or

46 (2) at which more than 1,000 full-time employees of **[such]** the
47 business are created or retained;

1 b. a qualified business facility located in an aviation district
2 housing a business in the aviation industry, in a Garden State
3 Growth Zone, or in a priority area housing the United States
4 headquarters and related facilities of an automobile manufacturer,
5 either:

6 (1) having a capital investment in excess of \$20,000,000, and at
7 which more than 250 full-time employees of **[such]** the business
8 are created or retained¹**[.]**¹or

9 (2) at which more than 1,000 full-time employees of **[such]** the
10 business are created or retained;

11 c. a qualified business facility located in an urban transit hub
12 housing a business of any kind, having a capital investment in
13 excess of \$50,000,000, and at which more than 250 full-time
14 employees of **[a]** the business are created or retained;

15 d. a project located in an area designated in need of
16 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)
17 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
18 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
19 Ocean, or Salem counties having a capital investment in excess of
20 \$20,000,000, and at which more than 150 full-time employees of
21 **[a]** the business are created or retained; or

22 e. a qualified business facility primarily used by a business
23 principally engaged in research, development, or manufacture of a
24 drug or device, as defined in R.S.24:1-1, or primarily used by a
25 business licensed to conduct a clinical laboratory and business
26 facility pursuant to the "New Jersey Clinical Laboratory
27 Improvement Act," P.L.1975, c.166 (C.45:9-42.26 et seq.), either:

28 (1) having a capital investment in excess of \$20,000,000, and at
29 which more than 250 full-time employees of **[such]** the business
30 are created or retained¹**[.]**¹or

31 (2) at which more than 1,000 full-time employees of **[such]** the
32 business are created or retained.

33 "Minimum environmental and sustainability standards" means
34 standards established by the authority in accordance with the green
35 building manual prepared by the Commissioner of Community
36 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
37 regarding the use of renewable energy, energy-efficient technology,
38 and non-renewable resources in order to reduce environmental
39 degradation and encourage long-term cost reduction.

40 "Moderate-income housing" means housing affordable,
41 according to United States Department of Housing and Urban
42 Development or other recognized standards for home ownership
43 and rental costs, and occupied or reserved for occupancy by
44 households with a gross household income equal to more than 50
45 percent but less than 80 percent of the median gross household
46 income for households of the same size within the housing region in
47 which the housing is located.

1 "Municipal Revitalization Index" means the 2007 index by the
2 Office for Planning Advocacy within the Department of State
3 measuring or ranking municipal distress.

4 "New full-time job" means an eligible position created by the
5 business at the qualified business facility that did not previously
6 exist in this State. For the purposes of determining a number of
7 new full-time jobs, the eligible positions of an affiliate shall be
8 considered eligible positions of the business.

9 "Other eligible area" means the portions of the qualified
10 incentive area that are not located within a distressed municipality,
11 or the priority area.

12 "Partnership" means an entity classified as a partnership for
13 federal income tax purposes.

14 "Port district" means the portions of a qualified incentive area
15 that are located within:

16 a. the "Port of New York District" of the Port Authority of
17 New York and New Jersey, as defined in Article II of the Compact
18 Between the States of New York and New Jersey of 1921; or

19 b. a 15-mile radius of the outermost boundary of each marine
20 terminal facility established, acquired, constructed, rehabilitated, or
21 improved by the South Jersey Port District established pursuant to
22 "The South Jersey Port Corporation Act," P.L.1968, c.60
23 (C.12:11A-1 et seq.).

24 "Priority area" means the portions of the qualified incentive area
25 that are not located within a distressed municipality and which:

26 a. are designated pursuant to the "State Planning Act,"
27 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1
28 (Metropolitan), Planning Area 2 (Suburban), a designated center
29 under the State Development and Redevelopment Plan, or a
30 designated growth center in an endorsed plan until June 30, 2013, or
31 until the State Planning Commission revises and readopts New
32 Jersey's State Strategic Plan and adopts regulations to revise this
33 definition;

34 b. intersect with portions of: a deep poverty pocket, a port
35 district, or federally-owned land approved for closure under a
36 federal Commission on Base Realignment and Closure action;

37 c. are the proposed site of a disaster recovery project, a
38 qualified incubator facility, a highlands development credit
39 receiving area or redevelopment area, a tourism destination project,
40 or transit oriented development; or

41 d. contain: a vacant commercial building having over 400,000
42 square feet of office, laboratory, or industrial space available for
43 occupancy for a period of over one year; or a site that has been
44 negatively impacted by the approval of a "qualified business
45 facility," as defined pursuant to section 2 of P.L.2007, c.346
46 (C.34:1B-208).

1 "Professional employer organization" means an employee leasing
2 company registered with the Department of Labor and Workforce
3 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

4 "Program" means the "Grow New Jersey Assistance Program"
5 established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244).

6 "Qualified business facility" means any building, complex of
7 buildings or structural components of buildings, and all machinery
8 and equipment located within a qualified incentive area, used in
9 connection with the operation of a business that is not engaged in
10 final point of sale retail business at that location unless the building,
11 complex of buildings or structural components of buildings, and all
12 machinery and equipment located within a qualified incentive area,
13 are used in connection with the operation of:

14 a. a final point of sale retail business located in a Garden State
15 Growth Zone that will include a retail facility of at least 150,000
16 square feet, of which at least 50 percent is occupied by either a full-
17 service supermarket or grocery store; or

18 b. a tourism destination project located in the Atlantic City
19 Tourism District as established pursuant to section 5 of P.L.2011,
20 c.18 (C.5:12-219).

21 "Qualified incentive area" means:

22 a. an aviation district;

23 b. a port district;

24 c. a distressed municipality or urban transit hub municipality;

25 d. an area (1) designated pursuant to the "State Planning Act,"
26 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

27 (a) Planning Area 1 (Metropolitan);

28 (b) Planning Area 2 (Suburban); or

29 (c) Planning Area 3 (Fringe Planning Area);

30 (2) located within a smart growth area and planning area
31 designated in a master plan adopted by the New Jersey
32 Meadowlands Commission pursuant to subsection (i) of section 6 of
33 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
34 adopted by the New Jersey Meadowlands Commission pursuant to
35 section 20 of P.L.1968, c.404 (C.13:17-21);

36 (3) located within any land owned by the New Jersey Sports and
37 Exposition Authority, established pursuant to P.L.1971, c.137
38 (C.5:10-1 et seq.), within the boundaries of the Hackensack
39 Meadowlands District as delineated in section 4 of P.L.1968, c.404
40 (C.13:17-4);

41 (4) located within a regional growth area, rural development
42 area zoned for industrial use ¹as of the effective date of P.L. _____,
43 c. _____ (C. _____) (pending before the Legislature as this bill) ¹, town,
44 village, or a military and federal installation area designated in the
45 comprehensive management plan prepared and adopted by the
46 Pinelands Commission pursuant to the "Pinelands Protection Act,"
47 P.L.1979, c.111 (C.13:18A-1 et seq.);

1 (5) located within the planning area of the Highlands Region as
2 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
3 development credit receiving area or redevelopment area;

4 (6) located within a Garden State Growth Zone;

5 (7) located within land approved for closure under any federal
6 Commission on Base Realignment and Closure action; or

7 (8) located only within the following portions of the areas
8 designated pursuant to the "State Planning Act," P.L.1985, c.398
9 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
10 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
11 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
12 Planning Area), Planning Area 4B (Rural/Environmentally
13 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
14 located within:

15 (a) a designated center under the State Development and
16 Redevelopment Plan;

17 (b) a designated growth center in an endorsed plan until the
18 State Planning Commission revises and readopts New Jersey's State
19 Strategic Plan and adopts regulations to revise this definition as it
20 pertains to Statewide planning areas;

21 (c) any area determined to be in need of redevelopment pursuant
22 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
23 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
24 P.L.1992, c.79 (C.40A:12A-14);

25 (d) any area on which a structure exists or previously existed
26 including any desired expansion of the footprint of the existing or
27 previously existing structure provided **【such】** the expansion
28 otherwise complies with all applicable federal, State, county, and
29 local permits and approvals;

30 (e) the planning area of the Highlands Region as defined in
31 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
32 development credit receiving area or redevelopment area; or

33 (f) any area on which an existing tourism destination project is
34 located.

35 "Qualified incentive area" shall not include any property located
36 within the preservation area of the Highlands Region as defined in
37 section 3 of P.L.2004, c.120 (C.13:20-3).

38 "Qualified incubator facility" means a commercial building
39 located within a qualified incentive area: which contains 50,000 or
40 more square feet of office, laboratory, or industrial space; which is
41 located near, and presents opportunities for collaboration with, a
42 research institution, teaching hospital, college, or university; and
43 within which, at least 50 percent of the gross leasable area is
44 restricted for use by one or more technology startup companies
45 during the commitment period.

46 "Retained full-time job" means an eligible position that currently
47 exists in New Jersey and is filled by a full-time employee but
48 which, because of a potential relocation by the business, is at risk of

1 being lost to another state or country, or eliminated. For the
2 purposes of determining a number of retained full-time jobs, the
3 eligible positions of an affiliate shall be considered eligible
4 positions of the business. For the purposes of the certifications and
5 annual reports required in the incentive agreement pursuant to
6 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the
7 extent an eligible position that was the basis of the award no longer
8 exists, a business shall include as a retained full-time job a new
9 eligible position that is filled by a full-time employee provided that
10 the position is included in the order of date of hire and is not the
11 basis for any other incentive award. For a project located in a
12 Garden State Growth Zone which qualified for the "Municipal
13 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
14 (C.52:27BBB-1 et al.), retained full-time job shall include any
15 employee previously employed in New Jersey and transferred to the
16 new location in the Garden State Growth Zone which qualified for
17 the "Municipal Rehabilitation and Economic Recovery Act,"
18 P.L.2002, c.43 (C.52:27BBB-1 et al.).

19 "SDA district" means an SDA district as defined in section 3 of
20 P.L.2000, c.72 (C.18A:7G-3).

21 "SDA municipality" means a municipality in which an SDA
22 district is situate.

23 "Targeted industry" means any industry identified from time to
24 time by the authority including initially, a transportation,
25 manufacturing, defense, energy, logistics, life sciences, technology,
26 health, and finance business, but excluding a primarily warehouse
27 or distribution business.

28 "Technology startup company" means a for profit business that
29 has been in operation fewer than five years and is developing or
30 possesses a proprietary technology or business method of a high-
31 technology or life science-related product, process, or service which
32 the business intends to move to commercialization.

33 "Tourism destination project" means a qualified non-gaming
34 business facility that will be among the most visited privately
35 owned or operated tourism or recreation sites in the State, and
36 which is located within the qualified incentive area and has been
37 determined by the authority to be in an area appropriate for
38 development and in need of economic development incentive
39 assistance, including a non-gaming business within an established
40 Tourism District with a significant impact on the economic viability
41 of that District.

42 "Transit oriented development" means a qualified business
43 facility located within a 1/2-mile radius, or one-mile radius for
44 projects located in a Garden State Growth Zone, surrounding the
45 mid-point of a New Jersey Transit Corporation, Port Authority
46 Transit Corporation, or Port Authority Trans-Hudson Corporation
47 rail, bus, or ferry station platform area, including all light rail
48 stations.

1 "Urban transit hub" means an urban transit hub, as defined in
2 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
3 an eligible municipality, as defined in section 2 of P.L.2007, c.346
4 (C.34:1B-208) and also located within a qualified incentive area.

5 "Urban transit hub municipality" means a municipality: a. which
6 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
7 seq.), or which has continued to be a qualified municipality
8 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent
9 or more of the value of real property was exempt from local
10 property taxation during tax year 2006. The percentage of exempt
11 property shall be calculated by dividing the total exempt value by
12 the sum of the net valuation which is taxable and that which is tax
13 exempt.

14 (cf: P.L.2015, c.217, s.1)

15
16 2. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
17 read as follows:

18 3. As used in sections 3 through 18 of P.L.2009, c.90
19 (C.52:27D-489c et al.):

20 "Applicant" means a developer proposing to enter into a
21 redevelopment incentive grant agreement.

22 "Ancillary infrastructure project" means structures or
23 improvements that are located within the incentive area but outside
24 the project area of a redevelopment project, including, but not
25 limited to, docks, bulkheads, parking garages, freight rail spurs,
26 roadway overpasses, and train station platforms, provided a
27 developer or municipal redeveloper has demonstrated that the
28 redevelopment project would not be economically viable or
29 promote the use of public transportation without such
30 improvements, as approved by the State Treasurer.

31 "Authority" means the New Jersey Economic Development
32 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
33 4).

34 "Aviation district" means the area within a one-mile radius of the
35 outermost boundary of the "Atlantic City International Airport,"
36 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
37 24).

38 "Deep poverty pocket" means a population census tract having a
39 poverty level of 20 percent or more, and which is located within the
40 incentive area and has been determined by the authority to be an
41 area appropriate for development and in need of economic
42 development incentive assistance.

43 "Developer" means any person who enters or proposes to enter
44 into a redevelopment incentive grant agreement pursuant to the
45 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
46 successors or **1[assigns] assignees¹**, including but not limited to a
47 lender that completes a redevelopment project, operates a
48 redevelopment project, or completes and operates a redevelopment

1 project. A developer also may be a municipal redeveloper as
2 defined herein or Rutgers, the State University of New Jersey.

3 "Director" means the Director of the Division of Taxation in the
4 Department of the Treasury.

5 "Disaster recovery project" means a redevelopment project
6 located on property that has been wholly or substantially damaged
7 or destroyed as a result of a federally-declared disaster, and which
8 is located within the incentive area and has been determined by the
9 authority to be in an area appropriate for development and in need
10 of economic development incentive assistance.

11 "Distressed municipality" means a municipality that is qualified
12 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
13 municipality under the supervision of the Local Finance Board
14 pursuant to the provisions of the "Local Government Supervision
15 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
16 identified by the Director of the Division of Local Government
17 Services in the Department of Community Affairs to be facing
18 serious fiscal distress, a SDA municipality, or a municipality in
19 which a major rail station is located.

20 "Eligibility period" means the period of time specified in a
21 redevelopment incentive grant agreement for the payment of
22 reimbursements to a developer, which period shall not exceed 20
23 years, with the term to be determined solely at the discretion of the
24 applicant.

25 "Eligible revenue" means the property tax increment and any
26 other incremental revenues set forth in section 11 of P.L.2009, c.90
27 (C.52:27D-489k), except in the case of a Garden State Growth
28 Zone, in which **[such]** the property tax increment and any other
29 incremental revenues are calculated as those incremental revenues
30 that would have existed notwithstanding the provisions of the "New
31 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
32 (C.52:27D-489p et al.).

33 "Garden State Growth Zone" or "growth zone" means the four
34 New Jersey cities with the lowest median family income based on
35 the 2009 American Community Survey from the US Census, (Table
36 708. Household, Family, and Per Capita Income and Individuals,
37 and Families Below Poverty Level by City: 2009); or a municipality
38 which contains a Tourism District as established pursuant to section
39 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
40 Reinvestment Development Authority.

41 "Highlands development credit receiving area or redevelopment
42 area" means an area located within an incentive area and designated
43 by the Highlands Council for the receipt of Highlands Development
44 Credits under the Highlands Transfer Development Rights Program
45 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

46 "Incentive grant" means reimbursement of all or a portion of the
47 project financing gap of a redevelopment project through the State
48 or a local Economic Redevelopment and Growth Grant program

1 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
2 or C.52:27D-489e).

3 "Infrastructure improvements in the public right-of-way" mean
4 public structures or improvements located in the public **right of**
5 **way** right-of-way that are located within a project area or that
6 constitute an ancillary infrastructure project, either of which are
7 dedicated to or owned by a governmental body or agency upon
8 completion, or any required payment in lieu of the structures,
9 improvements or projects, or any costs of remediation associated
10 with the structures, improvements or projects, and that are
11 determined by the authority, in consultation with applicable State
12 agencies, to be consistent with and in furtherance of State public
13 infrastructure objectives and initiatives.

14 "Low-income housing" means housing affordable according to
15 federal Department of Housing and Urban Development or other
16 recognized standards for home ownership and rental costs and
17 occupied or reserved for occupancy by households with a gross
18 household income equal to 50 percent or less of the median gross
19 household income for households of the same size within the
20 housing region in which the housing is located.

21 "Major rail station" means a railroad station located within a
22 qualified incentive area which provides access to the public to a
23 minimum of six rail passenger service lines operated by the New
24 Jersey Transit Corporation.

25 "Mixed use parking project" means a redevelopment project, the
26 parking component of which shall constitute 51 percent or more of
27 any of the following:

- 28 a. the total square footage of the entire mixed use parking
29 project;
- 30 b. the estimated revenues of the entire mixed use parking
31 project; or
- 32 c. the total construction cost of the entire mixed use parking
33 project.

34 "Moderate-income housing" means housing affordable,
35 according to United States Department of Housing and Urban
36 Development or other recognized standards for home ownership
37 and rental costs, and occupied or reserved for occupancy by
38 households with a gross household income equal to more than 50
39 percent but less than 80 percent of the median gross household
40 income for households of the same size within the housing region in
41 which the housing is located.

42 "Municipal redeveloper" means an applicant for a redevelopment
43 incentive grant agreement, which applicant is:

- 44 a. a municipal government, a municipal parking authority, or a
45 redevelopment agency acting on behalf of a municipal government
46 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
- 47 b. a developer of a mixed use parking project, provided that the
48 parking component of the mixed use parking project is operated and

1 maintained by a municipal parking authority for the term of any
2 financial assistance granted pursuant to P.L.2015, c.69.

3 "Municipal Revitalization Index" means the 2007 index by the
4 Office for Planning Advocacy within the Department of State
5 measuring or ranking municipal distress.

6 "Non-parking component" means that portion of a mixed use
7 parking project not used for parking, together with the portion of
8 the costs of the mixed use parking project, including but not limited
9 to the footings, foundations, site work, infrastructure, and soft costs
10 that are allocable to the non-parking use.

11 "Parking component" means that portion of a mixed use parking
12 project used for parking, together with the portion of the costs of
13 the mixed use parking project, including but not limited to the
14 footings, foundations, site work, infrastructure, and soft costs that
15 are allocable to the parking use.

16 "Project area" means land or lands located within the incentive
17 area under common ownership or control including through a
18 redevelopment agreement with a municipality, or as otherwise
19 established by a municipality or a redevelopment agreement
20 executed by a State entity to implement a redevelopment project.

21 "Project cost" means the costs incurred in connection with the
22 redevelopment project by the developer until the issuance of a
23 permanent certificate of occupancy, or until such other time
24 specified by the authority, for a specific investment or
25 improvement, including the costs relating to receiving Highlands
26 Development Credits under the Highlands Transfer Development
27 Rights Program authorized pursuant to section 13 of P.L.2004,
28 c.120 (C.13:20-13), lands, buildings, improvements, real or
29 personal property, or any interest therein, including leases
30 discounted to present value, including lands under water, riparian
31 rights, space rights and air rights acquired, owned, developed or
32 redeveloped, constructed, reconstructed, rehabilitated or improved,
33 any environmental remediation costs, plus costs not directly related
34 to construction, of an amount not to exceed 20 percent of the total
35 costs, capitalized interest paid to third parties, and the cost of
36 infrastructure improvements, including ancillary infrastructure
37 projects, and, for projects located in a Garden State Growth Zone
38 only, the cost of infrastructure improvements including any
39 ancillary infrastructure project and the amount by which total
40 project cost exceeds the cost of an alternative location for the
41 redevelopment project, but excluding any particular costs for which
42 the project has received federal, State, or local funding.

43 "Project financing gap" means:

44 a. the part of the total project cost, including return on
45 investment, that remains to be financed after all other sources of
46 capital have been accounted for, including, but not limited to,
47 developer-contributed capital, which shall not be less than 20
48 percent of the total project cost, which may include the value of any

1 existing land and improvements in the project area owned or
2 controlled by the developer, and the cost of infrastructure
3 improvements in the public right-of-way, subject to review by the
4 State Treasurer, and investor or financial entity capital or loans for
5 which the developer, after making all good faith efforts to raise
6 additional capital, certifies that additional capital cannot be raised
7 from other sources on a non-recourse basis; and

8 b. the amount by which total project cost exceeds the cost of an
9 alternative location for the out-of-State redevelopment project.

10 "Project revenue" means all rents, fees, sales, and payments
11 generated by a project, less taxes or other government payments.

12 "Property tax increment" means the amount obtained by:

13 a. multiplying the general tax rate levied each year by the
14 taxable value of all the property assessed within a project area in
15 the same year, excluding any special assessments; and

16 b. multiplying that product by a fraction having a numerator
17 equal to the taxable value of all the property assessed within the
18 project area, minus the property tax increment base, and having a
19 denominator equal to the taxable value of all property assessed
20 within the project area.

21 For the purpose of this definition, "property tax increment base"
22 means the aggregate taxable value of all property assessed which is
23 located within the redevelopment project area as of October 1st of
24 the year proceeding the year in which the redevelopment incentive
25 grant agreement is authorized.

26 "Qualified incubator facility" means a commercial building
27 located within an incentive area: which contains 100,000 or more
28 square feet of office, laboratory, or industrial space; which is
29 located near, and presents opportunities for collaboration with, a
30 research institution, teaching hospital, college, or university; and
31 within which, at least 75 percent of the gross leasable area is
32 restricted for use by one or more technology startup companies
33 during the commitment period.

34 "Qualified residential project" means a redevelopment project
35 that is predominantly residential and includes multi-family
36 residential units for purchase or lease, or dormitory units for
37 purchase or lease, having a total project cost of at least
38 \$17,500,000, if the project is located in any municipality with a
39 population greater than 200,000 according to the latest federal
40 decennial census, or having a total project cost of at least
41 \$10,000,000 if the project is located in any municipality with a
42 population less than 200,000 according to the latest federal
43 decennial census, or is a disaster recovery project, or having a total
44 project cost of \$5,000,000 if the project is in a Garden State Growth
45 Zone.

46 "Qualifying economic redevelopment and growth grant incentive
47 area" or "incentive area" means:

48 a. an aviation district;

- 1 b. a port district;
- 2 c. a distressed municipality; or
- 3 d. an area (1) designated pursuant to the "State Planning Act,"
- 4 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - 5 (a) Planning Area 1 (Metropolitan);
 - 6 (b) Planning Area 2 (Suburban); or
 - 7 (c) Planning Area 3 (Fringe Planning Area);
 - 8 (2) located within a smart growth area and planning area
 - 9 designated in a master plan adopted by the New Jersey
 - 10 Meadowlands Commission pursuant to subsection (i) of section 6 of
 - 11 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
 - 12 adopted by the New Jersey Meadowlands Commission pursuant to
 - 13 section 20 of P.L.1968, c.404 (C.13:17-21);
 - 14 (3) located within any land owned by the New Jersey Sports and
 - 15 Exposition Authority, established pursuant to P.L.1971, c.137
 - 16 (C.5:10-1 et seq.), within the boundaries of the Hackensack
 - 17 Meadowlands District as delineated in section 4 of P.L.1968, c.404
 - 18 (C.13:17-4);
 - 19 (4) located within a regional growth area, **[a]** rural development
 - 20 area zoned for industrial use ¹as of the effective date of P.L. _____,
 - 21 c. _____ (C. _____) (pending before the Legislature as this bill)¹, town,
 - 22 village, or a military and federal installation area designated in the
 - 23 comprehensive management plan prepared and adopted by the
 - 24 Pinelands Commission pursuant to the "Pinelands Protection Act,"
 - 25 P.L.1979, c.111 (C.13:18A-1 et seq.);
 - 26 (5) located within the planning area of the Highlands Region as
 - 27 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
 - 28 highlands development credit receiving area or redevelopment area;
 - 29 (6) located within a Garden State Growth Zone;
 - 30 (7) located within land approved for closure under any federal
 - 31 Base Closure and Realignment Commission action; or
 - 32 (8) located only within the following portions of the areas
 - 33 designated pursuant to the "State Planning Act," P.L.1985, c.398
 - 34 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
 - 35 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
 - 36 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
 - 37 Planning Area), Planning Area 4B (Rural/Environmentally
 - 38 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
 - 39 located within:
 - 40 (a) a designated center under the State Development and
 - 41 Redevelopment Plan;
 - 42 (b) a designated growth center in an endorsed plan until the
 - 43 State Planning Commission revises and readopts New Jersey's State
 - 44 Strategic Plan and adopts regulations to revise this definition as it
 - 45 pertains to Statewide planning areas;
 - 46 (c) any area determined to be in need of redevelopment pursuant
 - 47 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and

1 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
2 P.L.1992, c.79 (C.40A:12A-14);

3 (d) any area on which a structure exists or previously existed
4 including any desired expansion of the footprint of the existing or
5 previously existing structure provided **【such】** the expansion
6 otherwise complies with all applicable federal, State, county, and
7 local permits and approvals;

8 (e) the planning area of the Highlands Region as defined in
9 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
10 development credit receiving area or redevelopment area; or

11 (f) any area on which an existing tourism destination project is
12 located.

13 "Qualifying economic redevelopment and growth grant incentive
14 area" or "incentive area" shall not include any property located
15 within the preservation area of the Highlands Region as defined in
16 the "Highlands Water Protection and Planning Act," P.L.2004,
17 c.120 (C.13:20-1 et al.).

18 "Redevelopment incentive grant agreement" means an agreement
19 between:

20 a. the State and the New Jersey Economic Development
21 Authority and a developer; or

22 b. a municipality and a developer, or a municipal ordinance
23 authorizing a project to be undertaken by a municipal redeveloper,
24 under which, in exchange for the proceeds of an incentive grant, the
25 developer agrees to perform any work or undertaking necessary for
26 a redevelopment project, including the clearance, development or
27 redevelopment, construction, or rehabilitation of any structure or
28 improvement of commercial, industrial, residential, or public
29 structures or improvements within a qualifying economic
30 redevelopment and growth grant incentive area or a transit village.

31 "Redevelopment project" means a specific construction project
32 or improvement, including lands, buildings, improvements, real and
33 personal property or any interest therein, including lands under
34 water, riparian rights, space rights and air rights, acquired, owned,
35 leased, developed or redeveloped, constructed, reconstructed,
36 rehabilitated or improved, undertaken by a developer, owner or
37 tenant, or both, within a project area and any ancillary infrastructure
38 project including infrastructure improvements in the public right of
39 way, as set forth in an application to be made to the authority. The
40 use of the term "redemption project" in sections 3 through 18 of
41 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
42 redevelopment projects located in areas determined to be in need of
43 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
44 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but not be
45 limited to, any work or undertaking in accordance with the
46 "Redevelopment Area Bond Financing Law," sections 1 through 10
47 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
48 pursuant to a redevelopment plan adopted by a State entity, or as

1 described in the resolution adopted by a public entity created by
2 State law with the power to adopt a redevelopment plan or
3 otherwise determine the location, type and character of a
4 redevelopment project or part of a redevelopment project on land
5 owned or controlled by it or within its jurisdiction, including but
6 not limited to, the New Jersey Meadowlands Commission
7 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
8 New Jersey Sports and Exposition Authority established pursuant to
9 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
10 Economic Revitalization Authority created pursuant to P.L.2010,
11 c.51 (C.52:27I-18 et seq.).

12 "Redevelopment utility" means a self-liquidating fund created by
13 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
14 489l) to account for revenues collected and incentive grants paid
15 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
16 revenues dedicated to a redevelopment project.

17 "Revenue increment base" means the amounts of all eligible
18 revenues from sources within the redevelopment project area in the
19 calendar year proceeding the year in which the redevelopment
20 incentive grant agreement is executed, as certified by the State
21 Treasurer for State revenues, and the chief financial officer of the
22 municipality for municipal revenues.

23 "SDA district" means an SDA district as defined in section 3 of
24 P.L.2000, c.72 (C.18A:7G-3).

25 "SDA municipality" means a municipality in which an SDA
26 district is situated.

27 "Technology startup company" means a for profit business that
28 has been in operation fewer than five years and is developing or
29 possesses a proprietary technology or business method of a high-
30 technology or life science-related product, process, or service which
31 the business intends to move to commercialization.

32 "Tourism destination project" means a redevelopment project
33 that will be among the most visited privately owned or operated
34 tourism or recreation sites in the State, and which is located within
35 the incentive area and has been determined by the authority to be in
36 an area appropriate for development and in need of economic
37 development incentive assistance.

38 "Transit project" means a redevelopment project located within a
39 1/2-mile radius, or one-mile radius for projects located in a Garden
40 State Growth Zone, surrounding the mid-point of a New Jersey
41 Transit Corporation, Port Authority Transit Corporation, or Port
42 Authority Trans-Hudson Corporation rail, bus, or ferry station
43 platform area, including all light rail stations.

44 "Transit village" means a community with a bus, train, light rail,
45 or ferry station that has developed a plan to achieve its economic
46 development and revitalization goals and has been designated by
47 the New Jersey Department of Transportation as a transit village.

1 "University infrastructure" means any of the following located
2 on the campus of Rutgers, the State University of New Jersey:

3 a. buildings and structures, such as academic buildings,
4 recreation centers, indoor athletic facilities, public works garages,
5 and water and sewer treatment and pumping facilities;

6 b. open space with improvements, such as athletic fields and
7 other outdoor athletic facilities, planned commons, and parks; and

8 c. transportation facilities, such as bus shelters and parking
9 facilities.

10 "Urban transit hub" means an urban transit hub, as defined in
11 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
12 an eligible municipality, as defined in section 10 of P.L.2007, c.346
13 (C.34:1B-208), or all light rail stations and property located within
14 a one-mile radius of the mid-point of the platform area of such a
15 rail, bus, or ferry station if the property is in a qualified
16 municipality under the "Municipal Rehabilitation and Economic
17 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

18 "Vacant commercial building" means any commercial building
19 or complex of commercial buildings having over 400,000 square
20 feet of office, laboratory, or industrial space that is more than 70
21 percent unoccupied at the time of application to the authority or is
22 negatively impacted by the approval of a "qualified business
23 facility," as defined pursuant to section 2 of P.L.2007, c.346
24 (C.34:1B-208), or any vacant commercial building in a Garden
25 State Growth Zone having over 35,000 square feet of office,
26 laboratory, or industrial space, or over 200,000 square feet of
27 office, laboratory, or industrial space in Atlantic, Burlington,
28 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
29 counties available for occupancy for a period of over one year.

30 "Vacant health facility project" means a redevelopment project
31 where a health facility, as defined by section 2 of P.L.1971, c.136
32 (C.26:2H-2), currently exists and is considered vacant. A health
33 facility shall be considered vacant if at least 70 percent of that
34 facility has not been open to the public or utilized to serve any
35 patients at the time of application to the authority.

36 (cf: P.L.2015, c.242, s.1)

37
38 3. This act shall take effect immediately.