

ASSEMBLY, No. 4510

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JANUARY 19, 2017

Sponsored by:

**Assemblyman VINCENT MAZZEO
District 2 (Atlantic)**

Co-Sponsored by:

Assemblyman C.A.Brown

SYNOPSIS

Provides certain incentives to qualified businesses in Garden State Growth Zones; creates Garden State Growth Zone at Atlantic City International Airport and surrounding area.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/1/2017)

1 AN ACT concerning certain incentives to businesses in Garden State
2 Growth Zones and amending various parts of the statutory law.

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 all areas within the boundaries of the
29 "Atlantic City International Airport," established pursuant to section
30 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
31 Administration William J. Hughes Technical Center and the area
32 within a one-mile radius of the outermost boundary of the "Atlantic
33 City International [Airport," established pursuant to section 24 of
34 P.L.1991, c.252 (C.27:25A-24)] Airport" and the Federal Aviation
35 Administration William J. Hughes Technical Center.

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

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

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

43 a partnership;

44 an S corporation;

45 a limited liability company; or

46 a non-profit corporation.

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.

1 If the business or tenant is a cooperative or part of a cooperative,
2 then the cooperative may qualify for credits by counting the full-
3 time employees and capital investments of its member
4 organizations, and the cooperative may distribute credits to its
5 member organizations. If the business or tenant is a cooperative
6 that leases to its member organizations, the lease shall be treated as
7 a lease to an affiliate or affiliates.

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

11 "Capital investment" in a qualified business facility means
12 expenses by a business or any affiliate of the business incurred after
13 application for:

14 a. site preparation and construction, repair, renovation,
15 improvement, equipping, or furnishing on real property or of a
16 building, structure, facility, or improvement to real property;

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

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

26 d. any of the foregoing.

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

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

1 after the date of application equals at least 50 percent of the amount
2 of capital investment, allocated to the premises of the qualified
3 business facility being acquired or leased on the basis of the gross
4 leasable area of such premises in relation to the total gross leasable
5 area in the qualified business facility made or acquired prior to the
6 date of application.

7 "Commitment period" means the period of time that is 1.5 times
8 the eligibility period.

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

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

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

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

43 "Eligible position" or "full-time job" means a full-time position
44 in a business in this State which the business has filled with a full-
45 time employee.

46 "Full-time employee" means a person:

47 a. who is employed by a business for consideration for at least
48 35 hours a week, or who renders any other standard of service

1 generally accepted by custom or practice as full-time employment,
2 or

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

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

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

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

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

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

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

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

1 one or more persons, and the requirement that employee health
2 benefits are to be provided shall be deemed to be satisfied if the
3 employees of the business are covered by a collective bargaining
4 agreement.

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

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

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

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

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

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

41 "Mega project" means:

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

45 (1) having a capital investment in excess of \$20,000,000, and at
46 which more than 250 full-time employees of such business are
47 created or retained, or

1 (2) at which more than 1,000 full-time employees of such
2 business are created or retained;

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

8 (1) having a capital investment in excess of \$20,000,000, and at
9 which more than 250 full-time employees of such business are
10 created or retained, or

11 (2) at which more than 1,000 full-time employees of such
12 business are created or retained;

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

17 d. a project located in an area designated in need of
18 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)
19 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
20 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
21 Ocean, or Salem counties having a capital investment in excess of
22 \$20,000,000, and at which more than 150 full-time employees of
23 **[a]** such business are created or retained; or

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

30 (1) having a capital investment in excess of \$20,000,000, and at
31 which more than 250 full-time employees of such business are
32 created or retained, or

33 (2) at which more than 1,000 full-time employees of such
34 business are created or retained.

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

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

1 income for households of the same size within the housing region in
2 which the housing is located.

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

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

14 "Partnership" means an entity classified as a partnership for
15 federal income tax purposes.

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

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

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

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

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

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

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

43 d. contain: a vacant commercial building having over 400,000
44 square feet of office, laboratory, or industrial space available for
45 occupancy for a period of over one year; or a site that has been
46 negatively impacted by the approval of a "qualified business
47 facility," as defined pursuant to section 2 of P.L.2007, c.346
48 (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, town, village, or a
42 military and federal installation area designated in the
43 comprehensive management plan prepared and adopted by the
44 Pinelands Commission pursuant to the "Pinelands Protection Act,"
45 P.L.1979, c.111 (C.13:18A-1 et seq.);

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

- 1 (6) located within a Garden State Growth Zone;
- 2 (7) located within land approved for closure under any federal
3 Commission on Base Realignment and Closure action; or
- 4 (8) located only within the following portions of the areas
5 designated pursuant to the "State Planning Act," P.L.1985, c.398
6 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
7 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
8 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
9 Planning Area), Planning Area 4B (Rural/Environmentally
10 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
11 located within:
 - 12 (a) a designated center under the State Development and
13 Redevelopment Plan;
 - 14 (b) a designated growth center in an endorsed plan until the
15 State Planning Commission revises and readopts New Jersey's State
16 Strategic Plan and adopts regulations to revise this definition as it
17 pertains to Statewide planning areas;
 - 18 (c) any area determined to be in need of redevelopment pursuant
19 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-
20 6) or in need of rehabilitation pursuant to section 14 of P.L.1992,
21 c.79 (C.40A:12A-14);
 - 22 (d) any area on which a structure exists or previously existed
23 including any desired expansion of the footprint of the existing or
24 previously existing structure provided such expansion otherwise
25 complies with all applicable federal, State, county, and local
26 permits and approvals;
 - 27 (e) the planning area of the Highlands Region as defined in
28 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
29 development credit receiving area or redevelopment area; or
 - 30 (f) any area on which an existing tourism destination project is
31 located.
- 32 "Qualified incentive area" shall not include any property located
33 within the preservation area of the Highlands Region as defined in
34 section 3 of P.L.2004, c.120 (C.13:20-3).
- 35 "Qualified incubator facility" means a commercial building
36 located within a qualified incentive area: which contains 50,000 or
37 more square feet of office, laboratory, or industrial space; which is
38 located near, and presents opportunities for collaboration with, a
39 research institution, teaching hospital, college, or university; and
40 within which, at least 50 percent of the gross leasable area is
41 restricted for use by one or more technology startup companies
42 during the commitment period.
- 43 "Retained full-time job" means an eligible position that currently
44 exists in New Jersey and is filled by a full-time employee but
45 which, because of a potential relocation by the business, is at risk of
46 being lost to another state or country, or eliminated. For the
47 purposes of determining a number of retained full-time jobs, the
48 eligible positions of an affiliate shall be considered eligible

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

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

18 "SDA municipality" means a municipality in which an SDA
19 district is situate.

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

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

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

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

46 "Urban transit hub" means:

47 a. an urban transit hub, as defined in section 2 of P.L.2007,
48 c.346 (C.34:1B-208), that is located within an eligible municipality,

1 as defined in section 2 of P.L.2007, c.346 (C.34:1B-208) and also
2 located within a qualified incentive area; or

3 b. property located within a one-mile radius of the mid-point of
4 the platform area of a New Jersey Transit Corporation rail station
5 platform area if the property is in a Garden State Growth Zone.

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

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

16

17 2. Section 3 of P.L.2011, c.149 (C.34:1B-244) is amended to
18 read as follows:

19 3. a. The Grow New Jersey Assistance Program is hereby
20 established as a program under the jurisdiction of the New Jersey
21 Economic Development Authority and shall be administered by the
22 authority. The purpose of the program is to encourage economic
23 development and job creation and to preserve jobs that currently
24 exist in New Jersey but which are in danger of being relocated
25 outside of the State. To implement this purpose, the program may
26 provide tax credits to eligible businesses for an eligibility period not
27 to exceed 10 years.

28 To be eligible for any tax credits pursuant to P.L.2011, c.149
29 (C.34:1B-242 et al.), a business's chief executive officer or
30 equivalent officer shall demonstrate to the authority, at the time of
31 application, that:

32 (1) the business, expressly including its landlord or seller, will
33 make, acquire, or lease a capital investment equal to, or greater
34 than, the applicable amount set forth in subsection b. of this section
35 at a qualified business facility at which it will:

36 (a) retain full-time jobs in an amount equal to or greater than the
37 applicable number set forth in subsection c. of this section;

38 (b) create new full-time jobs in an amount equal to or greater
39 than the applicable number set forth in subsection c. of this section;

40 or

41 (c) in combination, retain full-time jobs and create new full-time
42 jobs in an amount equal to or greater than the applicable number set
43 forth in subsection c. of this section;

44 (2) the qualified business facility shall be constructed in
45 accordance with the minimum environmental and sustainability
46 standards;

47 (3) the capital investment resultant from the award of tax credits
48 and the resultant retention and creation of full-time jobs will yield a

1 net positive benefit to the State equaling at least 110 percent of the
2 requested tax credit allocation amount, which determination is
3 calculated prior to taking into account the value of the requested tax
4 credit and shall be based on the benefits generated during the first
5 20 years following the completion of the project, except that:

6 (a) for a mega project or a project located in a Garden State
7 Growth Zone, the determination shall be based on the benefits
8 generated during a period of up to 30 years following the
9 completion of the project, as determined by the authority, and

10 (b) for a project located in a Garden State Growth Zone [which
11 qualified for the "Municipal Rehabilitation and Economic Recovery
12 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.)], the net positive
13 benefit determination shall be based on the benefits generated
14 during a period of up to 35 years following completion of the
15 project, as determined by the authority, and shall equal at least 100
16 percent of the requested tax credit allocation amount and may
17 utilize the value of those property taxes subject to the provisions of
18 section 24 of P.L.2013 c.161 (C.52:27D-489s), or the value of those
19 property taxes that would have been assessed on the new
20 construction, improvements, or substantial rehabilitation of
21 structures on real property if the structures were not exempt because
22 they are on real property owned by a public entity, and incremental
23 sales and excise taxes that are derived from activities within the
24 area and which are rebated or retained by the municipality pursuant
25 to the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
26 (C.52:27H-60 et seq.) or any other law providing for such rebate or
27 retention; and

28 (4) except as provided in subsection f. of this section, the award
29 of tax credits will be a material factor in the business's decision to
30 create or retain the minimum number of new or retained full-time
31 jobs for eligibility under the program.

32 With respect to the provisions of paragraph (3) of this
33 subsection, in the case of a project located in a Garden State
34 Growth Zone, the authority, in its discretion, may award bonuses in
35 its net positive benefit calculation.

36 b. For all projects approved after the effective date of
37 P.L.2013, c.161, the minimum capital investment required to be
38 eligible under this program shall be as follows:

39 (1) for the rehabilitation, improvement, fit-out, or retrofit of an
40 existing industrial, warehousing, logistics, or research and
41 development premises for continued similar use by the business in
42 at least 51 percent of the gross leasable area of the premises, a
43 minimum investment of \$20 per square foot of gross leasable area;

44 (2) for the new construction of an industrial, warehousing,
45 logistics, or research and development premises for similar use by
46 the business in at least 51 percent of the gross leasable area of the
47 premises, a minimum investment of \$60 per square foot of gross
48 leasable area;

1 (3) for the rehabilitation, improvement, fit-out, or retrofit of an
2 existing premises that does not qualify pursuant to paragraph (1) or
3 (2) of this subsection, a minimum investment of \$40 per square foot
4 of gross leasable area; and

5 (4) for the new construction of a premises that does not qualify
6 pursuant to paragraph (1) or (2) of this subsection, a minimum
7 investment of \$120 per square foot of gross leasable area.

8 The minimum capital investment required by this subsection
9 shall be reduced by one-third for projects located in a Garden State
10 Growth Zone or projects located within Atlantic, Burlington,
11 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
12 counties.

13 c. The minimum number of new or retained full-time jobs
14 required to be eligible under this program shall be as follows:

15 (1) for a business that is a technology startup company or a
16 manufacturing company, a minimum of 10 new or 25 retained full-
17 time jobs;

18 (2) for a business engaged primarily in a targeted industry other
19 than a technology startup company or a manufacturing company, a
20 minimum of 25 new or 35 retained full-time jobs; and

21 (3) for any other business, a minimum of 35 new or 50 retained
22 full-time jobs.

23 The minimum number of new or retained full-time jobs required
24 by this subsection shall be reduced by one-quarter for projects
25 located in a Garden State Growth Zone or projects located within
26 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
27 Ocean, or Salem counties.

28 d. To assist the authority in determining whether a proposed
29 capital investment will yield a net positive benefit, the business's
30 chief executive officer, or equivalent officer, shall submit a
31 certification to the authority indicating: (1) that any existing full-
32 time jobs are at risk of leaving the State or being eliminated; (2)
33 that any projected creation or retention, as applicable, of new full-
34 time jobs would not occur but for the provision of tax credits under
35 the program; and (3) that the business's chief executive officer, or
36 equivalent officer, has reviewed the information submitted to the
37 authority and that the representations contained therein are accurate,
38 provided however, that in satisfaction of the provisions of
39 paragraphs (1) and (2) of this subsection, the certification with
40 respect to a project in a Garden State Growth Zone **【**that qualifies
41 under the "Municipal Rehabilitation and Economic Recovery Act,"
42 P.L.2002, c.43 (C.52:27BBB-1 et al.), or a project located in a
43 Garden State Growth Zone which contains a Tourism District as
44 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
45 regulated by the Casino Reinvestment Development Authority,**】**
46 shall indicate that the provision of tax credits under the program is a
47 material factor in the business decision to make a capital investment
48 and locate in a Garden State Growth Zone **【**that qualifies under the

1 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
2 c.43 (C.52:27BBB-1 et al.), or a Garden State Growth Zone which
3 contains a Tourism District as established pursuant to section 5 of
4 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
5 Reinvestment Development Authority¹. In the event that this
6 certification by the business's chief executive officer, or equivalent
7 officer, is found to be willfully false, the authority may revoke any
8 award of tax credits in their entirety, which revocation shall be in
9 addition to any other criminal or civil penalties that the business
10 and the officer may be subject to. When considering an application
11 involving intra-State job transfers, the authority shall require the
12 business to submit the following information as part of its
13 application: a full economic analysis of all locations under
14 consideration by the business; all lease agreements, ownership
15 documents, or substantially similar documentation for the business's
16 current in-State locations; and all lease agreements, ownership
17 documents, or substantially similar documentation for the potential
18 out-of-State location alternatives, to the extent they exist. Based on
19 this information, and any other information deemed relevant by the
20 authority, the authority shall independently verify and confirm, by
21 way of making a factual finding by separate vote of the authority's
22 board, the business's assertion that the jobs are actually at risk of
23 leaving the State, and as to the date or dates at which the authority
24 expects that those jobs would actually leave the State, or, with
25 respect to projects located in a Garden State Growth Zone ²that
26 qualifies under the "Municipal Rehabilitation and Economic
27 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or projects
28 located in a Garden State Growth Zone which contains a Tourism
29 District as established pursuant to section 5 of P.L.2011, c.18
30 (C.5:12-219) and regulated by the Casino Reinvestment
31 Development Authority³, the business's assertion that the provision
32 of tax credits under the program is a material factor in the business's
33 decision to make a capital investment and locate in a Garden State
34 Growth Zone ⁴that qualifies under the "Municipal Rehabilitation
35 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
36 al.), or in a Garden State Growth Zone which contains a Tourism
37 District as established pursuant to section 5 of P.L.2011, c.18
38 (C.5:12-219) and regulated by the Casino Reinvestment
39 Development Authority,⁵ before a business may be awarded any tax
40 credits under this section.

41 e. A project that consists solely of point-of-final-purchase
42 retail facilities shall not be eligible for a grant of tax credits. If a
43 project consists of both point-of-final-purchase retail facilities and
44 non-retail facilities, only the portion of the project consisting of
45 non-retail facilities shall be eligible for a grant of tax credits. For a
46 qualified business facility that is a mixed-use project that includes
47 retail facilities and that is located in a Garden State Growth Zone or
48 the Atlantic City Tourism District as established pursuant to section

1 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
2 Reinvestment Development Authority, retail facilities in an amount
3 up to 7.5 percent of the mixed-use project may be included in the
4 mixed-use project application for a grant of tax credits along with
5 the non-retail facilities, and that application may include in the
6 aggregate the pro-rata number of full-time employees employed by
7 any number of tenants or other occupants of the included retail
8 facilities. If a warehouse facility is part of a point-of-final-purchase
9 retail facility and supplies only that facility, the warehouse facility
10 shall not be eligible for a grant of tax credits. For the purposes of
11 this section, a retail facility of at least 150,000 square feet, of which
12 at least 50 percent is occupied by a full-service supermarket or
13 grocery store, located in a Garden State Growth Zone [which
14 qualified under the "Municipal Rehabilitation and Economic
15 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or a tourism
16 destination project in the Atlantic City Tourism District as
17 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219)],
18 or catalog distribution centers shall not be considered point-of-
19 final-purchase retail facilities.

20 f. The authority may determine as eligible for tax credits under
21 the program any business that is required to respond to a request for
22 proposals and to fulfill a contract with the federal government
23 although the business's chief executive officer or equivalent officer
24 has not demonstrated to the authority that the award of tax credits
25 will be a material factor in the business's decision to retain the
26 minimum number of retained full-time jobs, as otherwise required
27 by this section. The authority may, in its discretion, consider the
28 economic benefit of the retained jobs servicing the contract in
29 conducting a net benefit analysis required by paragraph (4) of
30 subsection a. of this section. For the purposes of this subsection,
31 "retained full-time jobs" includes jobs that are at risk of being
32 eliminated. Applications to the authority for eligibility under the
33 program pursuant to the criteria set forth in this subsection shall be
34 completed by December 31, 2013. Submission of a proposal to the
35 federal government prior to authority approval shall not disqualify a
36 business from the program.

37 g. Nothing shall preclude a business from applying for tax
38 credits under the program for more than one project pursuant to one
39 or more applications.

40 (cf: P.L.2014, c.63, s.3)

41

42 3. Section 5 of P.L.2011, c.149 (C.34:1B-246) is amended to
43 read as follows:

44 5. a. The total amount of the tax credit for an eligible business
45 for each new or retained full-time job shall be as set forth in
46 subsections b. through f. of this section. The total tax credit amount
47 shall be calculated and credited to the business annually for each
48 year of the eligibility period. Notwithstanding any other provisions

1 of P.L.2013, c.161 (C.52:27D-489p et al.), a business may assign its
2 ability to apply for the tax credit under this subsection to a non-
3 profit organization with a mission dedicated to attracting investment
4 and completing development and redevelopment projects in a
5 Garden State Growth Zone. The non-profit organization or
6 organization operating a qualified incubator facility may make an
7 application on behalf of a business which meets the requirements
8 for the tax credit, or a group of non-qualifying businesses or
9 positions, located at a qualified business facility, that shall be
10 considered a unified project for the purposes of the incentives
11 provided under this section. For any project located in a Garden
12 State Growth Zone [that qualifies under the "Municipal
13 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
14 (C.52:27BBB-1 et al.), or any project located in a Garden State
15 Growth Zone which contains a Tourism District as established
16 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
17 by the Casino Reinvestment Development Authority,] and which
18 will include a retail facility of at least 150,000 square feet, of which
19 at least 50 percent will be occupied by either a full-service
20 supermarket or grocery store, a business may assign its ability to
21 apply for the tax credit under this subsection to the developer of the
22 facility. The developer may make an application on behalf of the
23 business which meets the requirements for the tax credit, or a group
24 of non-qualifying businesses located at the business facility, that
25 shall be considered a unified project for the purposes of the
26 incentives provided under this section, and the developer may apply
27 for tax credits available based on the number of jobs provided by
28 the business or businesses and the total capital investment of the
29 business or businesses and the developer.

30 b. The base amount of the tax credit for each new or retained
31 full-time job shall be as follows:

32 (1) for a qualified business facility located within an urban
33 transit hub municipality or Garden State Growth Zone or is a mega
34 project, \$5,000 per year;

35 (2) for a qualified business facility located within a distressed
36 municipality but not qualifying under paragraph (1) of this
37 subsection, \$4,000 per year;

38 (3) for a project in a priority area, \$3,000 per year; and

39 (4) for a project in other eligible areas, \$500 per year.

40 c. In addition to the base amount of the tax credit, the amount
41 of the tax credit to be awarded for each new or retained full-time
42 job shall be increased if the qualified business facility meets any of
43 the following priority criteria or other additional or replacement
44 criteria determined by the authority from time to time in response to
45 evolving economic or market conditions:

46 (1) for a qualified business facility located in a deep poverty
47 pocket or in an area that is the subject of a Choice Neighborhoods

- 1 Transformation Plan funded by the federal Department of Housing
2 and Urban Development, an increase of \$1,500 per year;
- 3 (2) for a qualified business facility located in a qualified
4 incubator facility, an increase of \$500 per year;
- 5 (3) for a qualified business facility located in a mixed-use
6 development that incorporates sufficient moderate income housing
7 on site to accommodate a minimum of 20 percent of the full-time
8 employees of the business, an increase of \$500 per year;
- 9 (4) for a qualified business facility located within a transit
10 oriented development, an increase of \$2,000 per year;
- 11 (5) for a qualified business facility, other than a mega project, at
12 which the capital investment in industrial premises for industrial
13 use by the business is in excess of the minimum capital investment
14 required for eligibility pursuant to subsection b. of section 3 of
15 P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000 per year for
16 each additional amount of investment that exceeds the minimum
17 amount required for eligibility by 20 percent, with a maximum
18 increase of \$3,000 per year;
- 19 (6) for a business with new full-time jobs and retained full-time
20 jobs at the project with an average salary in excess of the existing
21 average salary for the county in which the project is located, or, in
22 the case of a project in a Garden State Growth Zone, a business that
23 employs full-time positions at the project with an average salary in
24 excess of the average salary for the Garden State Growth Zone, an
25 increase of \$250 per year during the commitment period for each 35
26 percent by which the project's average salary levels exceeds the
27 county or Garden State Growth Zone average salary, with a
28 maximum increase of \$1,500 per year;
- 29 (7) for a business with large numbers of new full-time jobs and
30 retained full-time jobs during the commitment period, the increases
31 shall be in accordance with the following schedule:
- 32 (a) if the number of new full-time jobs and retained full-time
33 jobs is between 251 and 400, \$500 per year;
- 34 (b) if the number of new full-time jobs and retained full-time
35 jobs is between 401 and 600, \$750 per year;
- 36 (c) if the number of new full-time jobs and retained full-time
37 jobs is between 601 and 800, \$1000 per year;
- 38 (d) if the number of new full-time jobs and retained full-time
39 jobs is between 801 and 1,000, \$1,250 per year;
- 40 (e) if the number of new full-time jobs and retained full-time
41 jobs is in excess of 1,000, \$1,500 per year;
- 42 (8) for a business in a targeted industry, an increase of \$500 per
43 year;
- 44 (9) for a qualified business facility exceeding the Leadership in
45 Energy and Environmental Design's "Silver" rating standards or
46 completes substantial environmental remediation, an additional
47 increase of \$250 per year;

1 (10) for a mega project or a project located within a Garden State
2 Growth Zone at which the capital investment in industrial premises
3 for industrial use by the business is in excess of the minimum
4 capital investment required for eligibility pursuant to subsection b.
5 of section 3 of P.L.2011, c.149 (C.34:1B-244), an increase of
6 \$1,000 per year for each additional amount of investment that
7 exceeds the minimum amount by 20 percent, with a maximum
8 increase of \$5,000 per year;

9 (11) for a project in which a business retains at least 400 jobs
10 and is located within the municipality in which it was located
11 immediately prior to the filing of the application hereunder and is
12 the United States headquarters of an automobile manufacturer, an
13 increase of \$1,500 per year;

14 (12) for a project located in a municipality in Atlantic,
15 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
16 and Salem counties with a 2007 Municipality Revitalization Index
17 greater than 465, an increase of \$1,000 per year;

18 (13) for a project located within a half-mile of any light rail
19 station constructed after the effective date of P.L.2013, c.161
20 (C.52:27D-489p et al.), an increase of \$1,000 per year;

21 (14) for a marine terminal project in a municipality located
22 outside the Garden State Growth Zone, but within the geographical
23 boundaries of the South Jersey Port District, an increase of \$1,500
24 per year;

25 (15) for a project located within an area determined to be in need
26 of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
27 (C.40A:12A-5 and C.40A:12A-6), and which is located within a
28 quarter mile of at least one United States Highway and at least two
29 New Jersey State Highways, an increase of \$1,500 per year;

30 (16) for a project that generates solar energy on site for use
31 within the project of an amount that equals at least 50 percent of the
32 project's electric supply service needs, an increase of \$250 per year;
33 and

34 (17) for a qualified business facility that includes a vacant
35 commercial building having over 1,000,000 square feet of office or
36 laboratory space available for occupancy for a period of over one
37 year, an increase of \$1,000 per year.

38 d. The gross amount of the tax credit for an eligible business
39 for each new or retained full-time job shall be the sum of the base
40 amount as set forth pursuant to subsection b. of this section and the
41 various additional bonus amounts for which the business is eligible
42 pursuant to subsection c. of this section, subject to the following
43 limitations:

44 (1) for a mega project or a project in a Garden State Growth
45 Zone, the gross amount for each new or retained full-time job shall
46 not exceed \$15,000 per year;

1 (2) for a qualified business facility located within an urban
2 transit hub municipality, the gross amount for each new or retained
3 full-time job shall not exceed \$12,000 per year;

4 (3) for a qualified business facility in a distressed municipality
5 the gross amount for each new or retained full-time job shall not
6 exceed \$11,000 per year;

7 (4) for a qualified business facility in other priority areas, the
8 gross amount for each new or retained full-time job shall not exceed
9 \$10,500 per year;

10 (5) for a qualified business facility in other eligible areas, the
11 gross amount for each new or retained full-time job shall not exceed
12 \$6,000 per year; and

13 (6) for a disaster recovery project, the gross amount for each
14 new or retained full-time job shall not exceed \$2,000 per year.

15 Notwithstanding anything to the contrary set forth herein and in
16 the provisions of subsections a. through f. of this section, but
17 subject to the provisions of paragraph (1) of subsection f. of this
18 section, for a project located within a Garden State Growth Zone
19 **【**which qualifies for the "Municipal Rehabilitation and Economic
20 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.)**】**, which
21 creates 35 or more full-time jobs new to the municipality, the total
22 tax credit shall be:

23 (a) for a project which creates 35 or more full-time jobs new to
24 the municipality and makes a capital investment of at least
25 \$5,000,000, the total tax credit amount per full-time job shall be the
26 greater of: (i) the total tax credit amount for a qualifying project in
27 a Garden State Growth Zone as calculated pursuant to subsections
28 a. through f. of this section; or (ii) the total capital investment of the
29 project divided by the total number of full-time jobs at that project
30 but not greater than \$2,000,000 per year over the grant term of ten
31 years;

32 (b) for a project which creates 70 or more full-time jobs new to
33 the municipality and makes a capital investment of at least
34 \$10,000,000, the total tax credit amount per full-time job shall be
35 the greater of: (i) the total tax credit amount for a qualifying project
36 in a Garden State Growth Zone as calculated pursuant to
37 subsections a. through f. of this section; or (ii) the total capital
38 investment of the project divided by the total number of full-time
39 jobs at that project but not greater than \$3,000,000 per year over the
40 grant term of ten years;

41 (c) for a project which creates 100 or more full-time jobs new to
42 the municipality and makes a capital investment of at least
43 \$15,000,000, the total tax credit amount per full-time job shall be
44 the greater of: (i) the total tax credit amount for a qualifying project
45 in a Garden State Growth Zone as calculated pursuant to
46 subsections a. through f. of this section; or (ii) the total capital
47 investment of the project divided by the total number of full-time

1 jobs at that project but not greater than \$4,000,000 per year over the
2 grant term of ten years;

3 (d) for a project which creates 150 or more full-time jobs new to
4 the municipality and makes a capital investment of at least
5 \$20,000,000, the total tax credit amount per full-time job shall be
6 the greater of: (i) the total tax credit amount for a qualifying project
7 in a Garden State Growth Zone as calculated pursuant to
8 subsections a. through f. of this section; or (ii) the total capital
9 investment of the project divided by the total number of full-time
10 jobs at that project but not greater than \$5,000,000 per year over the
11 grant term of ten years; or

12 (e) for a project which creates 250 or more full-time jobs new to
13 the municipality and makes a capital investment of at least
14 \$30,000,000, the total tax credit amount per full-time job shall be
15 the greater of: (i) the total tax credit amount for a qualifying project
16 in a Garden State Growth Zone as calculated pursuant to
17 subsections a. through f. of this section; or (ii) the total capital
18 investment of the project divided by the total number of full-time
19 jobs as defined herein at that project divided by the ten-year grant
20 term.

21 e. After the determination by the authority of the gross amount
22 of tax credits for which a business is eligible pursuant to subsection
23 d. of this section, the final total tax credit amount shall be
24 calculated as follows: (1) for each new full-time job, the business
25 shall be allowed tax credits equaling 100 percent of the gross
26 amount of tax credits for each new full-time job; and (2) for each
27 retained full-time job, the business shall be allowed tax credits
28 equaling the lesser of 50 percent of the gross amount of tax credits
29 for each retained full-time job, or one-tenth of the capital
30 investment divided by the number of retained and new full-time
31 jobs per year over the grant term of ten years, unless the jobs are
32 part of a mega project which is the United States headquarters of an
33 automobile manufacturer located within a priority area or in a
34 Garden State Growth Zone, in which case the business shall be
35 entitled to tax credits equaling 100 percent of the gross amount of
36 tax credits for each retained full-time job, or unless the new
37 qualified business facility would replace a facility that has been
38 wholly or substantially damaged as a result of a federally-declared
39 disaster, in which case the business shall be entitled to tax credits
40 equaling 100 percent of the gross amount of tax credits for each
41 retained full-time job.

42 f. Notwithstanding the provisions of subsections a. through e.
43 of this section, for each application approved by the authority's
44 board, the amount of tax credits available to be applied by the
45 business annually shall not exceed:

46 (1) \$35,000,000 and provides a net benefit to the State as
47 provided herein with respect to a qualified business facility in a
48 Garden State Growth Zone [which qualifies under the "Municipal

1 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
2 (C.52:27BBB-1 et al.), or which contains a Tourism District as
3 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
4 regulated by the Casino Reinvestment Development Authority**】**;

5 (2) \$30,000,000 and provides a net benefit to the State as
6 provided herein with respect to a mega project or a qualified
7 business facility in a Garden State Growth Zone;

8 (3) \$10,000,000 and provides a net benefit to the State as
9 provided herein with respect to a qualified business facility in an
10 urban transit hub municipality;

11 (4) \$8,000,000 and provides a net benefit to the State as
12 provided herein with respect to a qualified business facility in a
13 distressed municipality;

14 (5) \$4,000,000 and provides a net benefit to the State as
15 provided herein with respect to a qualified business facility in other
16 priority areas, but not more than 90 percent of the withholdings of
17 the business from the qualified business facility; and

18 (6) \$2,500,000 and provides a net benefit to the State as
19 provided herein with respect to a qualified business facility in other
20 eligible areas, but not more than 90 percent of the withholdings of
21 the business from the qualified business facility.

22 Under paragraphs (1) through (6) of this subsection, with the
23 exception of a project located within a Garden State Growth Zone
24 **【**which qualifies for the "Municipal Rehabilitation and Economic
25 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which
26 contains a Tourism District as established pursuant to section 5 of
27 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
28 Reinvestment Development Authority**】**, that divides the total capital
29 investment of the project by the total number of full-time jobs at
30 that project, for each application for tax credits in excess of
31 \$4,000,000 annually, the amount of tax credits available to be
32 applied by the business annually shall be the lesser of the maximum
33 amount under the applicable subsection or an amount determined by
34 the authority necessary to complete the project, with such
35 determination made by the authority's utilization of a full economic
36 analysis of all locations under consideration by the business; all
37 lease agreements, ownership documents, or substantially similar
38 documentation for the business's current in-State locations, as
39 applicable; and all lease agreements, ownership documents, or
40 substantially similar documentation for the potential out-of-State
41 location alternatives, to the extent they exist. Based on this
42 information, and any other information deemed relevant by the
43 authority, the authority shall independently verify and confirm the
44 amount necessary to complete the project.

45 (cf: P.L.2014, c.63, s.4)

46

47 4. Section 6 of P.L.2011, c.149 (C.34:1B-247) is amended to
48 read as follows:

1 6. a. (1) The combined value of all credits approved by the
2 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) and
3 P.L.2011, c.149 (C.34:1B-242 et al.) prior to December 31, 2013
4 shall not exceed \$1,750,000,000, except as may be increased by the
5 authority as set forth in paragraph (5) of subsection a. of section 35
6 of P.L.2009, c.90 (C.34:1B-209.3). Following the enactment of the
7 "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
8 (C.52:27D-489p et al.), there shall be no monetary cap on the value
9 of credits approved by the authority attributable to the program
10 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
11 P.L.2013, c.161 (C.52:27D-489p et al.).

12 (2) (Deleted by amendment, P.L.2013, c.161).

13 (3) (Deleted by amendment, P.L.2013, c.161).

14 (4) (Deleted by amendment, P.L.2013, c.161).

15 (5) (Deleted by amendment, P.L.2013, c.161).

16 b. (1) A business shall submit an application for tax credits prior
17 to July 1, 2019. The authority shall not approve an application for
18 tax credits unless the application was submitted prior to July 1,
19 2019.

20 (2) (a) A business shall submit its documentation indicating that
21 it has met the capital investment and employment requirements
22 specified in the incentive agreement for certification of its tax credit
23 amount within three years following the date of approval of its
24 application by the authority. The authority shall have the discretion
25 to grant two six-month extensions of this deadline. Except as
26 provided in subparagraph (b) of this paragraph, in no event shall the
27 incentive effective date occur later than four years following the
28 date of approval of an application by the authority.

29 (b) As of the effective date of P.L.2015, c.252, a business which
30 applied for the tax credit prior to July 1, 2014 under P.L.2011,
31 c.149 (C.34:1B-242 et al.), shall submit its documentation to the
32 authority no later than July 28, 2018, indicating that it has met the
33 capital investment and employment requirements specified in the
34 incentive agreement for certification of its tax credit amount.

35 (3) Full-time employment for an accounting or privilege period
36 shall be determined as the average of the monthly full-time
37 employment for the period.

38 (4) A business seeking a credit for a mega project shall apply for
39 the credit within four years after the effective date of the "New
40 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
41 (C.52:27D-489p et al.).

42 c. (1) In conducting its annual review, the authority may require
43 a business to submit any information determined by the authority to
44 be necessary and relevant to its review.

45 The credit amount for any tax period for which the
46 documentation of a business's credit amount remains uncertified as
47 of a date three years after the closing date of that period shall be

1 forfeited, although credit amounts for the remainder of the years of
2 the eligibility period shall remain available to it.

3 The credit amount may be taken by the tax certificate holder for
4 the tax period for which it was issued or may be carried forward for
5 use by the tax certificate holder in any of the next 20 successive tax
6 periods, and shall expire thereafter. The tax certificate holder may
7 transfer the tax credit amount on or after the date of issuance or at
8 any time within three years of the date of issuance for use by the
9 transferee in the tax period during which it was transferred or in any
10 of the next three successive tax periods. Notwithstanding the
11 foregoing, no more than the amount of tax credits equal to the total
12 credit amount divided by the duration of the eligibility period in
13 years may be taken in any tax period.

14 (2) Credits granted to a partnership shall be passed through to
15 the partners, members, or owners, respectively, pro-rata or pursuant
16 to an executed agreement among the partners, members, or owners
17 documenting an alternate distribution method provided to the
18 Director of the Division of Taxation in the Department of the
19 Treasury accompanied by any additional information as the director
20 may require.

21 (3) The amount of credit allowed may be applied against the tax
22 liability otherwise due pursuant to section 5 of P.L.1945, c.162
23 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
24 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
25 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.

26 d. (1) If, in any tax period, the business reduces the total number
27 of full-time employees in its Statewide workforce by more than 20
28 percent from the number of full-time employees in its Statewide
29 workforce in the last tax period prior to the credit amount approval
30 under section 3 of P.L.2011, c.149 (C.34:1B-244), then the business
31 shall forfeit its credit amount for that tax period and each
32 subsequent tax period, until the first tax period for which
33 documentation demonstrating the restoration of the business's
34 Statewide workforce to the threshold levels required by this
35 paragraph has been reviewed and approved by the authority, for
36 which tax period and each subsequent tax period the full amount of
37 the credit shall be allowed.

38 (2) If, in any tax period, the number of full-time employees
39 employed by the business at the qualified business facility located
40 within a qualified incentive area drops below 80 percent of the
41 number of new and retained full-time jobs specified in the incentive
42 agreement, then the business shall forfeit its credit amount for that
43 tax period and each subsequent tax period, until the first tax period
44 for which documentation demonstrating the restoration of the
45 number of full-time employees employed by the business at the
46 qualified business facility to 80 percent of the number of jobs
47 specified in the incentive agreement.

1 (3) (a) If the qualified business facility is sold by the owner in
2 whole or in part during the eligibility period, the new owner shall
3 not acquire the capital investment of the seller and the seller shall
4 forfeit all credits for the tax period in which the sale occurs and all
5 subsequent tax periods, provided however that any credits of the
6 business shall remain unaffected.

7 (b) In connection with a regional distribution facility of
8 foodstuffs, the business entity or entities which own or lease the
9 facility shall qualify as a business regardless of: (i) the type of the
10 business entity or entities which own or lease the facility; (ii) the
11 ownership or leasing of the facility by more than one business
12 entity; or (iii) the ownership of the business entity or entities which
13 own or lease the facility. The ownership or leasing, whether by
14 members, shareholders, partners, or other owners of the business
15 entity or entities, shall be treated as ownership or leasing by
16 affiliates. The members, shareholders, partners, or other ownership
17 or leasing participants and others that are tenants in the facility shall
18 be treated as affiliates for the purpose of counting the full-time
19 employees and capital investments in the facility. The business
20 entity or entities may distribute credits to members, shareholders,
21 partners, or other ownership or leasing participants in accordance
22 with their respective interests. If the business entity or entities or
23 their members, shareholders, partners, or other ownership or leasing
24 participants lease space in the facility to members, shareholders,
25 partners, or other ownership or leasing participants or others as
26 tenants in the facility, the leases shall be treated as a lease to an
27 affiliate, and the business entity or entities shall not be subject to
28 forfeiture of the credits. For the purposes of this section, leasing
29 shall include subleasing and tenants shall include subtenants.

30 (4) (a) For a project located within a Garden State Growth
31 Zone, if, in any tax period, the number of full-time employees
32 employed by the business at the qualified business facility located
33 within a qualified incentive area increases above the number of full-
34 time employees specified in the incentive agreement, then the
35 business shall be entitled to an increased base credit amount for that
36 tax period and each subsequent tax period, for each additional full-
37 time employee added above the number of full-time employees
38 specified in the incentive agreement, until the first tax period for
39 which documentation demonstrating a reduction of the number of
40 full-time employees employed by the business at the qualified
41 business facility, at which time the tax credit amount will be
42 adjusted accordingly pursuant to this section.

43 (b) For a project located within a Garden State Growth Zone
44 **【**which qualifies under the "Municipal Rehabilitation and Economic
45 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which
46 contains a Tourism District as established pursuant to section 5 of
47 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
48 Reinvestment Development Authority, and**】** which qualifies for a

1 tax credit pursuant to subparagraph (ii) of subparagraphs (a)
2 through (e) of paragraph (6) of subsection d. of section 5 of
3 P.L.2011, c.149 (C.34:1B-246), if, in any tax period the number of
4 full-time employees employed by the business at the qualified
5 business facility located within a qualified incentive area increases
6 above the number of full-time employees specified in the incentive
7 agreement such that the business shall then meet the minimum
8 number of employees required in subparagraph (b), (c), (d), or (e)
9 of paragraph (6) of subsection d. of section 5 of P.L.2011, c.149
10 (C.34:1B-246), then the authority shall recalculate the total tax
11 credit amount per full-time job by using the certified capital
12 investment of the project allowable under the applicable
13 subparagraph and the number of full-time jobs certified on the
14 date of the recalculation and applying those numbers to
15 subparagraph (b), (c), (d), or (e) of paragraph (6) of subsection d. of
16 section 5 of P.L.2011, c.149 (C.34:1B-246), until the first tax period
17 for which documentation demonstrating a reduction of the number
18 of full-time employees employed by the business at the qualified
19 business facility, at which time the tax credit amount shall be
20 adjusted accordingly pursuant to this section.

21 e. The authority shall not enter into an incentive agreement
22 with a business that has previously received incentives pursuant to
23 the "Business Retention and Relocation Assistance Act," P.L.1996,
24 c.25 (C.34:1B-112 et seq.), the "Business Employment Incentive
25 Program Act," P.L.1996, c.26 (C.34:1B-124 et seq.), or any other
26 program administered by the authority unless:

27 (1) the business has satisfied all of its obligations underlying the
28 previous award of incentives or is compliant with section 4 of
29 P.L.2011, c.149 (C.34:1B-245); or

30 (2) the capital investment incurred and new or retained full-time
31 jobs pledged by the business in the new incentive agreement are
32 separate and apart from any capital investment or jobs underlying
33 the previous award of incentives.

34 f. A business which has already applied for a tax credit
35 incentive award prior to the effective date of the "New Jersey
36 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
37 489p et al.), but who has not yet been approved for the tax credits,
38 or has not executed an agreement with the authority, may proceed
39 under that application or seek to amend the application or reapply
40 for a tax credit incentive award for the same project or any part
41 thereof for the purpose of availing itself of any more favorable
42 provisions of the program.

43 (cf: P.L.2015, c.252, s.4)

44

45 5. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
46 read as follows:

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

1 "Applicant" means a developer proposing to enter into a
2 redevelopment incentive grant agreement.

3 "Ancillary infrastructure project" means structures or
4 improvements that are located within the incentive area but outside
5 the project area of a redevelopment project, including, but not
6 limited to, docks, bulkheads, parking garages, freight rail spurs,
7 roadway overpasses, and train station platforms, provided a
8 developer or municipal redeveloper has demonstrated that the
9 redevelopment project would not be economically viable or
10 promote the use of public transportation without such
11 improvements, as approved by the State Treasurer.

12 "Authority" means the New Jersey Economic Development
13 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
14 4).

15 "Aviation district" means all areas within the boundaries of the
16 "Atlantic City International Airport," established pursuant to section
17 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
18 Administration William J. Hughes Technical Center and the area
19 within a one-mile radius of the outermost boundary of the "Atlantic
20 City International [Airport," established pursuant to section 24 of
21 P.L.1991, c.252 (C.27:25A-24)] Airport" and the Federal Aviation
22 Administration William J. Hughes Technical Center.

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

28 "Developer" means any person who enters or proposes to enter
29 into a redevelopment incentive grant agreement pursuant to the
30 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
31 successors or assigns, including but not limited to a lender that
32 completes a redevelopment project, operates a redevelopment
33 project, or completes and operates a redevelopment project. A
34 developer also may be a municipal redeveloper as defined herein or
35 Rutgers, the State University of New Jersey.

36 "Director" means the Director of the Division of Taxation in the
37 Department of the Treasury.

38 "Disaster recovery project" means a redevelopment project
39 located on property that has been wholly or substantially damaged
40 or destroyed as a result of a federally-declared disaster, and which
41 is located within the incentive area and has been determined by the
42 authority to be in an area appropriate for development and in need
43 of economic development incentive assistance.

44 "Distressed municipality" means a municipality that is qualified
45 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
46 municipality under the supervision of the Local Finance Board
47 pursuant to the provisions of the "Local Government Supervision
48 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality

1 identified by the Director of the Division of Local Government
2 Services in the Department of Community Affairs to be facing
3 serious fiscal distress, a SDA municipality, or a municipality in
4 which a major rail station is located.

5 "Eligibility period" means the period of time specified in a
6 redevelopment incentive grant agreement for the payment of
7 reimbursements to a developer, which period shall not exceed 20
8 years, with the term to be determined solely at the discretion of the
9 applicant.

10 "Eligible revenue" means the property tax increment and any
11 other incremental revenues set forth in section 11 of P.L.2009, c.90
12 (C.52:27D-489k), except in the case of a Garden State Growth
13 Zone, in which such property tax increment and any other
14 incremental revenues are calculated as those incremental revenues
15 that would have existed notwithstanding the provisions of the "New
16 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
17 (C.52:27D-489p et al.).

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

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

32 "Incentive grant" means reimbursement of all or a portion of the
33 project financing gap of a redevelopment project through the State
34 or a local Economic Redevelopment and Growth Grant program
35 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
36 or C.52:27D-489e).

37 "Infrastructure improvements in the public right-of-way" mean
38 public structures or improvements located in the public **【right of**
39 **way】** right-of-way that are located within a project area or that
40 constitute an ancillary infrastructure project, either of which are
41 dedicated to or owned by a governmental body or agency upon
42 completion, or any required payment in lieu of the structures,
43 improvements or projects, or any costs of remediation associated
44 with the structures, improvements or projects, and that are
45 determined by the authority, in consultation with applicable State
46 agencies, to be consistent with and in furtherance of State public
47 infrastructure objectives and initiatives.

1 "Low-income housing" means housing affordable according to
2 federal Department of Housing and Urban Development or other
3 recognized standards for home ownership and rental costs and
4 occupied or reserved for occupancy by households with a gross
5 household income equal to 50 percent or less of the median gross
6 household income for households of the same size within the
7 housing region in which the housing is located.

8 "Major rail station" means a railroad station located within a
9 qualified incentive area which provides access to the public to a
10 minimum of six rail passenger service lines operated by the New
11 Jersey Transit Corporation.

12 "Mixed use parking project" means a redevelopment project, the
13 parking component of which shall constitute 51 percent or more of
14 any of the following:

15 a. the total square footage of the entire mixed use parking
16 project;

17 b. the estimated revenues of the entire mixed use parking
18 project; or

19 c. the total construction cost of the entire mixed use parking
20 project.

21 "Moderate-income housing" means housing affordable,
22 according to United States Department of Housing and Urban
23 Development or other recognized standards for home ownership
24 and rental costs, and occupied or reserved for occupancy by
25 households with a gross household income equal to more than 50
26 percent but less than 80 percent of the median gross household
27 income for households of the same size within the housing region in
28 which the housing is located.

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

31 a. a municipal government, a municipal parking authority, or a
32 redevelopment agency acting on behalf of a municipal government
33 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

34 b. a developer of a mixed use parking project, provided that the
35 parking component of the mixed use parking project is operated and
36 maintained by a municipal parking authority for the term of any
37 financial assistance granted pursuant to P.L.2015, c.69.

38 "Municipal Revitalization Index" means the 2007 index by the
39 Office for Planning Advocacy within the Department of State
40 measuring or ranking municipal distress.

41 "Non-parking component" means that portion of a mixed use
42 parking project not used for parking, together with the portion of
43 the costs of the mixed use parking project, including but not limited
44 to the footings, foundations, site work, infrastructure, and soft costs
45 that are allocable to the non-parking use.

46 "Parking component" means that portion of a mixed use parking
47 project used for parking, together with the portion of the costs of
48 the mixed use parking project, including but not limited to the

1 footings, foundations, site work, infrastructure, and soft costs that
2 are allocable to the parking use.

3 "Project area" means land or lands located within the incentive
4 area under common ownership or control including through a
5 redevelopment agreement with a municipality, or as otherwise
6 established by a municipality or a redevelopment agreement
7 executed by a State entity to implement a redevelopment project.

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

30 "Project financing gap" means:

31 a. the part of the total project cost, including return on
32 investment, that remains to be financed after all other sources of
33 capital have been accounted for, including, but not limited to,
34 developer-contributed capital, which shall not be less than 20
35 percent of the total project cost, which may include the value of any
36 existing land and improvements in the project area owned or
37 controlled by the developer, and the cost of infrastructure
38 improvements in the public right-of-way, subject to review by the
39 State Treasurer, and investor or financial entity capital or loans for
40 which the developer, after making all good faith efforts to raise
41 additional capital, certifies that additional capital cannot be raised
42 from other sources on a non-recourse basis; and

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

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

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

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

4 b. multiplying that product by a fraction having a numerator
5 equal to the taxable value of all the property assessed within the
6 project area, minus the property tax increment base, and having a
7 denominator equal to the taxable value of all property assessed
8 within the project area.

9 For the purpose of this definition, "property tax increment base"
10 means the aggregate taxable value of all property assessed which is
11 located within the redevelopment project area as of October 1st of
12 the year preceding the year in which the redevelopment incentive
13 grant agreement is authorized.

14 "Qualified incubator facility" means a commercial building
15 located within an incentive area: which contains 100,000 or more
16 square feet of office, laboratory, or industrial space; which is
17 located near, and presents opportunities for collaboration with, a
18 research institution, teaching hospital, college, or university; and
19 within which, at least 75 percent of the gross leasable area is
20 restricted for use by one or more technology startup companies
21 during the commitment period.

22 "Qualified residential project" means a redevelopment project
23 that is predominantly residential and includes multi-family
24 residential units for purchase or lease, or dormitory units for
25 purchase or lease, having a total project cost of at least
26 \$17,500,000, if the project is located in any municipality with a
27 population greater than 200,000 according to the latest federal
28 decennial census, or having a total project cost of at least
29 \$10,000,000 if the project is located in any municipality with a
30 population less than 200,000 according to the latest federal
31 decennial census, or is a disaster recovery project, or having a total
32 project cost of \$5,000,000 if the project is in a Garden State Growth
33 Zone.

34 "Qualifying economic redevelopment and growth grant incentive
35 area" or "incentive area" means:

- 36 a. an aviation district;
37 b. a port district;
38 c. a distressed municipality; or
39 d. an area (1) designated pursuant to the "State Planning Act,"
40 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
41 (a) Planning Area 1 (Metropolitan);
42 (b) Planning Area 2 (Suburban); or
43 (c) Planning Area 3 (Fringe Planning Area);
44 (2) located within a smart growth area and planning area
45 designated in a master plan adopted by the New Jersey
46 Meadowlands Commission pursuant to subsection (i) of section 6 of
47 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan

- 1 adopted by the New Jersey Meadowlands Commission pursuant to
2 section 20 of P.L.1968, c.404 (C.13:17-21);
- 3 (3) located within any land owned by the New Jersey Sports and
4 Exposition Authority, established pursuant to P.L.1971, c.137
5 (C.5:10-1 et seq.), within the boundaries of the Hackensack
6 Meadowlands District as delineated in section 4 of P.L.1968, c.404
7 (C.13:17-4);
- 8 (4) located within a regional growth area, a town, village, or a
9 military and federal installation area designated in the
10 comprehensive management plan prepared and adopted by the
11 Pinelands Commission pursuant to the "Pinelands Protection Act,"
12 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 13 (5) located within the planning area of the Highlands Region as
14 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
15 highlands development credit receiving area or redevelopment area;
- 16 (6) located within a Garden State Growth Zone;
- 17 (7) located within land approved for closure under any federal
18 Base Closure and Realignment Commission action; or
- 19 (8) located only within the following portions of the areas
20 designated pursuant to the "State Planning Act," P.L.1985, c.398
21 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
22 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
23 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
24 Planning Area), Planning Area 4B (Rural/Environmentally
25 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
26 located within:
- 27 (a) a designated center under the State Development and
28 Redevelopment Plan;
- 29 (b) a designated growth center in an endorsed plan until the
30 State Planning Commission revises and readopts New Jersey's State
31 Strategic Plan and adopts regulations to revise this definition as it
32 pertains to Statewide planning areas;
- 33 (c) any area determined to be in need of redevelopment pursuant
34 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
35 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
36 P.L.1992, c.79 (C.40A:12A-14);
- 37 (d) any area on which a structure exists or previously existed
38 including any desired expansion of the footprint of the existing or
39 previously existing structure provided such expansion otherwise
40 complies with all applicable federal, State, county, and local
41 permits and approvals;
- 42 (e) the planning area of the Highlands Region as defined in
43 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
44 development credit receiving area or redevelopment area; or
- 45 (f) any area on which an existing tourism destination project is
46 located.
- 47 "Qualifying economic redevelopment and growth grant incentive
48 area" or "incentive area" shall not include any property located

1 within the preservation area of the Highlands Region as defined in
2 the "Highlands Water Protection and Planning Act," P.L.2004,
3 c.120 (C.13:20-1 et al.).

4 "Redevelopment incentive grant agreement" means an agreement
5 between:

6 a. the State and the New Jersey Economic Development
7 Authority and a developer; or

8 b. a municipality and a developer, or a municipal ordinance
9 authorizing a project to be undertaken by a municipal redeveloper,
10 under which, in exchange for the proceeds of an incentive grant, the
11 developer agrees to perform any work or undertaking necessary for
12 a redevelopment project, including the clearance, development or
13 redevelopment, construction, or rehabilitation of any structure or
14 improvement of commercial, industrial, residential, or public
15 structures or improvements within a qualifying economic
16 redevelopment and growth grant incentive area or a transit village.

17 "Redevelopment project" means a specific construction project
18 or improvement, including lands, buildings, improvements, real and
19 personal property or any interest therein, including lands under
20 water, riparian rights, space rights and air rights, acquired, owned,
21 leased, developed or redeveloped, constructed, reconstructed,
22 rehabilitated or improved, undertaken by a developer, owner or
23 tenant, or both, within a project area and any ancillary infrastructure
24 project including infrastructure improvements in the public [right
25 of way] right-of-way, as set forth in an application to be made to
26 the authority. The use of the term "redevelopment project" in
27 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.) shall
28 not be limited to only redevelopment projects located in areas
29 determined to be in need of redevelopment pursuant to sections 5
30 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) but shall
31 also include, but not be limited to, any work or undertaking in
32 accordance with the "Redevelopment Area Bond Financing Law,"
33 sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or
34 other applicable law, pursuant to a redevelopment plan adopted by a
35 State entity, or as described in the resolution adopted by a public
36 entity created by State law with the power to adopt a redevelopment
37 plan or otherwise determine the location, type and character of a
38 redevelopment project or part of a redevelopment project on land
39 owned or controlled by it or within its jurisdiction, including but
40 not limited to, the New Jersey Meadowlands Commission
41 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
42 New Jersey Sports and Exposition Authority established pursuant to
43 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
44 Economic Revitalization Authority created pursuant to P.L.2010,
45 c.51 (C.52:27I-18 et seq.).

46 "Redevelopment utility" means a self-liquidating fund created by
47 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
48 489l) to account for revenues collected and incentive grants paid

1 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
2 revenues dedicated to a redevelopment project.

3 "Revenue increment base" means the amounts of all eligible
4 revenues from sources within the redevelopment project area in the
5 calendar year preceding the year in which the redevelopment
6 incentive grant agreement is executed, as certified by the State
7 Treasurer for State revenues, and the chief financial officer of the
8 municipality for municipal revenues.

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

11 "SDA municipality" means a municipality in which an SDA
12 district is situated.

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

18 "Tourism destination project" means a redevelopment project
19 that will be among the most visited privately owned or operated
20 tourism or recreation sites in the State, and which is located within
21 the incentive area and has been determined by the authority to be in
22 an area appropriate for development and in need of economic
23 development incentive assistance.

24 "Transit project" means a redevelopment project located within a
25 1/2-mile radius, or one-mile radius for projects located in a Garden
26 State Growth Zone, surrounding the mid-point of a New Jersey
27 Transit Corporation, Port Authority Transit Corporation, or Port
28 Authority Trans-Hudson Corporation rail, bus, or ferry station
29 platform area, including all light rail stations.

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

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

36 a. buildings and structures, such as academic buildings,
37 recreation centers, indoor athletic facilities, public works garages,
38 and water and sewer treatment and pumping facilities;

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

41 c. transportation facilities, such as bus shelters and parking
42 facilities.

43 "Urban transit hub" means:

44 a. an urban transit hub, as defined in section 10 of P.L.2007,
45 c.346 (C.34:1B-208), that is located within an eligible municipality,
46 as defined in section 10 of P.L.2007, c.346 (C.34:1B-208), or all
47 light rail stations and property located within a one-mile radius of
48 the mid-point of the platform area of such a rail, bus, or ferry

1 station if the property is in a qualified municipality under the
2 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
3 c.43 (C.52:27BBB-1 et al.); or

4 b. property located within a one-mile radius of the mid-point of
5 the platform area of a New Jersey Transit Corporation rail station
6 platform area if the property is in a Garden State Growth Zone.

7 "Vacant commercial building" means any commercial building
8 or complex of commercial buildings having over 400,000 square
9 feet of office, laboratory, or industrial space that is more than 70
10 percent unoccupied at the time of application to the authority or is
11 negatively impacted by the approval of a "qualified business
12 facility," as defined pursuant to section 2 of P.L.2007, c.346
13 (C.34:1B-208), or any vacant commercial building in a Garden
14 State Growth Zone having over 35,000 square feet of office,
15 laboratory, or industrial space, or over 200,000 square feet of
16 office, laboratory, or industrial space in Atlantic, Burlington,
17 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
18 counties available for occupancy for a period of over one year.

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

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

26

27 6. Section 23 of P.L.2013, c.161 (C.52:27D-489r) is amended
28 to read as follows:

29 23. As used in section 24 of P.L.2013, c.161 (C.52:27D-489s):

30 "Aviation district" means all areas within the boundaries of the
31 "Atlantic City International Airport," established pursuant to section
32 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
33 Administration William J. Hughes Technical Center and the area
34 within a one-mile radius of the outermost boundary of the "Atlantic
35 City International Airport" and the Federal Aviation Administration
36 William J. Hughes Technical Center.

37 "Director" means the Director of the Division of Taxation.

38 "Division of Codes and Standards" means the Division of Codes
39 and Standards located in the Department of Community Affairs.

40 "Eligible person" means any individual purchasing or renting an
41 eligible residential residence within a growth zone after the
42 enactment of P.L.2013, c.161 (C.52:27D-489p et al.). For the
43 purpose of this definition, an eligible person is limited to those who
44 establish a permanent residency at the eligible residential residence,
45 are subject to the "New Jersey Gross Income Tax Act,"
46 N.J.S.54A:1-1 et seq., and are current with all State and local tax
47 obligations.

1 "Eligible property" means any residential, commercial,
2 industrial, or other business property, located in a Garden State
3 Growth Zone, that receives a Certificate of Occupancy or is
4 transferred in a legal sale on or after July 1, 2013. Purchasers of
5 newly constructed homes are not the applicant.

6 "Exemption" means that portion of the assessor's full and true
7 value of any improvement, conversion, alteration, redevelopment,
8 rehabilitation, or construction not regarded as increasing the taxable
9 value of a property pursuant to P.L.2013, c.161 (C.52:27D-489p et
10 al.) for the purposes of encouraging the construction, conversion,
11 improvement, and redevelopment of real property conducted by
12 eligible businesses or residents within a growth zone pursuant to
13 P.L.2013, c.161 (C.52:27D-489p et al.).

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

22 "Garden State Growth Zone Development Entity" means a
23 private corporation incorporated pursuant to Title 14A of the New
24 Jersey Statutes, or established pursuant to Title 42 of the Revised
25 Statutes, for which the profits of the entity are limited as follows.
26 The allowable net profits of the entity shall be determined by
27 applying the allowable profit rate to the total project cost, and all
28 capital costs, determined in accordance with generally accepted
29 accounting principles, of any other entity whose revenue is included
30 in the computation of excess profits, for the period commencing on
31 the date on which the construction of the project is completed, and
32 terminating at the close of the fiscal year of the entity preceding the
33 date on which the computation is made, where:

34 "Allowable profit rate" means the greater of 12 percent or the
35 percentage per annum arrived at by adding one and 1/4 percent to
36 the annual interest percentage rate payable on the entity's initial
37 permanent mortgage financing. If the initial permanent mortgage is
38 insured or guaranteed by a governmental agency, the mortgage
39 insurance premium or similar charge, if payable on a per annum
40 basis, shall be considered as interest for this purpose. If there is no
41 permanent mortgage financing the allowable profit rate shall be the
42 greater of 12 percent or the percentage per annum arrived at by
43 adding one and 1/4 percent per annum to the interest rate per annum
44 which the municipality determines to be the prevailing rate on
45 mortgage financing on comparable improvements in the county.

46 "Improvements" means any repair, construction, or
47 reconstruction, including alterations and additions, having the effect
48 of rehabilitating a deteriorated property so that it becomes habitable

1 or attains higher standards of safety, health, economic use or
2 amenity, or is brought into compliance with laws, ordinances or
3 regulations governing such standards. Ordinary upkeep and
4 maintenance shall not be deemed an improvement.
5 (cf: P.L.2013, c.161, s.23)

6

7 7. This act shall take effect immediately.

8

9

10

STATEMENT

11

12 This bill expands the type and amount of eligibility for certain
13 incentives offered to qualified businesses under the Grow New
14 Jersey Assistance Program and the Economic Redevelopment and
15 Growth Grant Program for businesses located in a Garden State
16 Growth Zone (GSGZ). Currently, the enhanced incentives are
17 offered only to businesses located in the GSGZ in Camden. There
18 are GSGZs in Atlantic City, Camden, Passaic, Paterson, and
19 Trenton. The bill creates a GSGZ within an “aviation district,” with
20 that term meaning, under a revised definition under the bill, as all
21 areas within the boundaries of the Atlantic City International
22 Airport and the Federal Aviation Administration William J. Hughes
23 Technical Center, and the area within a one-mile radius of the
24 outermost boundary of that airport and technical center. Further,
25 the bill removes the prohibition on gaming facility businesses
26 qualifying to meet the definition of a “tourism destination project”
27 under both programs.