

[Third Reprint]

ASSEMBLY, No. 3676

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED MARCH 13, 2018

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman JOHN ARMATO

District 2 (Atlantic)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Senator STEPHEN M. SWEENEY

District 3 (Cumberland, Gloucester and Salem)

Senator JEFF VAN DREW

District 1 (Atlantic, Cape May and Cumberland)

Senator CHRIS A. BROWN

District 2 (Atlantic)

Co-Sponsored by:

Assemblyman Chiaravalloti, Senators Singleton, Cruz-Perez and Beach

SYNOPSIS

Creates Garden State Growth Zone at Atlantic City International Airport and surrounding area; adjusts full-time employee designation requirements.

CURRENT VERSION OF TEXT

As amended on August 27, 2018 by the General Assembly pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 6/22/2018)

1 AN ACT concerning ¹a¹ Garden State Growth ¹**[Zones]** Zone¹ and
 2 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;

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted May 7, 2018.

²Assembly ABU committee amendments adopted June 18, 2018.

³Assembly amendments adopted in accordance with Governor's
 recommendations August 27, 2018.

- 1 a partnership;
- 2 an S corporation;
- 3 a limited liability company; or
- 4 a non-profit corporation.

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

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

15 "Capital investment" in a qualified business facility means
16 expenses by a business or any affiliate of the business incurred after
17 application for:

- 18 a. site preparation and construction, repair, renovation,
19 improvement, equipping, or furnishing on real property or of a
20 building, structure, facility, or improvement to real property;
- 21 b. obtaining and installing furnishings and machinery,
22 apparatus, or equipment, including but not limited to material goods
23 subject to bonus depreciation under sections 168 and 179 of the
24 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the
25 operation of a business on real property or in a building, structure,
26 facility, or improvement to real property;
- 27 c. receiving Highlands Development Credits under the
28 Highlands Transfer Development Rights Program authorized
29 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or
- 30 d. any of the foregoing.

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

40 In addition to the foregoing, if a business acquires or leases a
41 qualified business facility, the capital investment made or acquired
42 by the seller or owner, as the case may be, if pertaining primarily to
43 the premises of the qualified business facility, shall be considered a
44 capital investment by the business and, if pertaining generally to the
45 qualified business facility being acquired or leased, shall be
46 allocated to the premises of the qualified business facility on the
47 basis of the gross leasable area of the premises in relation to the
48 total gross leasable area in the qualified business facility. The

1 capital investment described herein may include any capital
2 investment made or acquired within 24 months prior to the date of
3 application so long as the amount of capital investment made or
4 acquired by the business, any affiliate of the business, or any owner
5 after the date of application equals at least 50 percent of the amount
6 of capital investment, allocated to the premises of the qualified
7 business facility being acquired or leased on the basis of the gross
8 leasable area of the premises in relation to the total gross leasable
9 area in the qualified business facility made or acquired prior to the
10 date of application.

11 "College or university" means a county college, an independent
12 institution of higher education, a public research university, or a
13 State college.

14 "Commitment period" means the period of time that is 1.5 times
15 the eligibility period.

16 "County college" means an educational institution established by
17 one or more counties, pursuant to chapter 64A of Title 18A of the
18 New Jersey Statutes.

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

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

36 "Distressed municipality" means a municipality that is qualified
37 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
38 municipality under the supervision of the Local Finance Board
39 pursuant to the provisions of the "Local Government Supervision
40 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
41 identified by the Director of the Division of Local Government
42 Services in the Department of Community Affairs to be facing
43 serious fiscal distress, a SDA municipality, or a municipality in
44 which a major rail station is located.

45 "Doctoral university" means a university located within New
46 Jersey that is classified as a doctoral university under the Carnegie
47 Classification of Institutions of Higher Education's Basic
48 Classification methodology on the effective date of P.L.2017, c.221.

1 "Eligibility period" means the period in which a business may
2 claim a tax credit under the Grow New Jersey Assistance Program,
3 beginning with the tax period in which the authority accepts
4 certification of the business that it has met the capital investment
5 and employment requirements of the Grow New Jersey Assistance
6 Program and extending thereafter for a term of not more than 10
7 years, with the term to be determined solely at the discretion of the
8 applicant.

9 "Eligible position" or "full-time job" means a full-time position
10 in a business in this State which the business has filled with a full-
11 time employee.

12 "Full-time employee" means a person:

13 a. who is employed by a business for consideration for at least
14 35 hours a week, or who renders any other standard of service
15 generally accepted by custom or practice as full-time employment;
16 or

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

25 c. who is a resident of another State but whose income is not
26 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
27 et seq. or who is a partner of a business who works for the
28 partnership for at least 35 hours a week, or who renders any other
29 standard of service generally accepted by custom or practice as full-
30 time employment, and whose distributive share of income, gain,
31 loss, or deduction, or whose guaranteed payments, or any
32 combination thereof, is subject to the payment of estimated taxes, as
33 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
34 et seq.; and

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

38 With respect to a logistics, manufacturing, energy, defense,
39 aviation, or maritime business, excluding primarily warehouse or
40 distribution operations, located in a port district having a container
41 terminal:

42 the requirement that employee health benefits are to be provided
43 shall be deemed to be satisfied if the benefits are provided in
44 accordance with industry practice by a third party obligated to
45 provide such benefits pursuant to a collective bargaining agreement;

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

1 35 hours of employment per week at a qualified business facility
2 shall constitute one "full-time employee," regardless of whether or
3 not the hours of work were performed by one or more persons.

4 For any project located in a Garden State Growth Zone which
5 qualifies under the "Municipal Rehabilitation and Economic
6 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any
7 project located in the Atlantic City Tourism District as established
8 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
9 by the Casino Reinvestment Development Authority, and which
10 will include a retail facility of at least 150,000 square feet, of which
11 at least 50 percent will be occupied by either a full-service
12 supermarket or grocery store, 30 hours of employment per week at a
13 qualified business facility shall constitute one "full-time employee,"
14 regardless of whether the hours of work were performed by one or
15 more persons, and the requirement that employee health benefits are
16 to be provided shall be deemed to be satisfied if the employees of
17 the business are covered by a collective bargaining agreement.

18 "Full-time employee" shall not include any person who works as
19 an independent contractor or on a consulting basis for the business
20 31. except that, for any project located in an aviation district, any
21 person working as an independent contractor for the business shall
22 be deemed a full-time employee if the business demonstrates to the
23 authority that:

24 (1) the person working as an independent contractor for the
25 business provides critical capabilities to the business in engineering,
26 software development, technology services, or advanced
27 manufacturing supply chain disciplines under a contractual or
28 partnering relationship for a term of no less than three years;

29 (2) the person working as an independent contractor for the
30 business:

31 (a) works at least 80 percent of the person's work time at a
32 qualified business facility;

33 (b) works for at least 35 hours a week, or renders any other
34 standard service generally accepted by custom or practice as full-
35 time employment; and

36 (c) is provided with employee health benefits under a health
37 benefits plan authorized pursuant to State or federal law; and

38 (3) the person working as an independent contractor for the
39 business shall not be included in the business's Statewide workforce
40 total if that person is simultaneously receiving a State economic
41 incentive benefit for job creation or retention under any other
42 program.

43 A business with at least 15 persons working as independent
44 contractors for the business who meet the conditions established
45 pursuant to paragraphs (1) and (2) of this subsection may claim
46 each of those persons as eight-tenths of a full-time employee for the
47 purposes of meeting the minimum Statewide workforce total
48 required under the program. Persons working as independent

1 contractors for the business shall be considered full-time employees
2 solely for the purposes of being counted towards the minimum
3 number of eligible positions required under the program.
4 Compliance period obligations of those persons following the
5 receipt of an economic incentive benefit shall not disqualify
6 inclusion of those persons as part of the business's Statewide
7 workforce total. The inclusion of persons working as independent
8 contractors for the business as part of the business's Statewide
9 workforce total may be applied starting on January 1, 2017 for all
10 previously awarded and future tax credits awarded under the
11 program established pursuant to section 3 of P.L.2011, c.149
12 (C.34:1B-244).

13 A business that includes persons working as independent
14 contractors for the business as part of the business's Statewide
15 workforce total shall provide to the authority an annual report that
16 identifies the number of persons working as independent contractors
17 for the business and their contractual or partnering relationship with
18 the business¹³.

19 Full-time employee shall also not include any person who at the
20 time of project application works in New Jersey for consideration
21 for at least 35 hours per week, or who renders any other standard of
22 service generally accepted by custom or practice as full-time
23 employment but who prior to project application was not provided,
24 by the business, with employee health benefits under a health
25 benefits plan authorized pursuant to State or federal law.

26 "Garden State Create Zone" means the campus of a doctoral
27 university, and the area within a three-mile radius of the outermost
28 boundary of the campus of a doctoral university, according to a map
29 appearing in the doctoral university's official catalog or other
30 official publication on the effective date of P.L.2017, c.221.

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

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

46 "Incentive agreement" means the contract between the business
47 and the authority, which sets forth the terms and conditions under

1 which the business shall be eligible to receive the incentives
2 authorized pursuant to the program.

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

7 "Independent institution of higher education" means a college or
8 university incorporated and located in New Jersey, which by virtue
9 of law or character or license is a nonprofit educational institution
10 authorized to grant academic degrees and which provides a level of
11 education which is equivalent to the education provided by the
12 State's public institutions of higher education, as attested by the
13 receipt of and continuation of regional accreditation by the Middle
14 States Association of Colleges and Schools, and which is eligible to
15 receive State aid under the provisions of the Constitution of the
16 United States and the Constitution of the State of New Jersey, but
17 does not include any educational institution dedicated primarily to
18 the education or training of ministers, priests, rabbis or other
19 professional persons in the field of religion.

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

24 "Mega project" means:

25 a. a qualified business facility located in a port district housing
26 a business in the logistics, manufacturing, energy, defense, or
27 maritime industries, either:

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

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

33 b. a qualified business facility located in an aviation district
34 housing a business in the aviation industry, in a Garden State
35 Growth Zone, or in a priority area housing the United States
36 headquarters and related facilities of an automobile manufacturer,
37 either:

38 (1) having a capital investment in excess of \$20,000,000, and at
39 which more than 250 full-time employees of the business are
40 created or retained, or

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

43 c. a qualified business facility located in an urban transit hub
44 housing a business of any kind, having a capital investment in
45 excess of \$50,000,000, and at which more than 250 full-time
46 employees of the business are created or retained;

47 d. a project located in an area designated in need of
48 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)

1 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
2 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
3 Ocean, or Salem counties having a capital investment in excess of
4 \$20,000,000, and at which more than 150 full-time employees of
5 the business are created or retained; or

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

12 (1) having a capital investment in excess of \$20,000,000, and at
13 which more than 250 full-time employees of the business are
14 created or retained, or

15 (2) at which more than 1,000 full-time employees of the
16 business are created or retained.

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

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

32 "Municipal Revitalization Index" means the 2007 index by the
33 Office for Planning Advocacy within the Department of State
34 measuring or ranking municipal distress.

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

40 "Other eligible area" means the portions of the qualified
41 incentive area that are not located within a distressed municipality,
42 or the priority area.

43 "Partnership" means an entity classified as a partnership for
44 federal income tax purposes.

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

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

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

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

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

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

22 c. are the proposed site of a disaster recovery project, a
23 qualified incubator facility, a highlands development credit
24 receiving area or redevelopment area, a tourism destination project,
25 or transit oriented development; or

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

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

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

37 "Public research university" means a public research university
38 as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3).

39 "Qualified business facility" means any building, complex of
40 buildings or structural components of buildings, and all machinery
41 and equipment located within a qualified incentive area, used in
42 connection with the operation of a business that is not engaged in
43 final point of sale retail business at that location unless the building,
44 complex of buildings or structural components of buildings, and all
45 machinery and equipment located within a qualified incentive area,
46 are used in connection with the operation of:

47 a. a final point of sale retail business located in a Garden State
48 Growth Zone that will include a retail facility of at least 150,000

- 1 square feet, of which at least 50 percent is occupied by either a full-
- 2 service supermarket or grocery store; or
- 3 b. a tourism destination project located in the Atlantic City
- 4 Tourism District as established pursuant to section 5 of P.L.2011,
- 5 c.18 (C.5:12-219).
- 6 "Qualified incentive area" means:
- 7 a. an aviation district;
- 8 b. a port district;
- 9 c. a distressed municipality or urban transit hub municipality;
- 10 d. an area (1) designated pursuant to the "State Planning Act,"
- 11 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
- 12 (a) Planning Area 1 (Metropolitan);
- 13 (b) Planning Area 2 (Suburban); or
- 14 (c) Planning Area 3 (Fringe Planning Area);
- 15 (2) located within a smart growth area and planning area
- 16 designated in a master plan adopted by the New Jersey
- 17 Meadowlands Commission pursuant to subsection (i) of section 6 of
- 18 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
- 19 adopted by the New Jersey Meadowlands Commission pursuant to
- 20 section 20 of P.L.1968, c.404 (C.13:17-21);
- 21 (3) located within any land owned by the New Jersey Sports and
- 22 Exposition Authority, established pursuant to P.L.1971, c.137
- 23 (C.5:10-1 et seq.), within the boundaries of the Hackensack
- 24 Meadowlands District as delineated in section 4 of P.L.1968, c.404
- 25 (C.13:17-4);
- 26 (4) located within a regional growth area, rural development
- 27 area zoned for industrial use as of the effective date of P.L.2016,
- 28 c.75, town, village, or a military and federal installation area
- 29 designated in the comprehensive management plan prepared and
- 30 adopted by the Pinelands Commission pursuant to the "Pinelands
- 31 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 32 (5) located within the planning area of the Highlands Region as
- 33 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
- 34 development credit receiving area or redevelopment area;
- 35 (6) located within a Garden State Growth Zone;
- 36 (7) located within land approved for closure under any federal
- 37 Commission on Base Realignment and Closure action; or
- 38 (8) located only within the following portions of the areas
- 39 designated pursuant to the "State Planning Act," P.L.1985, c.398
- 40 (C.52:18A-196 et [al.] seq.), as Planning Area 4A (Rural Planning
- 41 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
- 42 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A
- 43 (Rural Planning Area), Planning Area 4B (Rural/Environmentally
- 44 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
- 45 located within:
- 46 (a) a designated center under the State Development and
- 47 Redevelopment Plan;

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

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

9 (d) any area on which a structure exists or previously existed
10 including any desired expansion of the footprint of the existing or
11 previously existing structure provided the expansion otherwise
12 complies with all applicable federal, State, county, and local
13 permits and approvals;

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

17 (f) any area on which an existing tourism destination project is
18 located.

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

22 "Qualified incubator facility" means a commercial building
23 located within a qualified incentive area: which contains 50,000 or
24 more square feet of office, laboratory, or industrial space; which is
25 located near, and presents opportunities for collaboration with, a
26 research institution, teaching hospital, college, or university; and
27 within which, at least 50 percent of the gross leasable area is
28 restricted for use by one or more technology startup companies
29 during the commitment period.

30 "Retained full-time job" means an eligible position that currently
31 exists in New Jersey and is filled by a full-time employee but
32 which, because of a potential relocation by the business, is at risk of
33 being lost to another state or country, or eliminated. For the
34 purposes of determining a number of retained full-time jobs, the
35 eligible positions of an affiliate shall be considered eligible
36 positions of the business. For the purposes of the certifications and
37 annual reports required in the incentive agreement pursuant to
38 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the
39 extent an eligible position that was the basis of the award no longer
40 exists, a business shall include as a retained full-time job a new
41 eligible position that is filled by a full-time employee provided that
42 the position is included in the order of date of hire and is not the
43 basis for any other incentive award. For a project located in a
44 Garden State Growth Zone which qualified for the "Municipal
45 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
46 (C.52:27BBB-1 et al.), retained full-time job shall include any
47 employee previously employed in New Jersey and transferred to the
48 new location in the Garden State Growth Zone which qualified for

1 the "Municipal Rehabilitation and Economic Recovery Act,"
2 P.L.2002, c.43 (C.52:27BBB-1 et al.).

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

5 "SDA municipality" means a municipality in which an SDA
6 district is situate.

7 "State college" means a State college or university established
8 pursuant to chapter 64 of Title 18A of the New Jersey Statutes.

9 "Targeted industry" means any industry identified from time to
10 time by the authority including initially, a transportation,
11 manufacturing, defense, energy, logistics, life sciences, technology,
12 health, and finance business, but excluding a primarily warehouse
13 or distribution business.

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

19 "Tourism destination project" means a qualified non-gaming
20 business facility that will be among the most visited privately
21 owned or operated tourism or recreation sites in the State, and
22 which is located within the qualified incentive area and has been
23 determined by the authority to be in an area appropriate for
24 development and in need of economic development incentive
25 assistance, including a non-gaming business within an established
26 Tourism District with a significant impact on the economic viability
27 of that District.

28 "Transit oriented development" means a qualified business
29 facility located within a 1/2-mile radius, or one-mile radius for
30 projects located in a Garden State Growth Zone, surrounding the
31 mid-point of a New Jersey Transit Corporation, Port Authority
32 Transit Corporation, or Port Authority Trans-Hudson Corporation
33 rail, bus, or ferry station platform area, including all light rail
34 stations.

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

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

48 (cf: P.L.2017, c.221, s.1)

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

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

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

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

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

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

24 or

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

28 (2) the qualified business facility shall be constructed in
29 accordance with the minimum environmental and sustainability
30 standards;

31 (3) the capital investment resultant from the award of tax credits
32 and the resultant retention and creation of full-time jobs will yield a
33 net positive benefit to the State equaling at least 110 percent of the
34 requested tax credit allocation amount, which determination is
35 calculated prior to taking into account the value of the requested tax
36 credit and shall be based on the benefits generated during the first
37 20 years following the completion of the project, except that:

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

42 (b) for a project located in a Garden State Growth Zone which
43 qualified for the "Municipal Rehabilitation and Economic Recovery
44 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), the net positive benefit
45 determination shall be based on the benefits generated during a
46 period of up to 35 years following completion of the project, as
47 determined by the authority, and shall equal at least 100 percent of
48 the requested tax credit allocation amount and may utilize the value

1 of those property taxes subject to the provisions of section 24 of
2 P.L.2013 c.161 (C.52:27D-489s), or the value of those property
3 taxes that would have been assessed on the new construction,
4 improvements, or substantial rehabilitation of structures on real
5 property if the structures were not exempt because they are on real
6 property owned by a public entity, and incremental sales and excise
7 taxes that are derived from activities within the area and which are
8 rebated or retained by the municipality pursuant to the "New Jersey
9 Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et
10 seq.) or any other law providing for such rebate or retention; and

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

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

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

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

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

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

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

39 The minimum capital investment required by this subsection
40 shall be reduced by one-third for projects located in a Garden State
41 Growth Zone or projects located within Atlantic, Burlington,
42 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
43 counties.

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

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

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

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

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

11 d. To assist the authority in determining whether a proposed
12 capital investment will yield a net positive benefit, the business's
13 chief executive officer, or equivalent officer, shall submit a
14 certification to the authority indicating: (1) that any existing full-
15 time jobs are at risk of leaving the State or being eliminated; (2)
16 that any projected creation or retention, as applicable, of new full-
17 time jobs would not occur but for the provision of tax credits under
18 the program; and (3) that the business's chief executive officer, or
19 equivalent officer, has reviewed the information submitted to the
20 authority and that the representations contained therein are accurate,
21 provided however, that in satisfaction of the provisions of
22 paragraphs (1) and (2) of this subsection, the certification with
23 respect to a project in a Garden State Growth Zone that qualifies
24 under the "Municipal Rehabilitation and Economic Recovery Act,"
25 P.L.2002, c.43 (C.52:27BBB-1 et al.), or a project located in a
26 Garden State Growth Zone which contains a Tourism District as
27 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
28 regulated by the Casino Reinvestment Development Authority, shall
29 indicate that the provision of tax credits under the program is a
30 material factor in the business decision to make a capital investment
31 and locate in a Garden State Growth Zone that qualifies under the
32 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
33 c.43 (C.52:27BBB-1 et al.), or a Garden State Growth Zone which
34 contains a Tourism District as established pursuant to section 5 of
35 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
36 Reinvestment Development Authority. In the event that this
37 certification by the business's chief executive officer, or equivalent
38 officer, is found to be willfully false, the authority may revoke any
39 award of tax credits in their entirety, which revocation shall be in
40 addition to any other criminal or civil penalties that the business
41 and the officer may be subject to. When considering an application
42 involving intra-State job transfers, the authority shall require the
43 business to submit the following information as part of its
44 application: a full economic analysis of all locations under
45 consideration by the business; all lease agreements, ownership
46 documents, or substantially similar documentation for the business's
47 current in-State locations; and all lease agreements, ownership
48 documents, or substantially similar documentation for the potential

1 out-of-State location alternatives, to the extent they exist. Based on
2 this information, and any other information deemed relevant by the
3 authority, the authority shall independently verify and confirm, by
4 way of making a factual finding by separate vote of the authority's
5 board, the business's assertion that the jobs are actually at risk of
6 leaving the State, and as to the date or dates at which the authority
7 expects that those jobs would actually leave the State, or, with
8 respect to projects located in a Garden State Growth Zone that
9 qualifies under the "Municipal Rehabilitation and Economic
10 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or projects
11 located in a Garden State Growth Zone which contains a Tourism
12 District as established pursuant to section 5 of P.L.2011, c.18
13 (C.5:12-219) and regulated by the Casino Reinvestment
14 Development Authority, the business's assertion that the provision
15 of tax credits under the program is a material factor in the business's
16 decision to make a capital investment and locate in a Garden State
17 Growth Zone that qualifies under the "Municipal Rehabilitation and
18 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or
19 in a Garden State Growth Zone which contains a Tourism District
20 as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219)
21 and regulated by the Casino Reinvestment Development Authority,
22 before a business may be awarded any tax credits under this section.

23 e. A project that consists solely of point-of-final-purchase
24 retail facilities shall not be eligible for a grant of tax credits. If a
25 project consists of both point-of-final-purchase retail facilities and
26 non-retail facilities, only the portion of the project consisting of
27 non-retail facilities shall be eligible for a grant of tax credits. For a
28 qualified business facility that is a mixed-use project that includes
29 retail facilities and that is located in a Garden State Growth Zone or
30 the Atlantic City Tourism District as established pursuant to section
31 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
32 Reinvestment Development Authority, retail facilities in an amount
33 up to 7.5 percent of the mixed-use project may be included in the
34 mixed-use project application for a grant of tax credits along with
35 the non-retail facilities, and that application may include in the
36 aggregate the pro-rata number of full-time employees employed by
37 any number of tenants or other occupants of the included retail
38 facilities. If a warehouse facility is part of a point-of-final-purchase
39 retail facility and supplies only that facility, the warehouse facility
40 shall not be eligible for a grant of tax credits. For the purposes of
41 this section, a retail facility of at least 150,000 square feet, of which
42 at least 50 percent is occupied by a full-service supermarket or
43 grocery store, located in a Garden State Growth Zone which
44 qualified under the "Municipal Rehabilitation and Economic
45 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or a tourism
46 destination project in the Atlantic City Tourism District as
47 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219), or

1 catalog distribution centers shall not be considered point-of-final-
2 purchase retail facilities.

3 f. The authority may determine as eligible for tax credits under
4 the program any business that is required to respond to a request for
5 proposals and to fulfill a contract with the federal government
6 although the business's chief executive officer or equivalent officer
7 has not demonstrated to the authority that the award of tax credits
8 will be a material factor in the business's decision to retain the
9 minimum number of retained full-time jobs, as otherwise required
10 by this section. The authority may, in its discretion, consider the
11 economic benefit of the retained jobs servicing the contract in
12 conducting a net benefit analysis required by paragraph (4) of
13 subsection a. of this section. For the purposes of this subsection,
14 "retained full-time jobs" includes jobs that are at risk of being
15 eliminated. Applications to the authority for eligibility under the
16 program pursuant to the criteria set forth in this subsection shall be
17 completed by December 31, 2013. Submission of a proposal to the
18 federal government prior to authority approval shall not disqualify a
19 business from the program.

20 g. Nothing shall preclude a business from applying for tax
21 credits under the program for more than one project pursuant to one
22 or more applications.

23 h. A business shall not be required to purchase pinelands
24 development credits under the "Pinelands Protection Act,"
25 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
26 management plan, or any other rule or regulation adopted pursuant
27 to that act in connection with any approval or relief obtained related
28 to a qualified business facility located in an aviation district on or
29 after the effective date of P.L. , c. (C.) (pending before the
30 Legislature as this bill) ³, except if seeking to develop in
31 permanently protected open space pursuant to the Pinelands
32 Protection Act³.

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

34

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

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

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

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

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

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

4 b. (1) A business shall submit an application for tax credits
5 prior to July 1, 2019. The authority shall not approve an application
6 for tax credits unless the application was submitted prior to July 1,
7 2019. ³For a business located within a Garden State Growth Zone
8 that is an aviation district, the business shall submit an application
9 for tax credits prior to July 1, 2022. The authority shall not approve
10 an application for tax credits for a business located within a Garden
11 State Growth Zone that is an aviation district unless the application
12 was submitted prior to July 1, 2022.]³

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

22 (b) As of the effective date of P.L.2017, c.314, a business which
23 applied for the tax credit prior to July 1, 2014 under P.L.2011,
24 c.149 (C.34:1B-242 et al.), shall submit its documentation to the
25 authority no later than July 28, 2019, indicating that it has met the
26 capital investment and employment requirements specified in the
27 incentive agreement for certification of its tax credit amount.

28 (3) Full-time employment for an accounting or privilege period
29 shall be determined as the average of the monthly full-time
30 employment for the period.

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

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

38 The credit amount for any tax period for which the
39 documentation of a business's credit amount remains uncertified as
40 of a date three years after the closing date of that period shall be
41 forfeited, although credit amounts for the remainder of the years of
42 the eligibility period shall remain available to it.

43 The credit amount may be taken by the tax certificate holder for
44 the tax period for which it was issued or may be carried forward for
45 use by the tax certificate holder in any of the next 20 successive tax
46 periods, and shall expire thereafter. The tax certificate holder may
47 transfer the tax credit amount on or after the date of issuance or at
48 any time within three years of the date of issuance for use by the

1 transferee in the tax period for which it was issued or in any of the
2 next 20 successive tax periods. Notwithstanding the foregoing, no
3 more than the amount of tax credits equal to the total credit amount
4 divided by the duration of the eligibility period in years may be
5 taken in any tax period.

6 (2) Credits granted to a partnership shall be passed through to
7 the partners, members, or owners, respectively, pro-rata or pursuant
8 to an executed agreement among the partners, members, or owners
9 documenting an alternate distribution method provided to the
10 Director of the Division of Taxation in the Department of the
11 Treasury accompanied by any additional information as the director
12 may require.

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

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

30 (2) If, in any tax period, the number of full-time employees
31 employed by the business at the qualified business facility located
32 within a qualified incentive area drops below 80 percent of the
33 number of new and retained full-time jobs specified in the incentive
34 agreement, then the business shall forfeit its credit amount for that
35 tax period and each subsequent tax period, until the first tax period
36 for which documentation demonstrating the restoration of the
37 number of full-time employees employed by the business at the
38 qualified business facility to 80 percent of the number of jobs
39 specified in the incentive agreement.

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

46 (b) In connection with a regional distribution facility of
47 foodstuffs, the business entity or entities which own or lease the
48 facility shall qualify as a business regardless of: (i) the type of the

1 business entity or entities which own or lease the facility; (ii) the
2 ownership or leasing of the facility by more than one business
3 entity; or (iii) the ownership of the business entity or entities which
4 own or lease the facility. The ownership or leasing, whether by
5 members, shareholders, partners, or other owners of the business
6 entity or entities, shall be treated as ownership or leasing by
7 affiliates. The members, shareholders, partners, or other ownership
8 or leasing participants and others that are tenants in the facility shall
9 be treated as affiliates for the purpose of counting the full-time
10 employees and capital investments in the facility. The business
11 entity or entities may distribute credits to members, shareholders,
12 partners, or other ownership or leasing participants in accordance
13 with their respective interests. If the business entity or entities or
14 their members, shareholders, partners, or other ownership or leasing
15 participants lease space in the facility to members, shareholders,
16 partners, or other ownership or leasing participants or others as
17 tenants in the facility, the leases shall be treated as a lease to an
18 affiliate, and the business entity or entities shall not be subject to
19 forfeiture of the credits. For the purposes of this section, leasing
20 shall include subleasing and tenants shall include subtenants.

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

34 (b) For a project located within a Garden State Growth Zone
35 which qualifies under the "Municipal Rehabilitation and Economic
36 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which
37 contains a Tourism District as established pursuant to section 5 of
38 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
39 Reinvestment Development Authority, and which qualifies for a tax
40 credit pursuant to subsubparagraph (ii) of subparagraphs (a) through
41 (e) of paragraph (6) of subsection d. of section 5 of P.L.2011, c.149
42 (C.34:1B-246), if, in any tax period the number of full-time
43 employees employed by the business at the qualified business
44 facility located within a qualified incentive area increases above the
45 number of full-time employees specified in the incentive agreement
46 such that the business shall then meet the minimum number of
47 employees required in subparagraph (b), (c), (d), or (e) of paragraph
48 (6) of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),

1 then the authority shall recalculate the total tax credit amount per
2 full-time job by using the certified capital investment of the project
3 allowable under the applicable subparagraph and the number of
4 full-time jobs certified on the date of the recalculation and applying
5 those numbers to subparagraph (b), (c), (d), or (e) of paragraph (6)
6 of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),
7 until the first tax period for which documentation demonstrating a
8 reduction of the number of full-time employees employed by the
9 business at the qualified business facility, at which time the tax
10 credit amount shall be adjusted accordingly pursuant to this section.

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

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

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

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

33 (cf: P.L.2017, c.314, s.4)

34

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

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

39 "Applicant" means a developer proposing to enter into a
40 redevelopment incentive grant agreement.

41 "Ancillary infrastructure project" means structures or
42 improvements that are located within the incentive area but outside
43 the project area of a redevelopment project, including, but not
44 limited to, docks, bulkheads, parking garages, freight rail spurs,
45 roadway overpasses, and train station platforms, provided a
46 developer or municipal redeveloper has demonstrated that the
47 redevelopment project would not be economically viable or

1 promote the use of public transportation without such
2 improvements, as approved by the State Treasurer.

3 "Authority" means the New Jersey Economic Development
4 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
5 4).

6 "Aviation district" means all areas within the boundaries of the
7 "Atlantic City International Airport," established pursuant to section
8 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
9 Administration William J. Hughes Technical Center and the area
10 within a one-mile radius of the outermost boundary of the "Atlantic
11 City International [Airport," established pursuant to section 24 of
12 P.L.1991, c.252 (C.27:25A-24)] Airport" and the Federal Aviation
13 Administration William J. Hughes Technical Center.

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

19 "Developer" means any person who enters or proposes to enter
20 into a redevelopment incentive grant agreement pursuant to the
21 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
22 successors or assignees, including but not limited to a lender that
23 completes a redevelopment project, operates a redevelopment
24 project, or completes and operates a redevelopment project. A
25 developer also may be a municipal redeveloper as defined herein or
26 Rutgers, the State University of New Jersey.

27 "Director" means the Director of the Division of Taxation in the
28 Department of the Treasury.

29 "Disaster recovery project" means a redevelopment project
30 located on property that has been wholly or substantially damaged
31 or destroyed as a result of a federally-declared disaster, and which
32 is located within the incentive area and has been determined by the
33 authority to be in an area appropriate for development and in need
34 of economic development incentive assistance.

35 "Distressed municipality" means a municipality that is qualified
36 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
37 municipality under the supervision of the Local Finance Board
38 pursuant to the provisions of the "Local Government Supervision
39 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
40 identified by the Director of the Division of Local Government
41 Services in the Department of Community Affairs to be facing
42 serious fiscal distress, a SDA municipality, or a municipality in
43 which a major rail station is located.

44 "Eligibility period" means the period of time specified in a
45 redevelopment incentive grant agreement for the payment of
46 reimbursements to a developer, which period shall not exceed 20
47 years, with the term to be determined solely at the discretion of the
48 applicant.

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

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

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

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

28 "Infrastructure improvements in the public right-of-way" mean
29 public structures or improvements located in the public right-of-
30 way that are located within a project area or that constitute an
31 ancillary infrastructure project, either of which are dedicated to or
32 owned by a governmental body or agency upon completion, or any
33 required payment in lieu of the structures, improvements or
34 projects, or any costs of remediation associated with the structures,
35 improvements or projects, and that are determined by the authority,
36 in consultation with applicable State agencies, to be consistent with
37 and in furtherance of State public infrastructure objectives and
38 initiatives.

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

46 "Major rail station" means a railroad station located within a
47 qualified incentive area which provides access to the public to a

1 minimum of six rail passenger service lines operated by the New
2 Jersey Transit Corporation.

3 "Mixed use parking project" means a redevelopment project, the
4 parking component of which shall constitute 51 percent or more of
5 any of the following:

6 a. the total square footage of the entire mixed use parking
7 project;

8 b. the estimated revenues of the entire mixed use parking
9 project; or

10 c. the total construction cost of the entire mixed use parking
11 project.

12 "Moderate-income housing" means housing affordable,
13 according to United States Department of Housing and Urban
14 Development or other recognized standards for home ownership
15 and rental costs, and occupied or reserved for occupancy by
16 households with a gross household income equal to more than 50
17 percent but less than 80 percent of the median gross household
18 income for households of the same size within the housing region in
19 which the housing is located.

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

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

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

29 "Municipal Revitalization Index" means the 2007 index by the
30 Office for Planning Advocacy within the Department of State
31 measuring or ranking municipal distress.

32 "Non-parking component" means that portion of a mixed use
33 parking project not used for parking, together with the portion of
34 the costs of the mixed use parking project, including but not limited
35 to the footings, foundations, site work, infrastructure, and soft costs
36 that are allocable to the non-parking use.

37 "Parking component" means that portion of a mixed use parking
38 project used for parking, together with the portion of the costs of
39 the mixed use parking project, including but not limited to the
40 footings, foundations, site work, infrastructure, and soft costs that
41 are allocable to the parking use.

42 "Project area" means land or lands located within the incentive
43 area under common ownership or control including through a
44 redevelopment agreement with a municipality, or as otherwise
45 established by a municipality or a redevelopment agreement
46 executed by a State entity to implement a redevelopment project.

47 "Project cost" means the costs incurred in connection with the
48 redevelopment project by the developer until the issuance of a

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

21 "Project financing gap" means:

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

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

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

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

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

42 b. multiplying that product by a fraction having a numerator
43 equal to the taxable value of all the property assessed within the
44 project area, minus the property tax increment base, and having a
45 denominator equal to the taxable value of all property assessed
46 within the project area.

47 For the purpose of this definition, "property tax increment base"
48 means the aggregate taxable value of all property assessed which is

1 located within the redevelopment project area as of October 1st of
2 the year proceeding the year in which the redevelopment incentive
3 grant agreement is authorized.

4 "Qualified incubator facility" means a commercial building
5 located within an incentive area: which contains 100,000 or more
6 square feet of office, laboratory, or industrial space; which is
7 located near, and presents opportunities for collaboration with, a
8 research institution, teaching hospital, college, or university; and
9 within which, at least 75 percent of the gross leasable area is
10 restricted for use by one or more technology startup companies
11 during the commitment period.

12 "Qualified residential project" means a redevelopment project
13 that is predominantly residential and includes multi-family
14 residential units for purchase or lease, or dormitory units for
15 purchase or lease, having a total project cost of at least
16 \$17,500,000, if the project is located in any municipality with a
17 population greater than 200,000 according to the latest federal
18 decennial census, or having a total project cost of at least
19 \$10,000,000 if the project is located in any municipality with a
20 population less than 200,000 according to the latest federal
21 decennial census, or is a disaster recovery project, or having a total
22 project cost of \$5,000,000 if the project is in a Garden State Growth
23 Zone.

24 "Qualifying economic redevelopment and growth grant incentive
25 area" or "incentive area" means:

- 26 a. an aviation district;
- 27 b. a port district;
- 28 c. a distressed municipality; or
- 29 d. an area (1) designated pursuant to the "State Planning Act,"

30 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

- 31 (a) Planning Area 1 (Metropolitan);
- 32 (b) Planning Area 2 (Suburban); or
- 33 (c) Planning Area 3 (Fringe Planning Area);

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

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

45 (4) located within a regional growth area, rural development
46 area zoned for industrial use as of the effective date of P.L.2016,
47 c.75, town, village, or a military and federal installation area
48 designated in the comprehensive management plan prepared and

1 adopted by the Pinelands Commission pursuant to the "Pinelands
2 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

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

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

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

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

17 (a) a designated center under the State Development and
18 Redevelopment Plan;

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

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

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

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

35 (f) any area on which an existing tourism destination project is
36 located.

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

42 "Redevelopment incentive grant agreement" means an agreement
43 between:

44 a. the State and the New Jersey Economic Development
45 Authority and a developer; or

46 b. a municipality and a developer, or a municipal ordinance
47 authorizing a project to be undertaken by a municipal redeveloper,
48 under which, in exchange for the proceeds of an incentive grant, the

1 developer agrees to perform any work or undertaking necessary for
2 a redevelopment project, including the clearance, development or
3 redevelopment, construction, or rehabilitation of any structure or
4 improvement of commercial, industrial, residential, or public
5 structures or improvements within a qualifying economic
6 redevelopment and growth grant incentive area or a transit village.

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

36 "Redevelopment utility" means a self-liquidating fund created by
37 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
38 489l) to account for revenues collected and incentive grants paid
39 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
40 revenues dedicated to a redevelopment project.

41 "Revenue increment base" means the amounts of all eligible
42 revenues from sources within the redevelopment project area in the
43 calendar year proceeding the year in which the redevelopment
44 incentive grant agreement is executed, as certified by the State
45 Treasurer for State revenues, and the chief financial officer of the
46 municipality for municipal revenues.

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

1 "SDA municipality" means a municipality in which an SDA
2 district is situated.

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

8 "Tourism destination project" means a redevelopment project
9 that will be among the most visited privately owned or operated
10 tourism or recreation sites in the State, and which is located within
11 the incentive area and has been determined by the authority to be in
12 an area appropriate for development and in need of economic
13 development incentive assistance.

14 "Transit project" means a redevelopment project located within a
15 1/2-mile radius, or one-mile radius for projects located in a Garden
16 State Growth Zone, surrounding the mid-point of a New Jersey
17 Transit Corporation, Port Authority Transit Corporation, or Port
18 Authority Trans-Hudson Corporation rail, bus, or ferry station
19 platform area, including all light rail stations.

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

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

26 a. buildings and structures, such as academic buildings,
27 recreation centers, indoor athletic facilities, public works garages,
28 and water and sewer treatment and pumping facilities;

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

31 c. transportation facilities, such as bus shelters and parking
32 facilities.

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

41 "Vacant commercial building" means any commercial building
42 or complex of commercial buildings having over 400,000 square
43 feet of office, laboratory, or industrial space that is more than 70
44 percent unoccupied at the time of application to the authority or is
45 negatively impacted by the approval of a "qualified business
46 facility," as defined pursuant to section 2 of P.L.2007, c.346
47 (C.34:1B-208), or any vacant commercial building in a Garden
48 State Growth Zone having over 35,000 square feet of office,

1 laboratory, or industrial space, or over 200,000 square feet of
2 office, laboratory, or industrial space in Atlantic, Burlington,
3 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
4 counties available for occupancy for a period of over one year.

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

11 (cf: P.L.2016, c.75, s.2)

12

13 5. Section 4 of P.L.2009, c.90 (C.52:27D-489d) is amended to
14 read as follows:

15 4. a. The governing body of a municipality wherein is located
16 a qualifying economic redevelopment and growth grant incentive
17 area may adopt an ordinance to establish a local Economic
18 Redevelopment and Growth Grant program for the purpose of
19 encouraging redevelopment projects in that area through the
20 provision of incentive grants to reimburse developers for all or a
21 portion of the project financing gap for such projects. No local
22 Economic Redevelopment and Growth Grant program shall take
23 effect until the Local Finance Board approves the ordinance.

24 b. A developer shall submit an application for a local incentive
25 grant prior to July 1, 2019. ³For a redevelopment project located
26 within a Garden State Growth Zone that is an aviation district, the
27 developer shall submit an application for a local incentive grant
28 prior to July 1, 2022.³ A developer that submits an application for
29 a local incentive grant shall indicate on the application whether it is
30 also applying for a State incentive grant. An application by a
31 developer applying for a local incentive grant only shall not require
32 approval by the authority. A municipal redeveloper may only apply
33 for local incentive grants for the construction of: (1) infrastructure
34 improvements in the public right-of-way, or (2) publicly owned
35 facilities.

36 c. No local incentive grant shall be finally approved by a
37 municipality until approved by the Local Finance Board. The Local
38 Finance Board shall not approve a local incentive grant unless the
39 application was submitted prior to July 1, 2019. ³The Local
40 Finance Board shall not approve a local incentive grant for a
41 redevelopment project located within a Garden State Growth Zone
42 that is an aviation district unless the application was submitted prior
43 to July 1, 2022.³

44 d. In deciding whether or not to approve a local incentive grant
45 agreement the Local Finance Board shall consider the following
46 factors:

47 (1) the economic feasibility of the redevelopment project;

1 (2) the extent of economic and related social distress in the
2 municipality and the area to be affected by the redevelopment
3 project;

4 (3) the degree to which the redevelopment project will advance
5 State, regional, and local development and planning strategies;

6 (4) the likelihood that the redevelopment project shall, upon
7 completion, be capable of generating new tax revenue in an amount
8 in excess of the amount necessary to reimburse the developer for
9 project costs incurred as provided in the redevelopment incentive
10 grant agreement;

11 (5) the relationship of the redevelopment project to a
12 comprehensive local development strategy, including other major
13 projects undertaken within the municipality;

14 (6) the need for the redevelopment incentive grant agreement to
15 the viability of the redevelopment project;

16 (7) compliance with the provisions of P.L.2009, c.90
17 (C.52:27D-489a et al.); and

18 (8) the degree to which the redevelopment project enhances and
19 promotes job creation and economic development.

20 e. A developer shall not be required to purchase pinelands
21 development credits under the “ Pinelands Protection Act,”
22 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
23 management plan, or any other rule or regulation adopted pursuant
24 to that act in connection with any approval or relief obtained related
25 to a redevelopment project located in an aviation district on or after
26 the effective date of P.L. , c. (C.) (pending before the
27 Legislature as this bill) ³, except if seeking to develop in
28 permanently protected open space pursuant to the Pinelands
29 Protection Act³. ²The provisions of this subsection shall not apply
30 to a developer of a qualified residential project.²

31 (cf: P.L.2013, c.161, s.15)

32

33 6. Section 5 of P.L.2009, c.90 (C.52:27D-489e) is amended to
34 read as follows:

35 5. a. The New Jersey Economic Development Authority, in
36 consultation with the State Treasurer, shall establish an Economic
37 Redevelopment and Growth Grant program for the purpose of
38 encouraging redevelopment projects in qualifying economic
39 redevelopment and growth grant incentive areas that do not qualify
40 as such areas solely by virtue of being a transit village, through the
41 provision of incentive grants to reimburse developers for certain
42 project financing gap costs.

43 b. (1) A developer shall submit an application for a State
44 incentive grant prior to July 1, 2019. ³For a redevelopment project
45 located within a Garden State Growth Zone that is an aviation
46 district, the developer shall submit an application for a State
47 incentive grant prior to July 1, 2022.³ A developer that submits an

1 application for a State incentive grant shall indicate on the
2 application whether it is also applying for a local incentive grant.

3 (2) When an applicant indicates it is also applying for a local
4 incentive grant, the authority shall forward a copy of the application
5 to the municipality wherein the redevelopment project is to be
6 located for approval by municipal ordinance.

7 c. An application for a State incentive grant shall be reviewed
8 and approved by the authority. The authority shall not approve an
9 application for a State incentive grant unless the application was
10 submitted prior to July 1, 2019. ³The authority shall not approve
11 an application for a State incentive grant for a redevelopment
12 project located within a Garden State Growth Zone that is an
13 aviation district unless the application was submitted prior to July 1,
14 2022.³

15 d. A developer shall not be required to purchase pinelands
16 development credits under the “ Pinelands Protection Act,”
17 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
18 management plan, or any other rule or regulation adopted pursuant
19 to that act in connection with any approval or relief obtained related
20 to a redevelopment project located in an aviation district on or after
21 the effective date of P.L. , c. (C.) (pending before the
22 Legislature as this bill) ³, except if seeking to develop in
23 permanently protected open space pursuant to the Pinelands
24 Protection Act³. ²The provisions of this subsection shall not apply
25 to a developer of a qualified residential project.²

26 (cf: P.L.2013, c.161, s.16)

27

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

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

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

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

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

41 "Eligible person" means any individual purchasing or renting an
42 eligible residential residence within a growth zone after the
43 enactment of P.L.2013, c.161 (C.52:27D-489p et al.). For the
44 purpose of this definition, an eligible person is limited to those who
45 establish a permanent residency at the eligible residential residence,
46 are subject to the "New Jersey Gross Income Tax Act,"

1 N.J.S.54A:1-1 et seq., and are current with all State and local tax
2 obligations.

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

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

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

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

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

1 "Improvements" means any repair, construction, or
2 reconstruction, including alterations and additions, having the effect
3 of rehabilitating a deteriorated property so that it becomes habitable
4 or attains higher standards of safety, health, economic use or
5 amenity, or is brought into compliance with laws, ordinances or
6 regulations governing such standards. Ordinary upkeep and
7 maintenance shall not be deemed an improvement.

8 (cf: P.L.2013, c.161, s.23)

9

10 8. Section 24 of P.L.2013, c.161 (C. 52:27D-489s) is amended
11 to read as follows:

12 24. a. A Garden State Growth Zone Development Entity is
13 authorized to undertake clearance, re-planning, development, or
14 redevelopment of property within a Garden State Growth Zone.

15 b. Notwithstanding any other law to the contrary, every Garden
16 State Growth Zone Development Entity that owns real property, or
17 leases real property for a period of not less than 30 years, within a
18 Garden State Growth Zone and that undertakes the clearance, re-
19 planning, development, or redevelopment of such property is hereby
20 granted an exemption on improvements to such eligible property for
21 any new construction, improvements, or substantial rehabilitation of
22 structures on real property for a period of 20 years from receiving a
23 final Certificate of Occupancy, provided however, that a
24 municipality located within the Garden State Growth Zone shall, by
25 ordinance, opt-in to such program within 90 calendar days of the
26 enactment of P.L.2013, c.161 (C.52:27D-489p et al.). The
27 exemption allowed by this subsection shall be dependent upon: (1)
28 the owner, or lessee, of the real property making improvements to
29 the real property after the enactment of P.L.2013, c.161 (C.52:27D-
30 489p et al.); and (2) the Division of Codes and Standards, in
31 consultation with the eligible municipality, issuing a final
32 Certificate of Occupancy within 10 years of the date of enactment
33 of P.L.2013, c.161 (C.52:27D-489p et al.). For purposes of this
34 section, a lessee of real property shall include a Garden State
35 Growth Zone Development Entity that is a lessee that is subject to a
36 statutory obligation to make a payment in lieu of taxes on the
37 improvements equal to the taxes on real and personal property.

38 c. The exemption granted by subsection b. of this section shall
39 be for a period of 20 years. For the first 10 years immediately
40 subsequent to the issuance of a Certificate of Occupancy, the
41 Garden State Growth Zone Development Entity shall be exempt
42 from the payment of taxes on the improvements to the eligible
43 property. Thereafter, the Garden State Growth Zone Development
44 Entity shall pay to the municipality in lieu of full property tax
45 payments an amount equal to a percentage of taxes otherwise due,
46 according to the following schedule:

47 (1) In the eleventh year after completion, 10 percent of taxes
48 otherwise due;

1 (2) In the twelfth year after completion, 20 percent of taxes
2 otherwise due;

3 (3) In the thirteenth year after completion, 30 percent of taxes
4 otherwise due;

5 (4) In the fourteenth year after completion, 40 percent of taxes
6 otherwise due;

7 (5) In the fifteenth year after completion, 50 percent of taxes
8 otherwise due;

9 (6) In the sixteenth year after completion, 60 percent of taxes
10 otherwise due;

11 (7) In the seventeenth year after completion, 70 percent of taxes
12 otherwise due;

13 (8) In the eighteenth year after completion, 80 percent of taxes
14 otherwise due;

15 (9) In the nineteenth full year after completion, 90 percent of
16 taxes otherwise due;

17 (10) In the twentieth year after completion, and each year
18 thereafter, 100 percent of taxes.

19 An amount not less than five percent of all payments pursuant to
20 this subsection shall be paid to the county in which the municipality
21 is located.

22 d. Upon the termination of the exemption granted pursuant to
23 subsection c. of this section, the project, all affected parcels, land,
24 and all improvements made thereto shall be assessed and subject to
25 taxation as are other taxable properties in the municipality. After
26 the date of termination, all restrictions and limitations upon the
27 Garden State Growth Zone Development Entity shall terminate and
28 be at an end upon the entity's rendering its final accounting to and
29 with the municipality.

30 e. Notwithstanding subsection b. of this section, the owner of
31 any property located within a Garden State Growth Zone, that does
32 not qualify as a Garden State Growth Zone Development Entity,
33 that performs any new construction, improvements, or substantial
34 rehabilitation improvements to property, shall be entitled to an
35 exemption from taxation regarding such improvements as provided
36 herein. For purposes of such exemption, the municipality shall
37 consider the assessor's full and true value of the improvements as
38 not increasing the value of the property for a period of five years,
39 notwithstanding that the value of the property to which the
40 improvements are made is increased thereby.

41 f. Any exemption obtained under this section shall be fully
42 transferable upon the sale of real property, as long as the new owner
43 meets all requirements for exemption set forth pursuant to this
44 section, or, for the sale of a residential unit, as long as the new
45 owner occupies the unit as a primary residence.

46 g. A Garden State Growth Zone Development Entity shall not
47 be required to purchase pinelands development credits under the
48 "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.),

1 the pinelands comprehensive management plan, or any other rule or
2 regulation adopted pursuant to that act, in connection with any
3 approval or relief obtained related to property located in an aviation
4 district on or after the effective date of P.L. , c. (C.)
5 (pending before the Legislature as this bill) ³, except if seeking to
6 develop in permanently protected open space pursuant to the
7 Pinelands Protection Act³. ²The provisions of this subsection shall
8 not apply to an eligible property that is residential property.²
9 (cf: P.L.2014, c.63, s.9)

10

11 9. This act shall take effect immediately and shall only apply to
12 new Grow New Jersey Assistance Program and Economic
13 Redevelopment and Growth Grant Program applications submitted to
14 the Economic Development Authority on or after the date of
15 enactment.