

ASSEMBLY, No. 691

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 35 (Bergen and Passaic)

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SYNOPSIS

Authorizes creation of urban enterprise zones in Garfield, Harrison, Keansburg, and two joint urban enterprise zones, one in Cliffside Park and Fairview, and one in Buena Vista Township and Buena Borough.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning urban enterprise zones and amending P.L.1983
2 c.303 and P.L.1995, c.382.

3

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

6

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

9 3. As used in this act:

10 a. "Enterprise zone" or "zone" means an urban enterprise zone
11 designated by the authority pursuant to this act;

12 b. "Authority" means the New Jersey Urban Enterprise Zone
13 Authority created by this act;

14 c. "Qualified business" means any entity authorized to do
15 business in the State of New Jersey which, at the time of
16 designation as an enterprise zone or a UEZ-impacted business
17 district, is engaged in the active conduct of a trade or business in
18 that zone or district; or an entity which, after that designation but
19 during the designation period, becomes newly engaged in the active
20 conduct of a trade or business in that zone or district and has at least
21 25% of its full-time employees employed at a business location in
22 the zone or district, meeting one or more of the following criteria:

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

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

29 (3) Determined to be low income individuals pursuant to the
30 Workforce Investment Act of 1998, Pub.L.105-220
31 (29 U.S.C. s.2811);

32 d. "Qualifying municipality" means any municipality in which
33 there was, in the last full calendar year immediately preceding the
34 year in which application for enterprise zone designation is
35 submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),
36 an annual average of at least 2,000 unemployed persons, and in
37 which the municipal average annual unemployment rate for that
38 year exceeded the State average annual unemployment rate; except
39 that any municipality which qualifies for State aid pursuant to
40 P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal
41 average annual unemployment rate for that year exceeded the State
42 average annual unemployment rate. The annual average of
43 unemployed persons and the average annual unemployment rates
44 shall be estimated for the relevant calendar year by the Office of
45 Labor Planning and Analysis of the State Department of Labor and
46 Workforce Development. In addition to those municipalities that
47 qualify pursuant to the criteria set forth above, the following

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

Matter underlined thus is new matter.

1 municipalities shall also be deemed to be qualifying municipalities
2 pursuant to the following criteria: (1) that municipality accorded
3 priority designation pursuant to subsection e. of section 7 of
4 P.L.1983, c.303 (C.52:27H-66) [.] ; (2) those municipalities set
5 forth in paragraph (7), paragraph (8) of section 3 of P.L.1995, c.382
6 (C.52:27H-66.1), and paragraph (9) of section 3 of P.L.1995, c.382
7 as amended by section 3 of P.L.2004, c.75 (C.52:27H-66.1)
8 [, and] ; (3) the municipalities in which the three additional
9 enterprise zones, including the joint enterprise zone, are to be
10 designated pursuant to criteria according priority consideration for
11 designation of the zones pursuant to section 12 of P.L.2001, c.347
12 (C.52:27H-66.7) [shall be deemed qualifying municipalities] ; and
13 (4) the municipalities in which the five additional enterprise zones,
14 of which two are joint enterprise zones, are to be designated
15 pursuant to criteria according priority consideration for designation
16 of the zones pursuant to paragraphs (10), (11), (12), (13) and (14) of
17 section 3 of P.L.1995, c.382 as amended by section 3 of
18 P.L. , c. (C.) (pending before the Legislature as this bill);
19 e. "Public assistance" means income maintenance funds
20 administered by the Department of Human Services or by a county
21 welfare agency;
22 f. "Zone development corporation" means a nonprofit
23 corporation or association created or designated by the governing
24 body of a qualifying municipality to formulate and propose a
25 preliminary zone development plan pursuant to section 9 of
26 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
27 and implement the zone development plan;
28 g. "Zone development plan" means a plan adopted by the
29 governing body of a qualifying municipality for the development of
30 an enterprise zone therein, and for the direction and coordination of
31 activities of the municipality, zone businesses and community
32 organizations within the enterprise zone toward the economic
33 betterment of the residents of the zone and the municipality;
34 h. "Zone neighborhood association" means a corporation or
35 association of persons who either are residents of, or have their
36 principal place of employment in, a municipality in which an
37 enterprise zone has been designated pursuant to this act; which is
38 organized under the provisions of Title 15 of the Revised Statutes
39 or Title 15A of the New Jersey Statutes; and which has for its
40 principal purpose the encouragement and support of community
41 activities within, or on behalf of, the zone so as to (1) stimulate
42 economic activity, (2) increase or preserve residential amenities, or
43 (3) otherwise encourage community cooperation in achieving the
44 goals of the zone development plan;
45 i. "Enterprise zone assistance fund" or "assistance fund" means
46 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
47 and

1 j. "UEZ-impacted business district" or "district" means an
2 economically-distressed business district classified by the authority
3 as having been negatively impacted by two or more adjacent urban
4 enterprise zones in which 50% less sales tax is collected pursuant to
5 section 21 of P.L.1983, c.303 (C.52:27H-80).
6 (cf: P.L.2004, c.75, s.1)
7

8 2. Section 7 of P.L.1983, c.303 (C.52:27H-66) is amended to
9 read as follows:

10 7. The authority shall designate enterprise zones from among
11 those areas of qualifying municipalities determined to be eligible
12 pursuant to P.L.1983, s.303. No more than ~~32~~ 37 enterprise zones
13 shall be in effect at any one time. No more than one enterprise zone
14 shall be designated in any one municipality. Except as otherwise
15 provided by section 11 of P.L.2001, c.347 (C.52:27H-66.6), any
16 designation granted shall be for a period of 20 years, beginning with
17 the year in which a zone is eligible for an exemption to the extent of
18 50% of the tax imposed under the "Sales and Use Tax Act,"
19 P.L.1966, c.30 (C.54:32B-1 et seq.), and shall not be renewed at the
20 end of that period. In designating enterprise zones the authority
21 shall seek to avoid excessive geographic concentration of zones in
22 any particular region of the State. At least six of the 10 additional
23 enterprise zones authorized pursuant to section 3 of P.L.1993, c.367
24 shall be located in counties in which enterprise zones have not
25 previously been designated and shall be designated within 90 days
26 of the date of the submittal of an application and zone development
27 plan. The authority shall accept applications within 90 days of the
28 effective date of P.L.1993, c.367. Notwithstanding the provisions of
29 P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the six
30 additional enterprise zones to be designated by the authority
31 pursuant to the criteria for priority consideration in this section shall
32 be entitled to an exemption to the extent of 50% of the tax imposed
33 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
34 seq.). The following criteria shall be utilized in according priority
35 consideration for designation of these zones by the authority:

36 a. One zone shall be located in a county of the second class
37 with a population greater than 595,000 and less than 675,000
38 according to the latest federal decennial census and shall be located
39 in the qualifying municipality in that county with the highest annual
40 average number of unemployed persons and the highest average
41 annual unemployment rate for the 1992 calendar year according to
42 the estimate by the State Department of Labor and Workforce
43 Development;

44 b. Two zones shall be located in a county of the second class
45 with a population greater than 445,000 and less than 455,000
46 according to the latest federal decennial census, one of which shall
47 be located in the qualifying municipality in that county with the
48 highest annual average number of unemployed persons and the

1 highest average annual unemployment rate for the 1992 calendar
2 year according to the estimate by the State Department of Labor and
3 Workforce Development, and one of which shall be located in the
4 qualifying municipality in that county with the second highest
5 annual average number of unemployed persons and the second
6 highest average annual unemployment rate for the 1992 calendar
7 year according to the estimate by the State Department of Labor and
8 Workforce Development;

9 c. One zone shall be located in a county of the third class with
10 a population greater than 84,000 and less than 92,000 according to
11 the latest federal decennial census and shall be located in the
12 qualifying municipality in that county with the highest annual
13 average number of unemployed persons and the highest average
14 annual unemployment rate for the 1992 calendar year according to
15 the estimate by the State Department of Labor and Workforce
16 Development;

17 d. One zone shall be located within two noncontiguous
18 qualifying municipalities but comprised of not more than two
19 noncontiguous areas each having a continuous border, if:

20 (1) both municipalities are located in the same county which
21 shall be a county of the fifth class with a population greater than
22 500,000 and less than 555,000 according to the latest federal
23 decennial census;

24 (2) the two municipalities submit a joint application and zone
25 development plan; and

26 (3) each of the municipalities has a population greater than
27 16,000 and less than 30,000 and a population density of more than
28 5,000 persons per square mile, according to the latest federal
29 decennial census; and

30 e. One zone shall be located within a municipality having a
31 population greater than 38,000 and less than 46,000 according to
32 the latest federal decennial census if the municipality is located
33 within a county of the fifth class with a population greater than
34 340,000 and less than 440,000 according to the latest federal
35 decennial census.

36 (cf: P.L.2004, c.75, s.2)

37

38 3. Section 3 of P.L.1995, c.382 (C.52:27H-66.1) is amended to
39 read as follows:

40 3. The additional seven zones authorized pursuant to P.L.1995,
41 c.382 (C.52:27H-66.1 et al.), the additional zone authorized
42 pursuant to P.L.2003, c.285, **【and】** the additional zone designated
43 pursuant to P.L.2004, c.75, and the five additional zones, of which
44 two are joint enterprise zones, designated pursuant to P.L. ,
45 c. (C.) (pending before the Legislature as this bill) shall be
46 designated within 90 days of the date of the submittal of an
47 application and zone development plan. The authority shall accept
48 applications within 90 days of the effective date of P.L.1995, c.382

1 (C.52:27H-66.1 et al.) **【or】** , P.L.2003, c.285 or P.L. , c. (C.)
2 (pending before the Legislature as this bill), as applicable, for those
3 zones that fulfill the criteria set forth in this section.
4 Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 et
5 seq.) to the contrary, the **【nine】** 14 additional enterprise zones to be
6 designated by the authority pursuant to the criteria for priority
7 consideration set forth in this section shall be entitled to an
8 exemption to the extent of 50% of the tax imposed under the "Sales
9 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The
10 following criteria shall be utilized in according priority
11 consideration for designation of the seven additional enterprise
12 zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 et
13 al.), the additional enterprise zone authorized pursuant to P.L.2003,
14 c.285, **【and】** the additional zone designated pursuant to P.L.2004,
15 c.75, and the five additional enterprise zones, of which two are joint
16 enterprise zones, authorized pursuant to P.L. , c. (C.)
17 (pending before the Legislature as this bill):

18 (1) One zone shall be located in a qualifying municipality with a
19 population greater than 55,000 and less than 65,000 according to
20 the latest federal decennial census in a county of the first class with
21 a population density greater than 6,100 and less than 6,700 persons
22 per square mile according to the latest federal decennial census
23 provided that the qualifying municipality is contiguous to a
24 municipality in which an enterprise zone is designated;

25 (2) One zone shall be located in a qualifying municipality with a
26 population greater than 70,000 and less than 80,000 according to
27 the latest federal decennial census;

28 (3) One zone shall be located in a qualifying municipality with a
29 population greater than 38,000 and less than 39,500 according to
30 the latest federal decennial census;

31 (4) One zone shall be located in a qualifying municipality with a
32 population greater than 45,000 and less than 55,000 according to
33 the latest federal decennial census;

34 (5) One zone shall be located in a qualifying municipality with a
35 population greater than 21,000 and less than 22,000;

36 (6) One zone shall be located in a qualifying municipality with a
37 population greater than 29,000 and less than 32,000 according to
38 the latest federal decennial census;

39 (7) One zone shall be located within a qualifying municipality
40 having a population greater than 7,000 and less than 9,000
41 according to the latest federal decennial census in a county of the
42 first class with a population greater than 550,000 and less than
43 560,000 according to the latest federal decennial census;

44 (8) An additional zone shall be located within a qualifying
45 municipality with a population greater than 11,400 and less than
46 11,600 according to the latest federal decennial census in a county
47 of the second class with a population greater than 500,000 and less
48 than 520,000 according to the latest federal decennial census; **【and】**

(9) An additional zone shall be located within a qualifying municipality with a population greater than 48,000 and less than 49,000 according to the latest federal decennial census in a county of the second class with a population of greater than 750,000 according to the latest federal decennial census;

(10) An additional joint zone shall be located within two qualifying municipalities which are adjacent to each other, one of which has a population greater than 13,200 and less than 13,500 in a county of the first class with a population greater than 850,000, according to the latest federal decennial census, and the other which has a population greater than 22,500 and less than 23,500 in a county of the first class with a population greater than 850,000, according to the latest federal decennial census;

(11) An additional zone shall be located within a qualifying municipality with a population greater than 29,000 and less than 30,000 in a county of the first class with a population greater than 850,000, according to the latest federal decennial census;

(12) An additional zone shall be located within a qualifying municipality with a population greater than 14,000 and less than 15,000 in a county of the first class with a population less than 680,000, according to the latest federal decennial census;

(13) An additional zone shall be located within a qualifying municipality with a population greater than 10,500 and less than 11,000 and a population density greater than 9,000 persons per square mile, in a county of the fifth class with a population greater than 600,000, according to the latest federal decennial census; and

(14) An additional joint zone shall be located within two qualifying municipalities which are adjacent to each other, one of which has a population greater than 3,000 and less than 4,000 in a county of the fifth class with a population of less than 300,000, according to the latest federal decennial census, and the other which has a population greater than 7,400 and less than 7,600 in a county of the fifth class with a population greater than 300,000, according to the latest federal decennial census.

(cf: P.L.2004, c.75, s.3)

4. This act shall take effect immediately.

STATEMENT

This bill would authorize the creation of urban enterprise zones in the city of Garfield (Bergen County), the town of Harrison (Hudson County), the borough of Keansburg (Monmouth County), as well as joint urban enterprise zones in boroughs of Cliffside Park and Fairview (Bergen County) and Buena Borough and Buena Vista (Atlantic County), respectively.

1 The five urban enterprise zones authorized under this bill would
2 establish a total of 37 zones created under the Urban Enterprise
3 Zone program, which was first authorized in 1983.

4 The bill clarifies that Cliffside Park, Fairview, Garfield,
5 Harrison, Keansburg, Buena Vista and Buena Borough meet the
6 definition of a "qualifying municipality" in section 3 of P.L.1983,
7 c.303 (C.52:27H-62) and establishes a joint urban enterprise zone
8 for Cliffside Park and Fairview, and a separate joint enterprise zone
9 for Buena Vista and Buena Borough.

10 Designation as an urban enterprise zone would be for a period of
11 20 years, beginning with the year in which the zone is eligible for
12 the sales and use tax exemption and is nonrenewable under existing
13 law.

14 Since its original enactment in 1983, the act has been amended
15 four times in order to expand the pool of municipalities authorized
16 to designate a zone.