

ASSEMBLY, No. 1445

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Authorizes creation of urban enterprise zone in West Milford.

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]** P.L.1983, c.303 (C.52:27H-60 et seq.):

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

13 b. "Authority" means the New Jersey Urban Enterprise Zone
14 Authority created by **[this act]** P.L.1983, c.303 (C.52:27H-
15 60 et seq.);

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 **[25%]** 25 percent of its full-time employees employed at a business
24 location in the zone or district, meeting one or more of the
25 following criteria:

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

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

32 (3) Determined to be low income individuals pursuant to the
33 Workforce Investment Act of 1998, Pub.L.105-220
34 **[(29 U.S.C. s.2811)]** (29 U.S.C. s.2801);

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36 meeting all outstanding tax obligations, and may be withdrawn by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

39 d. "Qualifying municipality" means any municipality in which
40 there was, in the last full calendar year immediately preceding the
41 year in which application for enterprise zone designation is
42 submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),
43 an annual average of at least 2,000 unemployed persons, and in
44 which the municipal average annual unemployment rate for that

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 year exceeded the State average annual unemployment rate; except
2 that any municipality which qualifies for State aid pursuant to
3 P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal
4 average annual unemployment rate for that year exceeded the State
5 average annual unemployment rate. The annual average of
6 unemployed persons and the average annual unemployment rates
7 shall be estimated for the relevant calendar year by the **Office of**
8 **Labor Planning and Analysis of the** State Department of Labor and
9 Workforce Development. In addition to those municipalities that
10 qualify pursuant to the criteria set forth above, the following
11 municipalities shall also be deemed to be qualifying municipalities:
12 (1) that municipality accorded priority designation pursuant to
13 subsection e. of section 7 of P.L.1983, c.303 (C.52:27H-66) **];** (2)
14 those municipalities set forth in paragraph (7), paragraph (8),
15 paragraph (9), and paragraph (10) of section 3 of P.L.1995, c.382
16 (C.52:27H-66.1)**],** and paragraph (9) of section 3 of P.L.1995, c.382
17 as amended by section 3 of P.L.2004, c.75, (C.52:27H-66.1)**];** and
18 (3) the municipalities in which the three additional enterprise zones,
19 including the joint enterprise zone, are to be designated pursuant to
20 criteria according priority consideration for designation of the zones
21 pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7) **]** shall be
22 deemed qualifying municipalities**];**
23 e. "Public assistance" means income maintenance funds
24 administered by the Department of Human Services or by a county
25 welfare agency;
26 f. "Zone development corporation" means a nonprofit
27 corporation or association created or designated by the governing
28 body of a qualifying municipality to formulate and propose a
29 preliminary zone development plan pursuant to section 9 of
30 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
31 and implement the zone development plan;
32 g. "Zone development plan" means a plan adopted by the
33 governing body of a qualifying municipality for the development of
34 an enterprise zone therein, and for the direction and coordination of
35 activities of the municipality, zone businesses and community
36 organizations within the enterprise zone toward the economic
37 betterment of the residents of the zone and the municipality;
38 h. "Zone neighborhood association" means a corporation or
39 association of persons who either are residents of, or have their
40 principal place of employment in, a municipality in which an
41 enterprise zone has been designated pursuant to **this act** P.L.1983,
42 c.303 (C.52:27H-60 et seq.); which is organized under the
43 provisions of Title 15 of the Revised Statutes or Title 15A of the
44 New Jersey Statutes; and which has for its principal purpose the
45 encouragement and support of community activities within, or on
46 behalf of, the zone so as to (1) stimulate economic activity, (2)
47 increase or preserve residential amenities, or (3) otherwise

1 encourage community cooperation in achieving the goals of the
2 zone development plan;

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

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

11 (cf: P.L.2006, c.34, s.3)

12

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

15 7. The authority shall designate enterprise zones from among
16 those areas of qualifying municipalities determined to be eligible
17 pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.). No more than
18 **【32】 33** enterprise zones shall be in effect at any one time. No
19 more than one enterprise zone shall be designated in any one
20 municipality. In designating enterprise zones the authority shall
21 seek to avoid excessive geographic concentration of zones in any
22 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 percent of the tax
33 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
34 (C.54:32B-1 et seq.). The following criteria shall be utilized in
35 according priority consideration for designation of these zones by
36 the authority:

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

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

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

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

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

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

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

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

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

37 (cf: P.L.2018, c.19, s.1)

38

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

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

(10) An additional zone shall be located within a qualifying municipality with a population greater than 25,000 and less than 30,000 according to the most recent federal decennial census and located in a county of the second class with a population greater than 500,000 and less than 510,000, according to the most recent 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 an urban enterprise zone in the township of West Milford (Passaic County). The urban enterprise zone authorized under this bill would establish a total of 33 zones created under the Urban Enterprise Zone program, which was first authorized in 1983. The additional zone authorized pursuant to this bill is required to be designated within 90 days of the date of the submittal of an application and zone development plan by the municipality. Retail businesses in the additional enterprise zone to be designated pursuant to the criteria for priority consideration set forth in the bill would be entitled to collect sales and use tax reduced to the extent of 50 percent of the tax.

West Milford is in urgent need of the economic development an Urban Enterprise Zone can create. Unique characteristics make it difficult for the township to attract commercial business, which could provide additional local tax revenue to support the township's public schools. West Milford's foreclosure rate ranks amongst the top in the State. Thirty-percent of West Milford's land is owned by the State. Another third of the township's land is owned by the New York Watershed. The township is located entirely within the Highlands Preservation Zone. Combined, these factors create a need to attract business and generate revenue to support West Milford's public schools and increase the revenue for municipal operations.