

ASSEMBLY, No. 2841

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:
Assemblyman RAJ MUKHERJI
District 33 (Hudson)

SYNOPSIS

Authorizes creation of urban enterprise zone in Hoboken City.

CURRENT VERSION OF TEXT

As introduced.



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-60 et
15 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 **【(29 U.S.C.**
34 **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36 meeting all outstanding tax obligations, and may be withdrawn by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
45 year exceeded the State average annual unemployment rate; except

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

1 behalf of, the zone so as to (1) stimulate economic activity, (2)
2 increase or preserve residential amenities, or (3) otherwise
3 encourage community cooperation in achieving the goals of the
4 zone development plan;

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

8 j. "UEZ-impacted business district" or "district" means an
9 economically-distressed business district classified by the authority
10 as having been negatively impacted by two or more adjacent urban
11 enterprise zones in which **【50% less】** the sales tax is collected
12 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80).
13 (cf: P.L.2006, c.34, s.3)

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

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

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

47 b. Two zones shall be located in a county of the second class
48 with a population greater than 445,000 and less than 455,000

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

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

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

23 (1) both municipalities are located in the same county which
24 shall be a county of the fifth class with a population greater than
25 500,000 and less than 555,000 according to the latest federal
26 decennial census;

27 (2) the two municipalities submit a joint application and zone
28 development plan; and

29 (3) each of the municipalities has a population greater than
30 16,000 and less than 30,000 and a population density of more than
31 5,000 persons per square mile, according to the latest federal
32 decennial census; and

33 e. One zone shall be located within a municipality having a
34 population greater than 38,000 and less than 46,000 according to
35 the latest federal decennial census if the municipality is located
36 within a county of the fifth class with a population greater than
37 340,000 and less than 440,000 according to the latest federal
38 decennial census.

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

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

43 3. The additional seven zones authorized pursuant to P.L.1995,
44 c.382 (C.52:27H-66.1 et al.), the additional zone authorized
45 pursuant to P.L.2003, c.285, **[and]** the additional zone designated
46 pursuant to P.L.2004, c.75, and the additional zone designated
47 pursuant to P.L. , c. (pending before the Legislature as this bill)
48 shall be designated within 90 days of the date of the submittal of an

1 application and zone development plan. The authority shall accept
2 applications within 90 days of the effective date of P.L.1995, c.382
3 (C.52:27H-66.1 et al.) **【or】**, P.L.2003, c.285, or P.L. , c.
4 (pending before the Legislature as this bill), as applicable, for those
5 zones that fulfill the criteria set forth in this section.
6 Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 et
7 seq.) to the contrary, the **【nine】** 10 additional enterprise zones to be
8 designated by the authority pursuant to the criteria for priority
9 consideration set forth in this section shall be entitled to an
10 exemption to the extent of **【50%】** 50 percent of the tax imposed
11 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
12 seq.). The following criteria shall be utilized in according priority
13 consideration for designation of the seven additional enterprise
14 zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 et
15 al.), the additional enterprise zone authorized pursuant to P.L.2003,
16 c.285, **【and】** the additional zone designated pursuant to P.L.2004,
17 c.75, and the additional enterprise zone authorized pursuant to
18 P.L. , c. (pending before the Legislature as this bill):

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

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

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

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

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

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

40 (7) One zone shall be located within a qualifying municipality
41 having a population greater than 7,000 and less than 9,000
42 according to the latest federal decennial census in a county of the
43 first class with a population greater than 550,000 and less than
44 560,000 according to the latest federal decennial census;

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

1 than 520,000 according to the latest federal decennial census; **[and]**

2 (9) An additional zone shall be located within a qualifying
3 municipality with a population greater than 48,000 and less than
4 49,000 according to the latest federal decennial census in a county
5 of the second class with a population of greater than 750,000
6 according to the latest federal decennial census; and

7 (10) An additional zone shall be located within a qualifying
8 municipality with a population greater than 45,000 and less than
9 55,000 and a population density greater than 35,000 and less than
10 45,000 persons per square mile in a county of the first class with a
11 population less than 700,000, according to the latest federal
12 decennial census.

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

14
15 4. This act shall take effect immediately.

16
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18 STATEMENT

19
20 This bill authorizes the creation of an urban enterprise zone
21 (UEZ) in the City of Hoboken in Hudson County. The UEZ
22 authorized under this bill establishes a total of 33 UEZs created
23 under the UEZ program, which was first authorized in 1983. The
24 additional UEZ authorized under the bill is to be designated within
25 90 days of the date the municipality submits an application and
26 zone development plan to the New Jersey Urban Enterprise Zone
27 Authority. Qualified businesses in the additional UEZ designated
28 under the bill are entitled the benefits under the UEZ program,
29 including, but not limited to, the collection of sales and use taxes on
30 retail sales at a tax rate of half of the tax imposed under the "Sales
31 and Use Tax Act."