

[Second Reprint]

SENATE, No. 3600

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED APRIL 19, 2021

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

Senator TROY SINGLETON

District 7 (Burlington)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

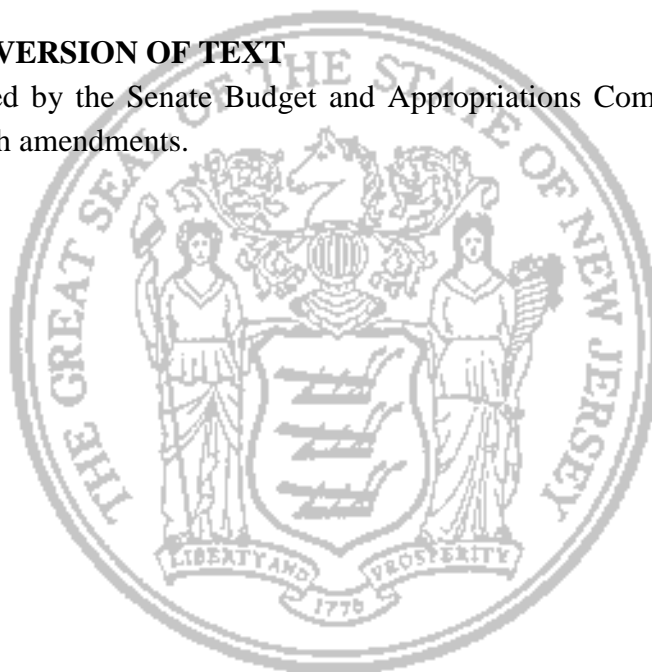
Senators Turner and Cunningham

SYNOPSIS

Restores and revises Urban Enterprise Zone program; appropriates \$42,500,000.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 21, 2021, with amendments.



(Sponsorship Updated As Of: 6/21/2021)

1 AN ACT concerning urban enterprise zones, amending P.L.2001,
2 c.347 and P.L.1989, c.207, amending and supplementing
3 P.L.1983, c.303, ²**[and]**² repealing various parts of the statutory
4 law ², and making an appropriation².

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

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

11 3. As used in **[this act]** P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

18 c. "Qualified business" means any entity authorized to do
19 business in the State of New Jersey which, at the time of
20 designation as an enterprise zone or a UEZ-impacted business
21 district, is engaged in the active conduct of a trade or business in
22 that zone or district; or an entity which, after that designation but
23 during the designation period, becomes newly engaged in the active
24 conduct of a trade or business in that zone or district and has at least
25 **[25%]** 25 percent of its full-time employees employed at a business
26 location in the zone or district, **[meeting]** which zone or district
27 meets the criteria set forth in section 12 of P.L. , c. (C.)
28 (pending before the Legislature as this bill), or is an industrial
29 business located in an industrial hub, and which employees meet
30 one or more of the following criteria:

31 (1) Residents within the zone, the district, within another zone
32 or within a qualifying municipality; or

33 (2) Unemployed for at least six months prior to being hired and
34 residing in New Jersey, and recipients of New Jersey public
35 assistance programs for at least six months prior to being hired, or
36 either of the aforesaid; or

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

40 Approval as a qualified business shall be conditional upon
41 meeting all outstanding tax obligations, and may be withdrawn by
42 the authority if a business is continually delinquent in meeting its
43 tax obligations;

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:

¹Senate SCU committee amendments adopted June 10, 2021.

²Senate SBA committee amendments adopted June 21, 2021.

1 d. "Qualifying municipality" means any municipality [in which
2 there was, in the last full calendar year immediately preceding the
3 year in which application for enterprise zone designation is
4 submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),
5 an annual average of at least 2,000 unemployed persons, and in
6 which the municipal average annual unemployment rate for that
7 year exceeded the State average annual unemployment rate; except
8 that any municipality which qualifies for State aid pursuant to
9 P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal
10 average annual unemployment rate for that year exceeded the State
11 average annual unemployment rate. The annual average of
12 unemployed persons and the average annual unemployment rates
13 shall be estimated for the relevant calendar year by the Office of
14 Labor Planning and Analysis of the State Department of Labor and
15 Workforce Development. In addition to those municipalities that
16 qualify pursuant to the criteria set forth above, that municipality
17 accorded priority designation pursuant to subsection e. of section 7
18 of P.L.1983, c.303 (C.52:27H-66), those municipalities set forth in
19 paragraph (7), paragraph (8) of section 3 of P.L.1995, c.382
20 (C.52:27H-66.1), and paragraph (9) of section 3 of P.L.1995, c.382
21 as amended by section 3 of P.L.2004, c.75 (C.52:27H-66.1), and the
22 municipalities in which the three additional enterprise zones,
23 including the joint enterprise zone, are to be designated pursuant to
24 criteria according priority consideration for designation of the zones
25 pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7) shall be
26 deemed qualifying municipalities] ¹;

27 (1)]¹ that was previously designated as a qualifying
28 municipality prior to the effective date of P.L. , c. (pending
29 before the Legislature as this bill) ¹; or

30 (2) that is among the top 20 percent of the most distressed New
31 Jersey municipalities according to the most recent Municipal
32 Revitalization Index, and:

33 (a) in which the share of parcels accounted for by commercial
34 and industrial property exceeds the Statewide average of
35 commercial and industrial parcels according to the most recently
36 released Property Value Classification prepared by the Department
37 of the Community Affairs, and

38 (b) which has an unemployment rate that exceeds the most
39 recent annual Statewide unemployment rate]¹;

40 e. "Public assistance" means income maintenance funds
41 administered by the Department of Human Services or by a county
42 welfare agency;

43 f. "Zone development corporation" means a nonprofit
44 corporation or association created or designated by the governing
45 body of a qualifying municipality to formulate and propose a
46 preliminary zone development plan pursuant to section 9 of

1 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
2 and implement the zone development plan;

3 g. "Zone development plan" means a plan adopted by the
4 governing body of a qualifying municipality for the development of
5 an enterprise zone therein, and for the direction and coordination of
6 activities of the municipality, zone businesses and community
7 organizations within the enterprise zone toward the economic
8 betterment of the residents of the zone and the municipality;

9 h. "Zone neighborhood association" means a corporation or
10 association of persons who either are residents of, or have their
11 principal place of employment in, a municipality in which an
12 enterprise zone has been designated pursuant to **[this act]** P.L.1983,
13 c.303 (C.52:27H-60 et seq.); which is organized under the
14 provisions of Title 15 of the Revised Statutes or Title 15A of the
15 New Jersey Statutes; and which has for its principal purpose the
16 encouragement and support of community activities within, or on
17 behalf of, the zone so as to (1) stimulate economic activity, (2)
18 increase or preserve residential amenities, or (3) otherwise
19 encourage community cooperation in achieving the goals of the
20 zone development plan;

21 i. "Enterprise zone assistance fund" or "assistance fund" means
22 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
23 **[and]**

24 j. "UEZ-impacted business district" or "district" means an
25 economically-distressed business district classified by the authority
26 as having been negatively impacted by two or more adjacent urban
27 enterprise zones in which **[50%]** 50 percent less sales tax is
28 collected pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);

29 k. "Block group" means statistical divisions of census tracts,
30 that are generally defined by the United States Census Bureau to
31 contain between 600 and 3,000 people and are used to present data
32 and control block numbering;

33 l. "Municipal Revitalization Index" means the index
34 developed, maintained, and updated from time to time, by the
35 Department of Community Affairs ranking New Jersey's
36 municipalities according to separate indicators that measure diverse
37 aspects of social, economic, physical, and fiscal conditions in each
38 locality;

39 m. "Qualified assistance fund expense" means any reasonable
40 expense related to:

41 (1) a construction project improving, altering, or repairing the
42 real property of a qualified business located in an enterprise zone;

43 (2) full or part time economic and community development
44 positions in the municipality, other governmental, or not-for-profit
45 organization, or marketing;

46 (3) loans, grants, and guarantees to businesses;

47 (4) payroll expenses and equipment purchases primarily for the
48 provision of law enforcement, fire protection, or emergency medical

- 1 services within commercial and transportation corridors ¹located
2 exclusively in an enterprise zone¹;
- 3 (5) planning and other professional services related to economic
4 and community development;
- 5 (6) cleaning and maintenance of commercial and transportation
6 corridors;
- 7 (7) the improvement of public infrastructure in a commercial or
8 transportation corridor;
- 9 (8) the improvement of public infrastructure related to a
10 commercial, industrial, mixed use, or multi-family residential
11 property; ¹**[or]**¹
- 12 (9) employment and training programs ¹; or
- 13 (10) non-construction related purchases in an amount not to
14 exceed \$50,000 for a qualified business that employs 25 or fewer
15 employees¹.
- 16 n. “UEZ coordinator” means an individual designated by a
17 qualified municipality or zone development corporation as the
18 individual in charge of the activities related to the Urban Enterprise
19 Zone program in that municipality;
- 20 o. “UZ-2 certification” means the UEZ Authority’s
21 certification of a qualified business, pursuant to section 21 of
22 P.L.1983, c.303 (C.52:27H-80), allowing the qualified business an
23 exemption to the extent of 50 percent of the tax imposed under the
24 “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), when
25 the sales transaction physically occurs within an enterprise zone.
26 The qualified business may deliver merchandise to the purchaser at
27 a location outside an enterprise zone provided the sales transaction
28 was physically made within the enterprise zone. The regular tax
29 rate shall be charged for mail order, telephone, internet, and similar
30 sales transactions delivered within the State;
- 31 p. “UZ-4 certification” means the UEZ Authority’s
32 certification of a qualified business, pursuant to section 12 of
33 P.L. , c. (C.) (pending before the Legislature as this bill),
34 allowing a contractor of the qualified business to make tax-free
35 purchases of materials, supplies, and services for the exclusive use
36 of erecting a structure or building on, or improving, altering, or
37 repairing, the real property of a qualified business located in an
38 enterprise zone at the address indicated on the qualified business’s
39 application for certification to the UEZ Authority;
- 40 q. “UZ-5 certification” means the UEZ Authority’s
41 certification of a qualified business, pursuant to section 12 of
42 P.L. , c. (C.) (pending before the Legislature as this bill),
43 allowing the qualified business to make tax-free purchases of office
44 and business equipment and supplies, furnishings, trade fixtures,
45 repair, or construction materials and all other tangible personal
46 property (other than motor vehicles and motor vehicle parts and
47 supplies) for the exclusive use or consumption on the premises of

1 the qualified business within an enterprise zone at an address
2 indicated on the qualified business's application for certification to
3 the UEZ Authority. The exemption may be used only for personal
4 property controlled by the qualified business. This exemption shall
5 also apply to delivery charges and charges for services performed
6 for a qualified business at its zone location, including repair,
7 janitorial, and maintenance services;

8 r. "Economic Distress Index" means a standardized score
9 developed and maintained by the Department of Community Affairs
10 that equally incorporates the block group unemployment rate and
11 median household income according to the most recent five-year
12 estimate by the United States Census Bureau;

13 s. "Major job center" means a block group with an Economic
14 Distress Index score greater than or equal to the 50th percentile and
15 in which the jobs per square mile meets or exceeds the State
16 average according to the most recent estimate by the United States
17 Census Bureau;

18 t. "Industrial hub" means a block group with 100 or more
19 persons employed by industrial businesses;

20 u. "Industrial business" means a business with a North
21 American Industry Classification System code of 11 (Agriculture,
22 Forestry, Fishing and Hunting), 21 (Mining), 22 (Utilities), 23
23 (Construction), 31-33 (Manufacturing), 42 (Wholesale Trade), or
24 48-49 (Transportation and Warehousing);

25 v. "Commercial corridor" means the land area with frontage on
26 a State, county, local, or rail thoroughfare in an enterprise zone
27 which is predominantly commercial or industrial; and

28 w. "Transportation corridor" means a broad geographical band
29 that follows a general directional flow or connects major sources of
30 trips. It may contain a number of streets and highways and transit
31 lines or routes.

32 (cf: P.L.2006, c.34, s.3)]²

33
34 ²1. Section 3 of P.L.1983, c.303 (C.52:27H-62) is amended to
35 read as follows:

36 3. As used in **[this act]** P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

43 c. "Qualified business" means any entity authorized to do
44 business in the State of New Jersey which, at the time of
45 designation as an enterprise zone or a UEZ-impacted business
46 district, is engaged in the active conduct of a trade or business in
47 that zone or district; or an entity which, after that designation but

1 during the designation period, becomes newly engaged in the active
2 conduct of a trade or business in that zone or district and has at least
3 **【25%】** 25 percent of its full-time employees employed at a business
4 location in **【the zone or district, meeting】** an eligible block group as
5 defined under section 12 of P.L. , c. (C.) (pending before
6 the Legislature as this bill), and which employees meet one or more
7 of the following criteria:

8 (1) Residents within the zone, the district, within another zone
9 or within a qualifying municipality; or

10 (2) Unemployed for at least six months prior to being hired and
11 residing in New Jersey, and recipients of New Jersey public
12 assistance programs for at least six months prior to being hired, or
13 either of the aforesaid; or

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

17 Approval as a qualified business shall be conditional upon
18 meeting all outstanding tax obligations, and may be withdrawn by
19 the authority if a business is continually delinquent in meeting its
20 tax obligations;

21 d. "Qualifying municipality" means any municipality **【in which**
22 **there was, in the last full calendar year immediately preceding the**
23 **year in which application for enterprise zone designation is**
24 **submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),**
25 **an annual average of at least 2,000 unemployed persons, and in**
26 **which the municipal average annual unemployment rate for that**
27 **year exceeded the State average annual unemployment rate; except**
28 **that any municipality which qualifies for State aid pursuant to**
29 **P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal**
30 **average annual unemployment rate for that year exceeded the State**
31 **average annual unemployment rate. The annual average of**
32 **unemployed persons and the average annual unemployment rates**
33 **shall be estimated for the relevant calendar year by the Office of**
34 **Labor Planning and Analysis of the State Department of Labor and**
35 **Workforce Development. In addition to those municipalities that**
36 **qualify pursuant to the criteria set forth above, that municipality**
37 **accorded priority designation pursuant to subsection e. of section 7**
38 **of P.L.1983, c.303 (C.52:27H-66), those municipalities set forth in**
39 **paragraph (7), paragraph (8) of section 3 of P.L.1995, c.382**
40 **(C.52:27H-66.1), and paragraph (9) of section 3 of P.L.1995, c.382**
41 **as amended by section 3 of P.L.2004, c.75 (C.52:27H-66.1), and the**
42 **municipalities in which the three additional enterprise zones,**
43 **including the joint enterprise zone, are to be designated pursuant to**
44 **criteria according priority consideration for designation of the zones**
45 **pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7) shall be**
46 **deemed qualifying municipalities】** that was previously designated
47 as a qualifying municipality prior to the effective date of P.L. ,
48 c. (pending before the Legislature as this bill);

- 1 e. "Public assistance" means income maintenance funds
2 administered by the Department of Human Services or by a county
3 welfare agency;
- 4 f. "Zone development corporation" means a nonprofit
5 corporation or association created or designated by the governing
6 body of a qualifying municipality to formulate and propose a
7 preliminary zone development plan pursuant to section 9 of
8 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
9 and implement the zone development plan;
- 10 g. "Zone development plan" means a plan adopted by the
11 governing body of a qualifying municipality for the development of
12 an enterprise zone therein, and for the direction and coordination of
13 activities of the municipality, zone businesses and community
14 organizations within the enterprise zone toward the economic
15 betterment of the residents of the zone and the municipality;
- 16 h. "Zone neighborhood association" means a corporation or
17 association of persons who either are residents of, or have their
18 principal place of employment in, a municipality in which an
19 enterprise zone has been designated pursuant to **[this act]** P.L.1983,
20 c.303 (C.52:27H-60 et seq.); which is organized under the
21 provisions of Title 15 of the Revised Statutes or Title 15A of the
22 New Jersey Statutes; and which has for its principal purpose the
23 encouragement and support of community activities within, or on
24 behalf of, the zone so as to (1) stimulate economic activity, (2)
25 increase or preserve residential amenities, or (3) otherwise
26 encourage community cooperation in achieving the goals of the
27 zone development plan;
- 28 i. "Enterprise zone assistance fund" or "assistance fund" means
29 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
30 **[and]**
- 31 j. "UEZ-impacted business district" or "district" means an
32 economically-distressed business district classified by the authority
33 as having been negatively impacted by two or more adjacent urban
34 enterprise zones in which **[50%]** 50 percent less sales tax is
35 collected pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 36 k. "Block group" means statistical divisions of census tracts,
37 that are generally defined by the United States Census Bureau to
38 contain between 600 and 3,000 people and are used to present data
39 and control block numbering;
- 40 l. "Municipal Revitalization Index" means the index
41 developed, maintained, and updated from time to time, by the
42 Department of Community Affairs ranking New Jersey's
43 municipalities according to separate indicators that measure diverse
44 aspects of social, economic, physical, and fiscal conditions in each
45 locality;
- 46 m. "Qualified assistance fund expense" means any reasonable
47 expense related to;

- 1 (1) a construction project improving, altering, or repairing the
2 real property of a qualified business located in an enterprise zone;
- 3 (2) full or part time economic and community development
4 positions in the municipality, other governmental, or not-for-profit
5 organization, or marketing;
- 6 (3) loans, grants, and guarantees to businesses;
- 7 (4) payroll expenses, personnel, services, and equipment
8 purchases primarily for the provision of law enforcement, fire
9 protection, or emergency medical services within commercial and
10 transportation corridors located exclusively in an enterprise zone;
- 11 (5) planning and other professional services related to economic
12 and community development;
- 13 (6) cleaning and maintenance of commercial and transportation
14 corridors;
- 15 (7) the improvement of public infrastructure in a commercial or
16 transportation corridor;
- 17 (8) the improvement of public infrastructure related to a
18 commercial, industrial, mixed use, or multi-family residential
19 property;
- 20 (9) employment and training programs; or
- 21 (10) events meant to support and draw activity into the
22 enterprise zone, including fairs, festivals, and concerts.
- 23 n. "UEZ coordinator" means an individual designated by a
24 qualified municipality or zone development corporation as the
25 individual in charge of the activities related to the Urban Enterprise
26 Zone program in that municipality;
- 27 o. "UZ-2 certification" means the UEZ Authority's
28 certification of a qualified business, pursuant to section 21 of
29 P.L.1983, c.303 (C.52:27H-80), allowing the qualified business an
30 exemption to the extent of 50 percent of the tax imposed under the
31 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when
32 the sales transaction physically occurs within an enterprise zone.
33 The qualified business may deliver merchandise to the purchaser at
34 a location outside an enterprise zone provided the sales transaction
35 was physically made within the enterprise zone. The regular tax
36 rate shall be charged for mail order, telephone, internet, and similar
37 sales transactions delivered within the State;
- 38 p. "UZ-4 certification" means the UEZ Authority's
39 certification of a qualified business, pursuant to section 8 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill), allowing a
41 contractor of the qualified business to make tax-free purchases of
42 materials, supplies, and services for the exclusive use of erecting a
43 structure or building on, or substantially improving, altering, or
44 repairing, the real property of a qualified business located in an
45 enterprise zone at the address indicated on the qualified business's
46 application for certification to the UEZ Authority;
- 47 q. "UZ-5 certification" means the UEZ Authority's
48 certification of a qualified business, as defined under section 20 of

1 P.L.1983, c.303 (C.52:27H-79), allowing the qualified business to
2 make tax-free purchases of office and business equipment and
3 supplies, furnishings, trade fixtures, repair, or construction
4 materials and all other tangible personal property (other than motor
5 vehicles and motor vehicle parts and supplies) for the exclusive use
6 or consumption on the premises of the qualified business within an
7 enterprise zone at an address indicated on the qualified business's
8 application for certification to the UEZ Authority. The exemption
9 may be used only for personal property controlled by the qualified
10 business. This exemption shall also apply to delivery charges and
11 charges for services performed for a qualified business at its zone
12 location, including repair, janitorial, and maintenance services;

13 r. "Economic Distress Index" means a standardized score
14 developed and maintained by the Department of Community Affairs
15 that equally incorporates the block group unemployment rate and
16 median household income according to the most recent five-year
17 estimate by the United States Census Bureau;

18 s. "Commercial corridor" means the land area with frontage on a
19 State, county, local, or rail thoroughfare in an enterprise zone which
20 is predominantly commercial or industrial; and

21 t. "Transportation corridor" means a broad geographical band
22 that follows a general directional flow or connects major sources of
23 trips. It may contain a number of streets and highways and transit
24 lines or routes.²

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

26

27 2. Section 4 of P.L.1983, c.303 (C.52:27H-63) is amended to
28 read as follows:

29 4. a. There is created the New Jersey Urban Enterprise Zone
30 Authority, which shall consist of:

31 (1) The **【Executive Director】** chief executive officer of the New
32 Jersey Economic Development Authority **【**, who shall be the chair
33 of the authority**】**;

34 (2) The Commissioner of the Department of Community
35 Affairs, who shall be the chair of the UEZ Authority;

36 (3) The Commissioner of the Department of Labor and
37 Workforce Development;

38 (4) The State Treasurer; **【and】**

39 (5) The chief executive officer of the New Jersey
40 Redevelopment Authority; and

41 (6) **【Five】** Four public members not holding any other office,
42 position or employment in the State Government, nor any local
43 elective office, who shall be appointed by the Governor with the
44 advice and consent of the Senate, and who shall be qualified for
45 their appointments by training and experience in the areas of local
46 government finance, economic development and redevelopment, or
47 volunteer civic service and community organization. No more than

1 **【three】** two public members shall be of the same political party. At
2 least one public member of the authority shall reside within an
3 enterprise zone; however, the provisions of this section shall apply
4 only to members appointed or reappointed after the effective date of
5 P.L.2001, c.347 (C.52:27H-66.2 et al.).

6 b. **【The public members of the authority shall serve for terms**
7 **of five years, except that of the members first appointed, one shall**
8 **serve for a term of one year, one shall serve for a term of two years,**
9 **one shall serve for a term of three years, one shall serve for a term**
10 **of four years, and one shall serve for a term of five years.**
11 **Vacancies in the public membership shall be filled in the manner of**
12 **the original appointments but for the unexpired terms.】** (Deleted
13 by amendment, P.L. , c.) (pending before the Legislature as
14 this bill)

15 c. An ex officio member of the authority may, from time to
16 time, designate in writing to the authority an official within his
17 respective department to attend and represent the department at the
18 meetings of the authority from which the ex officio member is
19 absent, and that designated representative shall be entitled to vote
20 and otherwise act for the ex officio member at those meetings.

21 d. A true copy of the minutes of every meeting of the authority
22 shall be forthwith delivered by and under the certification of the
23 secretary thereof to the Governor. No action taken at such meeting
24 by the authority shall have force or effect until 10 days, Saturdays,
25 Sundays, and public holidays excepted, after the copy of the
26 minutes shall have been so delivered, unless during such 10-day
27 period the Governor shall approve the same, in which case such
28 action shall become effective upon such approval. If, in that 10-day
29 period, the Governor returns such copy of the minutes with veto of
30 any action taken by the authority or any member thereof at such
31 meeting, such action shall be null and void and of no effect.

32 e. The UEZ Authority, reconstituted pursuant to P.L. ,
33 c. (C.) (pending before the Legislature as this bill), shall hold
34 an initial meeting on the first business day of the third month
35 following the date of enactment of P.L. , c. (C.) (pending
36 before the Legislature as this bill). The public members of the UEZ
37 Authority shall serve for terms of five years, except that of the
38 members first appointed to the reconstituted UEZ Authority
39 pursuant to P.L. , c. (C.) (pending before the Legislature as
40 this bill), one shall serve for a term of two years, one shall serve for
41 a term of three years, one shall serve for a term of four years, and
42 one shall serve for a term of five years. Vacancies in the public
43 membership shall be filled in the manner of the original
44 appointments but for the unexpired terms.
45 (cf: P.L.2008, c.27, s.29)

1 ²[3. Section 3 of P.L.2001, c.347 (C.52:27H-66.2) is amended
2 to read as follows:

3 3. The authority shall designate a classification known as a
4 "UEZ-impacted business district" for a municipality which can
5 demonstrate to the authority that its business district is
6 economically distressed and is being negatively impacted by the
7 presence of two or more adjacent enterprise zones in which **[50%]**
8 50 percent less sales tax is collected pursuant to section 21 of P.L.
9 1983, c. 303 (C.52:27H-80). Following the effective date of
10 P.L. , c. (pending before the Legislature as this bill), the UEZ
11 Authority shall not designate a business district as a UEZ-impacted
12 business district. Any designation as a UEZ-impacted business
13 district existing on the effective date of P.L. , c. (pending before
14 the Legislature as this bill) shall expire on the first day of the third
15 year next following the effective date of P.L. , c. (pending
16 before the Legislature as this bill) or upon certification of the UEZ-
17 impacted business district as an enterprise zone, whichever occurs
18 first.
19 (cf: P.L.2001, c.347, s.3)]²

20
21 ²[4. Section 9 of P.L.1983, c.303 (C.52:27H-68) is amended to
22 read as follows:

23 9. a. Before **[applying]** the governing body of a qualifying
24 municipality may apply for designation **[of]** as an enterprise zone,
25 the municipal governing body shall cause a preliminary zone
26 development plan to be formulated, either by a zone development
27 corporation or by the governing body, with the assistance of those
28 officers and agencies of the municipality as the governing body may
29 see fit. **[The]** For a municipality with a zone development plan that
30 was approved more than five years prior to the effective date
31 of P.L. , c. (pending before the Legislature as this bill), the
32 governing body of the municipality shall submit an updated
33 preliminary zone development plan pursuant to this section. In
34 formulating a preliminary zone development plan pursuant to this
35 section, a zone development corporation or the governing body of
36 the municipality shall consult with representatives of diverse
37 Statewide or regional business organizations that represent the
38 interests of minority businesses, as defined in section 2 of P.L.1986,
39 c. 195 (C.52:27H-21.18), which organizations shall have no less
40 than 30 days to review a proposed preliminary zone development
41 plan and submit comments to the zone development corporation or
42 governing body. Each preliminary zone development plan shall
43 **[set forth the boundaries of the proposed enterprise zone,]** include
44 findings of fact concerning the economic and social conditions
45 existing in the area proposed for an enterprise zone, and the
46 municipality's policy and intentions for addressing these
47 conditions, and may include proposals respecting:

1 **【a.】** (1) Utilizing the powers conferred on the municipality by
2 law for the purpose of stimulating investment in and economic
3 development of the proposed zone;

4 **【b.】** (2) Utilizing State assistance through the provisions of
5 **【this act】** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to
6 **【exemptions from, and credits against,】** State **【taxes】** tax benefits
7 and enterprise zone assistance funds;

8 **【c.】** (3) Securing the involvement in, and commitment to, zone
9 economic development by private entities, including zone
10 neighborhood associations, voluntary community organizations
11 supported by residents and businesses in the zone;

12 **【d.】** (4) Utilizing the powers conferred by law to revise
13 municipal planning and zoning ordinances and other land use
14 regulations as they pertain to the zone, in order to enhance the
15 attraction of the zone to prospective developers;

16 **【e.】** (5) Increasing the availability and efficiency of support
17 services, public and private, generally used by and necessary to the
18 efficient functioning of commercial and industrial facilities in the
19 area, and the extent to which the increase or improvement is to be
20 provided and financed by the municipal government or by other
21 entities.

22 b. (1) The governing body of a municipality may request from
23 the UEZ Authority an amount not to exceed 10 percent of the
24 municipality's zone assistance fund allocation or \$125,000,
25 whichever is greater, to fund, in whole or in part, the costs
26 associated with formulating a preliminary zone development plan,
27 which amount the governing body may use to pay employees, or to
28 retain a consultant, to formulate the plan. Prior to soliciting a
29 consultant to formulate the plan with these funds, the governing
30 body of a municipality shall submit to the UEZ Authority the
31 proposed solicitation.

32 (2) The UEZ Authority shall review the proposed solicitation
33 and may provide recommended modifications to the proposed
34 solicitation. The governing body of a municipality or a zone
35 development corporation may incur expenses related to the
36 preparation of the preliminary zone development plan for potential
37 reimbursement at a later time by the UEZ Authority, provided the
38 authority determines the expenses are reasonable. The governing
39 body of a municipality or a zone development corporation shall
40 complete a preliminary zone development plan with assistance from
41 the UEZ Authority, as needed, in accordance with a timeline
42 established by the authority pursuant to rules, regulations, or
43 guidelines adopted by the authority.

44 (3) Within 14 days of receipt, unless the authority finds material
45 deficiencies in a preliminary zone development plan, the authority
46 shall approve and certify the preliminary zone development plan as
47 the zone development plan. The zone development plan shall be the

1 plan according to which the Urban Enterprise Zone program shall
2 be administered in that zone, and certification of the plan shall
3 constitute the authority's designation or re-designation of the
4 municipality as an enterprise zone. Should the authority find
5 deficiencies with a preliminary zone development plan, it shall
6 provide a corrective action plan to the municipality.

7 (4) Notwithstanding the provisions of subsection g. of section 5
8 of P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary,
9 approval by the authority of the zone development plan for an
10 enterprise zone coterminous with the borders of a municipality shall
11 not be considered sufficient for the determination that the area is in
12 need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
13 c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
14 exemptions within the enterprise zone district pursuant to the
15 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the
16 adoption of a tax abatement and exemption ordinance pursuant to
17 the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.); provided,
18 however, the authority's certification of a final eligible block group
19 within an enterprise zone pursuant to section 12 of P.L. _____,
20 c. (C. _____) (pending before the Legislature as this bill), shall be
21 considered sufficient for the determination that an area within a
22 final eligible block group is in need of redevelopment for the
23 purpose of granting tax exemptions within the eligible block group
24 pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.)
25 and the adoption of a tax abatement and exemption ordinance
26 pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.).

27 c. If no zone development plan is in place, upon petition of the
28 zone development corporation or governing body of the
29 municipality, the UEZ Authority may grant a distribution from that
30 municipality's zone assistance fund account for an eligible project
31 that responds to an impact of a public health emergency or state of
32 emergency declared by the Governor.

33 d. No zone development plan shall remain in force once it has
34 been certified by the UEZ Authority for more than five years. The
35 governing body of a municipality or zone development corporation
36 shall follow the process enumerated in subsections a. and b. of this
37 section to ensure a zone development plan remains current to
38 protect against lapse of enterprise zone designation.

39 e. Notwithstanding the provisions of this section to the contrary,
40 a qualified business in an enterprise zone having such qualified
41 status immediately preceding the effective date of P.L. _____,
42 c. (pending before the Legislature as this bill), and which is
43 qualified under P.L. _____, c. _____ (pending before the Legislature as this
44 bill), shall remain eligible for the exemptions from the tax imposed
45 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
46 seq.), pursuant to sections 20 and 21 of P.L.1983, c.303 (C.52:27H-
47 79 and C.52:27H-80), and shall be eligible for the exemption under
48 section 8 of P.L. _____, c. _____ (C. _____) (pending before the Legislature

1 as this bill) even if the municipality in which the business is located
2 fails to submit a zone development plan in accordance with this
3 section; provided, however, a municipality failing to submit a zone
4 development plan under this section shall not be eligible for loans,
5 grants, and other assistance from the UEZ Authority, except as
6 provided for in subsection c. of this section, until a revised zone
7 development plan is submitted and approved by the UEZ Authority.
8 (cf: P.L.1983, c.539, s.1)]²

9
10 ²[5. Section 10 of P.L.1983, c.303 (C.52:27H-69) is amended to
11 read as follows:

12 10. a. An area defined by a continuous border within one
13 qualifying municipality [or within two or more contiguous
14 qualifying municipalities and two noncontiguous areas each having
15 a continuous border within two noncontiguous qualifying
16 municipalities] shall be eligible for designation as a zone if:

17 [a.] (1) It has been designated an "area in need of
18 rehabilitation" pursuant to Article VIII, Section I, paragraph 6 of
19 the Constitution of the State of New Jersey [and P.L.1977, c.12
20 (C.54:4-3.95 et seq.)]; or is qualified for that designation in the
21 judgment of the authority; and

22 [b.] (2) It meets the criteria established by the authority
23 pursuant to [this act] P.L.1983, c.303 (C.52:27H-60 et seq.)
24 relating to the incidence of poverty, unemployment and general
25 economic distress.

26 b. ¹[In addition to areas eligible for designation as a zone
27 pursuant to subsection a. of this section, an area shall be eligible for
28 designation as an enterprise zone if the municipality in which the
29 area is located is among the top 20 percent of the most distressed
30 New Jersey municipalities, according to the most recent Municipal
31 Revitalization Index, and:

32 (1) the share of parcels accounted for by commercial and
33 industrial property within the municipality exceeds the Statewide
34 average of commercial and industrial parcels according to the most
35 recently released Property Value Classification prepared by the
36 Department of the Community Affairs, and

37 (2) the municipality has an unemployment rate that exceeds the
38 most recent annual Statewide unemployment rate.

39 c. If a county does not contain an area that qualifies to be
40 designated as an enterprise zone, the UEZ Authority may, upon
41 application, designate as an enterprise zone the area within the
42 county which is in the most distressed municipality in the county
43 according to the most recent Municipal Revitalization Index.

44 d.]¹ In the case of a qualifying municipality with a population
45 exceeding 5,000, designation as a zone shall be contingent upon
46 such municipality appointing a full-time economic development

1 officer, who may also serve as the UEZ Coordinator, or establishing
2 a zone development corporation.

3 (cf: P.L.1993, c.367, s.5)]²

4

5 ²[6. Section 13 of P.L.1983, c.303 (C.52:27H-72) is amended to
6 read as follows:

7 13. a. In designating eligible areas as enterprise zones, the
8 authority shall [accord preference to] approve zone development
9 plans which:

10 (1) Have [the greatest] potential for success in stimulating
11 primarily new economic activity in the area;

12 (2) Are designed to address [the greatest degree of] urban
13 distress, as measured by existing levels of unemployment, poverty,
14 and property tax arrearages;

15 (3) Demonstrate [the most] substantial and reliable
16 commitments of resources by zone businesses, zone neighborhood
17 associations, voluntary community organizations and other private
18 entities to the economic success of the zone;

19 (4) Demonstrate [the most] substantial effort and commitment
20 by the municipality to encourage economic activity in the area and
21 to remove disincentives for job creation compatible with the fiscal
22 condition of the municipality.

23 b. In addition to the considerations set forth in subsection a. of
24 this section, the authority in evaluating a zone development plan for
25 designation purposes shall consider:

26 (1) The likelihood of attracting federal assistance to projects in
27 the eligible area, and of obtaining federal designation of the area as
28 an enterprise zone for federal tax purposes;

29 (2) The adverse or beneficial effects of an enterprise zone
30 located at the proposed area upon economic development activities
31 or projects of State or other public agencies which are in operation,
32 or are approved for operation, in the qualifying municipality;

33 (3) The degree of commitment made by public and private
34 entities to utilize minority contractors and assure equal
35 opportunities for employment in connection with any construction
36 or reconstruction to be undertaken in the eligible area;

37 (4) The impact of the zone development plan upon the social,
38 natural and historic environment of the eligible area;

39 (5) The degree to which the implementation of the plan involves
40 the relocation of residents from the eligible area, and the adequacy
41 of commitments and provisions with respect thereto.

42 c. A designated zone that is operative on the effective date of
43 P.L. _____, c. _____ (pending before the Legislature as this bill) shall
44 remain a designated zone until the end of the 10th State fiscal year
45 next following the effective date of P.L. _____, c. _____ (pending before the
46 Legislature as this bill).

- 1 d. ¹[(1) On the first day of the ninth State fiscal year next
2 following the effective date of P.L. , c. (pending before the
3 Legislature as this bill), the UEZ Authority shall determine which
4 zones are within municipalities that are among the top 20 percent of
5 the most distressed New Jersey municipalities, according to the
6 most recent Municipal Revitalization Index, and whether:
- 7 (a) the share of parcels accounted for by commercial and
8 industrial property within each municipality exceeds the Statewide
9 average of commercial and industrial parcels according to the most
10 recently released Property Value Classification prepared by the
11 Department of the Community Affairs, and
- 12 (b) each municipality has an unemployment rate that exceeds the
13 most recent annual Statewide unemployment rate.
- 14 (2) (a) A zone located within a municipality that does not meet
15 the criteria set forth in paragraph (1) of this subsection shall be
16 ineligible for designation as an enterprise zone at the close of the
17 10th State fiscal year after the effective date of P.L. ,
18 c. (pending before the Legislature as this bill).
- 19 (b) A zone located within a municipality that meets the criteria
20 set forth in paragraph (1) of this subsection shall be designated an
21 enterprise zone for an additional 10 years.
- 22 e. ¹ (1) Notwithstanding the provisions of section 10 of
23 P.L.1983, c.303 (C.52:27H-69), section 2 of P.L.1985, c.391
24 (C.52:27H-69.1), or any other law or regulation to the contrary,
25 boundaries of each zone shall be coterminous with borders of an
26 eligible municipality beginning on the effective date of P.L. ,
27 c. (pending before the Legislature as this bill).
- 28 (2) Notwithstanding the provisions of subsection g. of section 5
29 of P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary,
30 the extension of the boundaries of a zone to be coterminous with the
31 borders of a municipality pursuant to this subsection shall not be
32 considered sufficient for the determination that the area is in need
33 of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
34 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
35 exemptions within the enterprise zone district pursuant to the
36 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the
37 adoption of a tax abatement and exemption ordinance pursuant to
38 the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.); provided,
39 however, certification of a final eligible block group within an
40 enterprise zone certified pursuant to section 12 of P.L. ,
41 c. (C.) (pending before the Legislature as this bill) shall be
42 considered sufficient for the determination that an area within a
43 final eligible block group is in need of redevelopment for the
44 purpose of granting tax exemptions within the eligible block group
45 pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.)
46 and the adoption of a tax abatement and exemption ordinance
47 pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.).

1 ¹【f. Following the effective date of P.L. , c. (pending before
2 the Legislature as this bill), the UEZ Authority may designate
3 enterprise zones from among qualifying municipalities determined
4 to be eligible notwithstanding the limitation on the number of
5 eligible zones set forth in section 7 of P.L.1983, c.303 (C.52:27H-
6 66), section 3 of P.L.1995, c.382 (C.52:27H-66.1), and section 12
7 of P.L.2001, c.347 (C.52:27H-66.7).】¹
8 (cf: P.L.1983, c.303, s.13)²

9
10 ²【7. Section 20 of P.L.1983, c.303 (C.52:27H-79) is amended to
11 read as follows:

12 20. a. Receipts from retail sales of tangible personal property
13 (except motor vehicles and energy) and sales of services (except
14 telecommunications services and utility services) to a qualified
15 business for the exclusive use or consumption of such business
16 within an enterprise zone are exempt from the taxes imposed under
17 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

18 b. (Deleted by amendment, P.L.2011, c.28)

19 c. As used in this section:

20 "Qualified business" includes a person who is certified as a
21 qualified business by the authority 【on or before the date a claim
22 for refund is made and filed with the Director of the Division of
23 Taxation in the Department of the Treasury pursuant to subsection
24 e. of this section】 and provided a UZ-5 certification by the authority
25 pursuant to subsection d. or f. of section 12 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

27 d. (Deleted by amendment, P.L.2011, c.28)

28 e. 【(1) Notwithstanding the provisions of section 20 of
29 P.L.1966, c.30 (C.54:32B-20) and the provisions of R.S.54:49-14,
30 the Director of the Division of Taxation in the Department of the
31 Treasury shall refund to a person who is a qualified business the
32 amount of any sales tax or any use tax paid by the person in
33 connection with that person's purchase of tangible personal property
34 or services that is exempt, pursuant to subsection a. of this section,
35 from the taxes imposed by P.L.1966, c.30 (C.54:32B-1 et seq.) if
36 the person who is a qualified business makes and files a claim for
37 refund with the director within one year of the date the payment of
38 tax for purchase is made.

39 (2) A person who is a qualified business shall make and file a
40 claim for refund on such forms, and accompanied by auditable
41 receipts and such other documentation, as the director may
42 prescribe.】 (Deleted by amendment, P.L. , c.) (pending before
43 the Legislature as this bill)

44 (cf: P.L.2011, c.28, s.1)²

45
46 ²【8. (New section) a. Receipts from retail sales of materials,
47 supplies, and services for the exclusive use of erecting structures or

1 buildings on, or improving, altering or repairing the real property of
 2 a qualified business, or a contractor hired by the qualified business
 3 to make such improvements, alterations, or repairs, are exempt from
 4 the taxes imposed under the "Sales and Use Tax Act," P.L.1966,
 5 c.30 (C.54:32B-1 et seq.).

6 b. As used in this section:

7 "Qualified business" includes a person who is certified as a
 8 qualified business by the authority and provided a UZ-4
 9 certification by the authority pursuant to subsection d. or f. of
 10 section 12 of P.L. , c. (C.) (pending before the Legislature
 11 as this bill) on or before the date a claim for refund is made and
 12 filed with the Director of the Division of Taxation in the
 13 Department of the Treasury pursuant to subsection b. of this
 14 section.】²

15
 16 ²【9. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
 17 read as follows:

18 21. Receipts of retail sales, except retail sales of motor vehicles,
 19 of alcoholic beverages as defined in the "Alcoholic Beverage Tax
 20 Law," R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette
 21 Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing
 22 machinery, equipment or apparatus, and of energy, made by a
 23 **【certified】** seller located in an eligible block group or on an
 24 adjacent parcel, as defined in subsection a. of section 12 of P.L. ,
 25 c. (C.) (pending before the Legislature as this bill) and
 26 provided a UZ-2 certification by the authority from a place of
 27 business owned or leased and regularly operated by the seller for
 28 the purpose of making retail sales, and located in a designated
 29 enterprise zone established pursuant to the "New Jersey Urban
 30 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et ¹【al.】
 31 seq.¹), or a UEZ-impacted business district established prior to the
 32 effective date of P.L. , c. (pending before the Legislature as this
 33 bill) pursuant to section 3 of P.L.2001, c.347 (C.52:27H-66.2), are
 34 exempt to the extent of **【50%】 50 percent** of the tax imposed under
 35 the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

36 Any seller, which is a qualified business having a place of
 37 business located in a designated enterprise zone or in a designated
 38 UEZ-impacted business district, may apply to the **【Director of the**
 39 **Division of Taxation in the Department of the Treasury】** UEZ
 40 Authority for a UZ-2 certification pursuant to this section provided
 41 the seller is located in an eligible block group or an adjacent parcel,
 42 as defined in subsection a. of section 12 of P.L. , c. (C.)
 43 (pending before the Legislature as this bill). The **【director】** UEZ
 44 Authority shall certify a seller if the **【director】** UEZ Authority shall
 45 find that the seller owns or leases and regularly operates a place of
 46 business located in the designated enterprise zone or in the
 47 designated UEZ-impacted business district for the purpose of

1 making retail sales, that items are regularly exhibited and offered
2 for retail sale at that location, and that the place of business is not
3 utilized primarily for the purpose of catalogue or mail order sales.
4 The certification under this section shall remain in effect during the
5 time the business retains its status as a qualified business meeting
6 the eligibility criteria of section 27 of P.L.1983, c.303 (C.52:27H-
7 86). However, the **【director】** UEZ Authority may at any time
8 revoke a certification granted pursuant to this section if the
9 **【director】** UEZ Authority shall determine that the seller no longer
10 complies with the provisions of this section. The Department of the
11 Treasury shall provide to a qualified business a certificate
12 evidencing its UZ-2 certification, which certificate shall indicate the
13 location at which the sales tax exemption provided for in this
14 section is available.

15 ¹On or after January 1, 2022, a seller, which is a qualified
16 business and that is not located in a major job center or is an
17 industrial business located in an industrial hub, shall not be eligible
18 to receive the exemption of 50 percent of the tax imposed under the
19 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) if the
20 seller's place of business is located in a designated enterprise zone
21 or in a designated UEZ-impacted business district within a block
22 group, as defined in subsection k. of section 3 of P.L.1983, c.303
23 (C.52:27H-62), with relatively low indicators of economic distress
24 exhibited by a ranking at or below the 10th percentile of the most
25 recent Economic Distress Index.¹

26 Notwithstanding the provisions of **【this act】** P.L.1983, c.303
27 (C.52:27H-60 et seq.) to the contrary, except as may otherwise be
28 provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the
29 authority may, in its discretion, determine if the provisions of this
30 section shall apply to any enterprise zone designated after the
31 effective date of P.L.1985, c.142 (C.52:27H-66 et al.); provided,
32 however, that the authority may make such a determination only
33 where the authority finds that the award of an exemption of 50
34 percent of the tax imposed under the "Sales and Use Tax Act,"
35 P.L.1966, c.30 (C.54:32B-1 et seq.) will not have any adverse
36 economic impact upon any other urban enterprise zone.

37 **【Notwithstanding any other provisions of law to the contrary,**
38 **except as provided in subsection b. of section 6 of P.L.1996, c.124**
39 **(C.13:1E-116.6), after first depositing 10 percent of the gross**
40 **amount of all revenues received from the taxation of retail sales**
41 **made by certified sellers from business locations in designated**
42 **enterprise zones to which this exemption shall apply into the**
43 **account created in the name of the authority in the enterprise zone**
44 **assistance fund pursuant to section 29 of P.L.1983, c.303**
45 **(C.52:27H-88), the remaining 90 percent shall be deposited**
46 **immediately upon collection by the Department of the Treasury, as**
47 **follows:**

1 a. In the first five-year period during which the State shall have
2 collected reduced rate revenues within an enterprise zone, all such
3 revenues shall be deposited in the enterprise zone assistance fund
4 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

5 b. In the second five-year period during which the State shall
6 have collected reduced rate revenues within an enterprise zone, 66
7 2/3% of all those revenues shall be deposited in the enterprise zone
8 assistance fund, and 33 1/3% shall be deposited in the General
9 Fund;

10 c. In the third five-year period during which the State shall
11 have collected reduced rate revenues within an enterprise zone, 33
12 1/3% of all those revenues shall be deposited in the enterprise zone
13 assistance fund, and 66 2/3% shall be deposited in the General
14 Fund;

15 d. In the final five-year period during which the State shall
16 have collected reduced rate revenues within an enterprise zone, but
17 not to exceed the life of the enterprise zone, all those revenues shall
18 be deposited in the General Fund.

19 Commencing on the effective date of P.L.1993, c.144, all
20 revenues in any enterprise zone to which the provisions of this
21 section have been extended prior to the enactment of P.L.1993,
22 c.144 shall be deposited into the enterprise zone assistance fund
23 until there shall have been deposited all revenues into that fund for
24 a total of five full years, as set forth in subsection a. of this section.
25 The State Treasurer then shall proceed to deposit funds into the
26 enterprise zone assistance fund according to the schedule set forth
27 in subsections b. through d. of this section, beginning at the point
28 where the enterprise zone was located on that schedule on the
29 effective date of P.L.1993, c.144. No enterprise zone shall receive
30 the deposit benefit granted by any one subsection of this section for
31 more than five cumulative years.

32 The revenues required to be deposited in the enterprise zone
33 assistance fund under this section shall be used for the purposes of
34 that fund and for the uses prescribed in section 29 of P.L.1983,
35 c.303 (C.52:27H-88), subject to annual appropriations being made
36 for those purposes and uses.】

37 (cf: P.L.2011, c.49, s.15)】²

38

39 ²【10. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended
40 to read as follows:

41 29. a. (1) There is created an enterprise zone assistance fund to
42 be held by the State Treasurer, which shall be the repository for all
43 moneys required to be deposited therein under section 【21 of
44 P.L.1983, c.303 (C.52:27H-80) or moneys appropriated annually to
45 the fund】 11 of P.L. _____, c. _____ (C. _____) (pending before the
46 Legislature as this bill). All moneys deposited in the fund shall be
47 held and disbursed in the amounts necessary to fulfill the purposes

1 of this section and subject to the requirements hereinafter
2 prescribed. The State Treasurer may invest and reinvest any moneys
3 in the fund, or any portion thereof, to strengthen capital structures,
4 leverage additional debt capital, and increase lending and investing
5 in economically disadvantaged communities, and in any other
6 manner that advances the goals of the Urban Enterprise Zone
7 program, including, but not limited to legal obligations of the
8 United States or of the State or of any political subdivision thereof
9 or government-sponsored enterprises. Any income from, interest on,
10 or increment to moneys so invested or reinvested shall be included
11 in the fund.

12 Notwithstanding the provisions of section 11 of P.L. _____,
13 c. (C. _____) (pending before the Legislature as this bill) or any
14 other provision of law to the contrary, the amount to be deposited in
15 the enterprise zone assistance fund shall be as follows:

16 (a) In the first five State fiscal years next following the effective
17 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 100
18 percent of the amount determined pursuant to paragraph (1) of
19 subsection b. of section 11 of P.L. _____, c. _____ (C. _____) (pending before
20 the Legislature as this bill) shall be deposited in the enterprise zone
21 assistance fund;

22 (b) In the sixth State fiscal year next following the effective date
23 of P.L. _____, c. _____ (pending before the Legislature as this bill), 95
24 percent of the amount determined pursuant to paragraph (1) of
25 subsection b. of section 11 of P.L. _____, c. _____ (C. _____) (pending
26 before the Legislature as this bill) shall be deposited in the
27 enterprise zone assistance fund and five percent of such amount
28 shall be deposited in the General Fund;

29 (c) In the seventh State fiscal year next following the effective
30 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 90
31 percent of the amount determined pursuant to paragraph (1) of
32 subsection b. of section 11 of P.L. _____, c. _____ (C. _____) (pending before
33 the Legislature as this bill) shall be deposited in the enterprise zone
34 assistance fund and 10 percent of such amount shall be deposited in
35 the General Fund;

36 (d) In the eighth State fiscal year next following the effective
37 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 85
38 percent of the amount determined pursuant to paragraph (1) of
39 subsection b. of section 11 of P.L. _____, c. _____ (C. _____) (pending
40 before the Legislature as this bill) shall be deposited in the
41 enterprise zone assistance fund and 15 percent of such amount shall
42 be deposited in the General Fund;

43 (e) In the ninth State fiscal year next following the effective
44 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 80
45 percent of the amount determined pursuant to paragraph (1) of
46 subsection b. of section 11 of P.L. _____, c. _____ (C. _____) (pending before
47 the Legislature as this bill) shall be deposited in the enterprise zone

1 assistance fund and 20 percent of such amount shall be deposited in
2 the General Fund; ¹and¹

3 (f) In the 10th State fiscal year next following the effective date
4 of P.L. , c. (pending before the Legislature as this bill), 75
5 percent of the amount determined pursuant to paragraph (1) of
6 subsection b. of section 11 of P.L. , c. (C.) (pending before
7 the Legislature as this bill) shall be deposited in the enterprise zone
8 assistance fund and 25 percent of such amount shall be deposited in
9 the General Fund ¹;

10 (g) In the 11th State fiscal year next following the effective date
11 of P.L. , c. (pending before the Legislature as this bill), 70
12 percent of the amount determined pursuant to paragraph (1) of
13 subsection b. of section 11 of P.L. , c. (C.) (pending
14 before the Legislature as this bill) shall be deposited in the
15 enterprise zone assistance fund and 30 percent of such amount shall
16 be deposited in the General Fund;

17 (h) In the 12th State fiscal year next following the effective date
18 of P.L. , c. (pending before the Legislature as this bill), 65
19 percent of the amount determined pursuant to paragraph (1) of
20 subsection b. of section 11 of P.L. , c. (C.) (pending before
21 the Legislature as this bill) shall be deposited in the enterprise zone
22 assistance fund and 35 percent of such amount shall be deposited in
23 the General Fund;

24 (i) In the 13th State fiscal year next following the effective date
25 of P.L. , c. (pending before the Legislature as this bill), 60
26 percent of the amount determined pursuant to paragraph (1) of
27 subsection b. of section 11 of P.L. , c. (C.) (pending
28 before the Legislature as this bill) shall be deposited in the
29 enterprise zone assistance fund and 40 percent of such amount shall
30 be deposited in the General Fund;

31 (j) In the 14th State fiscal year next following the effective date
32 of P.L. , c. (pending before the Legislature as this bill), 55
33 percent of the amount determined pursuant to paragraph (1) of
34 subsection b. of section 11 of P.L. , c. (C.) (pending before
35 the Legislature as this bill) shall be deposited in the enterprise zone
36 assistance fund and 45 percent of such shall be deposited in the
37 General Fund;

38 (k) In the 15th State fiscal year next following the effective date
39 of P.L. , c. (pending before the Legislature as this bill), 50
40 percent of the amount determined pursuant to paragraph (1) of
41 subsection b. of section 11 of P.L. , c. (C.) (pending before
42 the Legislature as this bill) shall be deposited in the enterprise zone
43 assistance fund and 50 percent of such amount shall be deposited in
44 the General Fund;

45 (l) In the 16th State fiscal year next following the effective date
46 of P.L. , c. (pending before the Legislature as this bill), 40
47 percent of the amount determined pursuant to paragraph (1) of
48 subsection b. of section 11 of P.L. , c. (C.) (pending

1 before the Legislature as this bill) shall be deposited in the
2 enterprise zone assistance fund and 60 percent of such amount shall
3 be deposited in the General Fund;

4 (m) In the 17th State fiscal year next following the effective date
5 of P.L. , c. (pending before the Legislature as this bill), 30
6 percent of the amount determined pursuant to paragraph (1) of
7 subsection b. of section 11 of P.L. , c. (C.) (pending before
8 the Legislature as this bill) shall be deposited in the enterprise zone
9 assistance fund and 70 percent of such amount shall be deposited in
10 the General Fund;

11 (n) In the 18th State fiscal year next following the effective date
12 of P.L. , c. (pending before the Legislature as this bill), 20
13 percent of the amount determined pursuant to paragraph (1) of
14 subsection b. of section 11 of P.L. , c. (C.) (pending
15 before the Legislature as this bill) shall be deposited in the
16 enterprise zone assistance fund and 80 percent of such amount shall
17 be deposited in the General Fund;

18 (o) In the 19th State fiscal year next following the effective date
19 of P.L. , c. (pending before the Legislature as this bill), 10
20 percent of the amount determined pursuant to paragraph (1) of
21 subsection b. of section 11 of P.L. , c. (C.) (pending before
22 the Legislature as this bill) shall be deposited in the enterprise zone
23 assistance fund and 90 percent of such amount shall be deposited in
24 the General Fund; and

25 (p) In the 20th State fiscal year next following the effective date
26 of P.L. , c. (pending before the Legislature as this bill), and
27 each State fiscal year thereafter, 100 percent of the amount
28 determined pursuant to paragraph (1) of subsection b. of section 11
29 of P.L. , c. (C.) (pending before the Legislature as this bill)
30 shall be deposited in the General Fund】¹.

31 (2) The State Treasurer shall maintain separate accounts for
32 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
33 60 et seq.) that is in good standing with the UEZ Authority in
34 accordance with rules adopted by the UEZ Authority, and one in the
35 authority's name for the administration of the Urban Enterprise
36 Zone program, and for providing grants, investments, loans or other
37 guaranties related to qualified assistance fund expenses. The State
38 Treasurer shall credit to each account an amount of the moneys
39 deposited in the fund 【equal to the amount of revenues collected
40 from the taxation of retail sales made in the zone and appropriated
41 to the enterprise zone assistance fund, or that amount of moneys
42 appropriated to the fund and required to be credited to the enterprise
43 zone account of the qualifying municipality pursuant to section 21
44 of P.L.1983, c.303 (C.52:27H-80)】 determined by a formula that
45 applies weight to a zone municipality's number of commercial and
46 industrial parcels as recorded by the municipal tax assessor, its
47 Municipal Revitalization Index Distress Score, and the average
48 number of unemployed persons in the municipality according to

1 data provided by the New Jersey Department of Labor and
2 Workforce Development. When funds are received by a qualifying
3 municipality pursuant to this subsection, the funds shall be placed
4 in a new trust or, for a qualifying municipality that has a trust for an
5 enterprise zone on the effective date of P.L. , c. (pending before
6 the Legislature as this bill), in the existing trust. The Division of
7 Local Government Services in the Department of Community
8 Affairs shall promulgate regulations, policies, or procedures as
9 necessary to implement the provisions of this section.

10 (3) The State Treasurer shall promulgate the rules and
11 regulations necessary to govern the administration of the fund for
12 the purposes of this section, which shall include, but not be limited
13 to, regulations requiring the establishment of separate bank
14 accounts for funds credited to the enterprise zone account of each
15 municipality from the enterprise zone assistance fund, commonly
16 known as "first generation funds," and funds generated from the
17 repayments of loans to individuals and businesses from the
18 enterprise zone account of each municipality and the proceeds from
19 the sale of properties and equipment acquired through the enterprise
20 zone program, commonly known as "second generation funds," and
21 the review, compilation, and monitoring of second generation fund
22 quarterly reports submitted by each enterprise zone.

23 Any individual, including an individual who is not directly
24 employed by a municipality, with the authority to administer,
25 allocate or approve the use of zone assistance funds is subject to the
26 "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et
27 seq.), unless the individual is a State employee or a special State
28 officer.

29 b. The enterprise zone assistance fund shall be used for the
30 purpose of assisting qualifying municipalities in which enterprise
31 zones are designated in undertaking economic development projects
32 in designated enterprise zones by funding qualified assistance fund
33 expenses. However, a municipality shall not appropriate or expend
34 more than 25 percent of the amount annually credited to its
35 enterprise zone assistance fund for public safety purposes, as
36 described pursuant to paragraph (4) of subsection m. of section 3 of
37 P.L.1983, c.303 (C.52:27H-62).

38 c. The governing body of a qualifying municipality in which an
39 enterprise zone is designated and the zone development corporation
40 created or designated by the municipality for that enterprise zone
41 may, by resolution jointly adopted after public hearing, propose to
42 undertake an economic development project in the enterprise zone,
43 and to fund that project from moneys deposited in the enterprise
44 zone assistance fund and credited to the account maintained by the
45 State Treasurer for the enterprise zone. ¹If a project is to extend
46 across either multiple years or multiple phases, the governing body
47 of a qualifying municipality may, by resolution approved by a
48 majority of the governing body, issue revenue anticipation notes

1 backed by the pledge of an enterprise zone assistance fund,
2 receiving the borrowed funds from the State Treasurer according to
3 the provisions of subsection a. of this section.¹

4 The proposal so adopted shall set forth a plan for the project and
5 shall include:

6 (1) A description of the proposed project;

7 (2) An estimate of the total project costs, and an estimate of the
8 amounts of funding necessary annually from the enterprise zone
9 account;

10 (3) A statement of any other revenue sources to be used to
11 finance the project;

12 (4) A statement of the time necessary to complete the project;

13 (5) A statement of the manner in which the proposed project
14 furthers the municipality's policy and intentions for addressing
15 economic development in the enterprise zone as set forth in the
16 zone development plan approved by the authority; and

17 (6) A description of the financial and programmatic controls and
18 reporting mechanisms to be used to guarantee that the funds will be
19 spent in accordance with the plan and that the project will
20 accomplish its purpose.

21 As used in this section, "project" means an activity **【**funded by
22 the zone assistance fund through the qualified municipality and
23 implemented by the zone development corporation,**】** that satisfies
24 the requirements of a qualified assistance fund expense, as that term
25 is defined in subsection m. of section 3 of P.L.1983, c.303
26 (C.52:27H-62), and which will lead to the creation of new jobs and
27 increased economic activity within the zone **【**, such as: the
28 establishment of revolving loan programs for qualified businesses
29 in the zone to encourage private investment and job creation, and
30 marketing, advertising and special event activities that will lead to
31 increased economic activity or encourage private investment and
32 job creation in the zone, but not including the expenditures therefor
33 which are required to be reported pursuant to "The New Jersey
34 Campaign Contributions and Expenditures Reporting Act,"
35 P.L.1973, c.83 (C.19:44A-1 et al.) and the costs associated
36 therewith including the costs of economic analyses**】**.

37 d. **【**Upon adoption by the governing body of the qualifying
38 municipality and by the zone development corporation, the proposal
39 shall be sent to the authority for its evaluation and approval. The
40 authority shall approve the proposal if it shall find that the proposed
41 project furthers the policy and intentions of the zone development
42 plan approved by the authority, and that the estimated annual
43 payments for the project from the enterprise zone account to which
44 the proposal pertains are not likely to result in a deficit in that
45 account.**】** (Deleted by amendment, P.L. , c.) (pending before the
46 Legislature as this bill)

1 e. **【If the authority shall approve the proposal, it shall annually,**
2 **upon its receipt of a written statement from the governing body of**
3 **the qualifying municipality and the zone development corporation,**
4 **certify to the State Treasurer the amount to be paid in that year from**
5 **the enterprise zone account in the enterprise zone assistance fund**
6 **with respect to each approved project. The authority may at any**
7 **time revoke its approval of a project if it finds that the annual**
8 **payments made from the enterprise zone assistance fund are not**
9 **being used as required by this section.】** (Deleted by amendment,
10 P.L. , c.) (pending before the Legislature as this bill)

11 f. **【Upon certification by the authority of the annual amount to**
12 **be paid to a qualifying zone with respect to any project, the State**
13 **Treasurer shall pay in each year to the qualifying municipality from**
14 **the amounts deposited in the enterprise zone assistance fund the**
15 **amount so certified, within the limits of the amounts credited to the**
16 **enterprise zone account of the qualifying municipality.】** (Deleted by
17 amendment, P.L. , c.) (pending before the Legislature as this
18 bill)

19 g. **【An amount not to exceed one-third of the amount deposited**
20 **in the account created in the name of the authority in the enterprise**
21 **zone assistance fund shall be used by the authority for the**
22 **coordination and administration of the program throughout the**
23 **State, including but not limited to costs for personnel, operating**
24 **expenses and marketing. The balance of the remaining amount**
25 **shall be distributed to qualifying municipalities in proportion to**
26 **each municipality's contribution to the enterprise zone assistance**
27 **fund for the coordination and administration of the program within**
28 **the municipality, including but not limited to costs for personnel,**
29 **operating expenses and marketing.】** (Deleted by amendment,
30 P.L. , c.) (pending before the Legislature as this bill)

31 h. At the end of a State fiscal year, if a municipality has not
32 encumbered a portion of its allocation, such amount may be carried
33 forward to the next State fiscal year and the State fiscal year
34 thereafter. If at the end of the third State fiscal year any of those
35 unencumbered funds remain, then the funds shall be transferred to
36 the UEZ Authority's account in the enterprise zone assistance fund.

37 i. At the end of a State fiscal year, if a municipality has not
38 expended or otherwise committed a portion of its encumbered
39 funds, then such amount may be carried forward to the next three
40 succeeding State fiscal years. If at the end of the third State fiscal
41 year any unexpended funds remain, then the funds shall be
42 transferred to the UEZ Authority's account in the enterprise zone
43 assistance fund.

44 j. At the end of a State fiscal year, the Department of
45 Community Affairs shall review an enterprise zone's expenditures
46 of funds received from the zone assistance fund. If the department
47 finds that an enterprise zone expended such funds in a manner

1 inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et
2 seq.) and P.L. _____, c. _____ (pending before the Legislature as this bill),
3 then the enterprise zone shall repay such funds to the department
4 through the forfeiture of future zone assistance fund disbursements.
5 The department shall withhold future funding from the enterprise
6 zone until the enterprise zone enters into and complies with a
7 corrective action plan developed by the department.

8 ¹k. The State shall, not later than 24 months after any such
9 occurrence, repay to the enterprise zone assistance fund, created
10 pursuant to subsection a. of this section, or to any account within
11 the fund, any moneys that are appropriated from the enterprise zone
12 assistance fund unless the moneys are appropriated for a purpose as
13 provided for in this section.¹

14 (cf: P.L.2018, c.19, s.4)]²

15
16 ²[11. (New section) a. There is created an Urban Enterprise
17 Zone Fund to be held by the State Treasurer, which shall be the
18 repository for all moneys appropriated annually to the fund
19 beginning in State Fiscal Year 2022 and thereafter. All moneys
20 deposited in the fund shall be held and disbursed in the amounts
21 necessary to fulfill the purposes of this section and subject to the
22 requirements hereinafter prescribed. The State Treasurer, in
23 consultation with the UEZ Authority, may invest and reinvest any
24 moneys in the fund, or any portion thereof, in legal obligations of
25 the United States or of the State or of any political subdivision
26 thereof to strengthen capital structures, leverage additional debt
27 capital, and increase lending and investing in economically
28 disadvantaged communities, and in any other manner that advances
29 the goals of the UEZ program. Any income from, interest on, or
30 increment to moneys so invested or reinvested shall be included in
31 the fund.

32 b. The State Treasurer, in consultation with the UEZ Authority,
33 shall determine the gross amount of revenues generated from the
34 reduced sales tax collected within zones deposited in the assistance
35 fund along with the aggregate amount, expressed in dollars, of the
36 incentives provided under P.L.1983, c.303 (C.52:27H-60 et seq.) in
37 the 12-month period beginning January 1, 2019 and ending
38 December 31, 2019. This amount shall be the “UEZ base fund
39 amount” and beginning in State Fiscal Year 2022 shall be adjusted
40 annually based on the percentage change in the 12-month Consumer
41 Price Index from June 30 to July 1 of each year.

42 Beginning in State Fiscal Year 2022, and in each State fiscal
43 year thereafter, the UEZ base fund amount determined pursuant to
44 this subsection shall be appropriated to the Urban Enterprise Zone
45 Fund and allocated as follows:

46 (1) Subject to the provisions of subsection a. of section 29 of
47 P.L.1983, c.303 (C.52:27H-88), 20 percent shall be allocated to the

1 enterprise zone assistance fund for deposit into separate accounts in
2 accordance with section 29 of P.L.1983, c.303 (C.52:27H-88);

3 (2) Five percent shall be allocated to the enterprise zone
4 assistance fund for use by the UEZ Authority to provide loans,
5 grants, investments, and other assistance to qualified businesses,
6 diverse Statewide or regional business organizations that represent
7 the interests of minority businesses, as defined in section 2 of
8 P.L.1986, c.195 (C.52:27H-21.18), and qualified municipalities,
9 and some amount shall be allocated to the UEZ Authority for
10 administration of the Urban Enterprise Zone program, provided the
11 amount allocated to the UEZ Authority for administrative expenses
12 shall not exceed \$2,500,000 in State Fiscal Year 2022 and, for each
13 State fiscal year thereafter, shall not exceed \$2,500,000 as adjusted
14 by the percentage change in the 12-month Consumer Price Index
15 from June 30 to July 1;

16 (3) Thirty percent, plus such additional funds as shall be
17 determined in accordance with subsection a. of section 29 of
18 P.L.1983, c.303 (C.52:27H-88), shall be allocated to the General
19 Fund; and

20 (4) No more than 45 percent shall be allocated to the combined
21 cost of qualified businesses with a UZ-2, UZ-4, or UZ-5
22 certification, and the energy sales tax exemption. If less than 45
23 percent is needed to meet the combined cost of the benefits claimed
24 by qualified businesses with a UZ-2, UZ-4, or UZ-5 certification,
25 and the energy sales tax exemption:

26 (a) 50 percent of the incremental amount dedicated under this
27 subsection shall be allocated to the enterprise zone assistance fund,
28 with 20 percent of this amount allocated for the UEZ Authority's
29 use and 80 percent allocated to separate accounts in the enterprise
30 zone assistance fund for each enterprise zone designated under
31 P.L.1983, c.303 (C.52:27H-60 et seq.); and

32 (b) 50 percent of the increment dedicated under this paragraph
33 shall be deposited in the General Fund.

34 Should more than 45 percent be needed for the combined
35 allocated cost in any current State fiscal year, the UEZ Authority
36 shall reset the Economic Distress Index percentile that governs
37 business qualification at the beginning of the State fiscal year to
38 such number that is projected to allow the allocation to remain at or
39 under 45 percent.

40 ¹c. The State shall, not later than 24 months after any such
41 occurrence, repay to the Urban Enterprise Zone Fund, created
42 pursuant to subsection a. of this section, any moneys that are
43 appropriated from the Urban Enterprise Zone Fund, unless the
44 moneys are appropriated for a purpose as provided for in this
45 section.¹²

46

47 ²[12. (New section) a. As used in this section:

1 “Eligible block group” means a block group that meets or
2 exceeds the 50th percentile of the most recent Economic Distress
3 Index; and

4 “Adjacent parcel” means a parcel of real property located within
5 the same municipality as an eligible block group, and which parcel
6 shares a border with an eligible block group, including but not
7 limited to sharing a property line with an eligible block group or
8 bordering on a public street with an eligible block group.

9 b. The UEZ Authority shall notify each qualified municipality
10 of each eligible block group within the municipality no later than 14
11 days after the effective date of P.L. , c. (pending before the
12 Legislature as this bill). The UEZ Authority shall then certify the
13 final eligible block groups and adjacent parcels to each municipality
14 and shall post a link to a list of eligible block groups and adjacent
15 parcels on the UEZ Authority’s Internet homepage on the
16 Department of Community Affairs’s Internet website.

17 c. A qualified business shall be located in an eligible block
18 group or on an adjacent parcel or be an industrial business in an
19 industrial hub. The certification of a qualified business that is not
20 located in an eligible block group or on an adjacent parcel shall
21 expire on January 1, 2022 unless the business is located in a major
22 job center or is an industrial business located in an industrial hub.

23 d. The certification of a qualified business located in an
24 eligible block group or on an adjacent parcel shall expire at the end
25 of the 10th State fiscal year following the State fiscal year in which
26 the business was first certified as a qualified business unless the
27 business is located in a major job center or is an industrial business
28 in an industrial hub. The certification for a business that has been
29 certified for more than 10 State fiscal years prior to the effective
30 date of P.L. , c. (pending before the Legislature as this bill)
31 shall expire on January 1, 2022 unless the business is located in a
32 major job center or is an industrial business in an industrial hub. A
33 business whose certification has expired shall not be eligible to seek
34 a new certification.

35 e. A business which satisfied the criteria for designation as a
36 qualified business immediately preceding the effective date of
37 P.L. , c. (pending before the Legislature as this bill), which
38 business is carrying out a qualified construction project, or which
39 can demonstrate to the UEZ Authority an actionable and feasible
40 plan to carry out a qualified construction project within one year of
41 the effective date of P.L. , c. (pending before the Legislature as
42 this bill), and which can demonstrate its reliance on the UZ-4
43 benefit, UZ-5 benefit, or both, may apply to the UEZ Authority for
44 a UZ-4 certification, a UZ-5 certification, or both, and the
45 certification shall continue until completion of the qualified
46 construction project. The Department of the Treasury shall provide
47 to a qualified business a certificate evidencing its UZ-4 certification
48 or UZ-5 certification which certificate shall indicate the location at

1 which the sales tax exemption provided for in section 20 of
 2 P.L.1983, c.303 (C.52:27H-79) or section 8 of P.L. , c. (C.)
 3 is available.

4 f. The UEZ Authority may, upon application by the local UEZ
 5 Coordinator or governing body of a qualifying municipality, issue a
 6 UZ-4 certification to a qualified business undertaking a qualified
 7 construction project in an enterprise zone, although the business is
 8 not located within an eligible block group or on an adjacent parcel.
 9 The UEZ Authority may grant this benefit to no more than eight
 10 qualified construction projects, beyond those eligible under
 11 subsection d. of this section, at any given time. A UZ-4 certification
 12 issued under this subsection shall continue until completion of the
 13 qualified construction project.

14 g. The UEZ Authority may, upon application by the local UEZ
 15 Coordinator or the governing body of a qualified municipality, issue
 16 a UZ-4 certification, a UZ-5 certification, or both, to a qualified
 17 business located within an enterprise zone, although the business is
 18 not located within an eligible block group or on an adjacent parcel.
 19 The UEZ Authority may grant this benefit to no more than 24
 20 qualified businesses, beyond those eligible under subsection e. of
 21 this section, at any given time. Each UZ-4 certification or UZ-5
 22 certification issued under this subsection shall remain active so long
 23 as the business in receipt of the benefit remains qualified.]²
 24

25 ²³. Section 3 of P.L.2001, c.347 (C.52:27H-66.2) is amended to
 26 read as follows:

27 3. The authority shall designate a classification known as a
 28 "UEZ-impacted business district" for a municipality which can
 29 demonstrate to the authority that its business district is
 30 economically distressed and is being negatively impacted by the
 31 presence of two or more adjacent enterprise zones in which **[50%]**
 32 50 percent less sales tax is collected pursuant to section 21 of P.L.
 33 1983, c. 303 (C.52:27H-80). Following the effective date of
 34 P.L. , c. (pending before the Legislature as this bill), the UEZ
 35 Authority shall not designate a business district as a UEZ-impacted
 36 business district. Any designation as a UEZ-impacted business
 37 district existing on the effective date of P.L. , c. (pending before
 38 the Legislature as this bill) shall expire on the first day of the third
 39 year next following the effective date of P.L. , c. (pending
 40 before the Legislature as this bill).²

41 (cf: P.L.2001, c.347, s.3)
 42

43 ²⁴. Section 9 of P.L.1983, c.303 (C.52:27H-68) is amended to
 44 read as follows:

45 9. a. **[Before applying]** Prior to the effective date of P.L. ,
 46 c. (pending before the Legislature as this bill, the governing body
 47 of a qualifying municipality may apply for designation [of] as an

1 enterprise zone, the municipal governing body shall cause a
2 preliminary zone development plan to be formulated, either by a
3 zone development corporation or by the governing body, with the
4 assistance of those officers and agencies of the municipality as the
5 governing body may see fit. **【The】** For a municipality with a zone
6 development plan that was approved more than five years prior to
7 the effective date of P.L. , c. (pending before the Legislature as
8 this bill), the governing body of the municipality shall submit an
9 updated preliminary zone development plan pursuant to this section.
10 In formulating an updated preliminary zone development plan
11 pursuant to this section, a zone development corporation or the
12 governing body of the municipality shall consult with
13 representatives of diverse Statewide or regional business
14 organizations that represent the interests of minority businesses, as
15 defined in section 2 of P.L.1986, c. 195 (C.52:27H-21.18), which
16 organizations shall have no less than 30 days to review a proposed
17 preliminary zone development plan and submit comments to the
18 zone development corporation or governing body. Each
19 preliminary zone development plan shall set forth the boundaries of
20 the enterprise zone, and include findings of fact concerning the
21 economic and social conditions existing in the 【area proposed for
22 an】 enterprise zone, and the municipality's policy and intentions for
23 addressing these conditions, and may include proposals respecting:

24 **【a.】** (1) Utilizing the powers conferred on the municipality by
25 law for the purpose of stimulating investment in and economic
26 development of the **【proposed】** zone;

27 **【b.】** (2) Utilizing State assistance through the provisions of
28 **【this act】** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to
29 **【exemptions from, and credits against,】** State **【taxes】** tax benefits
30 and enterprise zone assistance funds;

31 **【c.】** (3) Securing the involvement in, and commitment to, zone
32 economic development by private entities, including zone
33 neighborhood associations, voluntary community organizations
34 supported by residents and businesses in the zone;

35 **【d.】** (4) Utilizing the powers conferred by law to revise
36 municipal planning and zoning ordinances and other land use
37 regulations as they pertain to the zone, in order to enhance the
38 attraction of the zone to prospective developers;

39 **【e.】** (5) Increasing the availability and efficiency of support
40 services, public and private, generally used by and necessary to the
41 efficient functioning of commercial and industrial facilities in the
42 area, and the extent to which the increase or improvement is to be
43 provided and financed by the municipal government or by other
44 entities.

45 b. (1) The governing body of a municipality may request from
46 the UEZ Authority an amount not to exceed 10 percent of the
47 municipality's zone assistance fund allocation or \$125,000,

1 whichever is greater, to fund, in whole or in part, the costs
2 associated with formulating a preliminary zone development plan,
3 which amount the governing body may use to pay employees, or to
4 retain a consultant, to formulate the plan. Prior to soliciting a
5 consultant to formulate the plan with these funds, the governing
6 body of a municipality shall submit to the UEZ Authority the
7 proposed solicitation.

8 (2) The UEZ Authority shall review the proposed solicitation
9 and may provide recommended modifications to the proposed
10 solicitation. The governing body of a municipality or a zone
11 development corporation may incur expenses related to the
12 preparation of the preliminary zone development plan for potential
13 reimbursement at a later time by the UEZ Authority from the
14 municipality zone assistance fund account, provided the authority
15 determines the expenses are reasonable. The governing body of a
16 municipality or a zone development corporation shall complete a
17 preliminary zone development plan with assistance from the UEZ
18 Authority, as needed, in accordance with a timeline established by
19 the authority pursuant to rules, regulations, or guidelines adopted by
20 the authority.

21 (3) Within 14 days of receipt, unless the authority finds material
22 deficiencies in a preliminary zone development plan, the authority
23 shall approve and certify the preliminary zone development plan as
24 the zone development plan. The zone development plan shall be the
25 plan according to which the Urban Enterprise Zone program shall
26 be administered in that zone, and certification of the plan shall
27 enable the municipality to access assistance from the enterprise
28 zone assistance fund described in section 10 of P.L. , c. (C.)
29 (pending before the Legislature as this bill). Should the authority
30 find deficiencies with a preliminary zone development plan, it shall
31 provide a corrective action plan to the municipality.

32 c. If no zone development plan is in place, upon petition of the
33 zone development corporation or governing body of the
34 municipality, the UEZ Authority may grant a distribution from that
35 municipality's zone assistance fund account for an eligible project
36 that responds to an impact of a public health emergency or state of
37 emergency declared by the Governor. A zone development
38 corporation or governing body of a municipality without a zone
39 development plan in place, which can demonstrate to the UEZ
40 Authority an actionable and feasible plan to carry out a project
41 eligible for zone assistance funds, and which can demonstrate a
42 reliance on zone assistance funding, may petition the authority for a
43 distribution from that municipality's zone assistance fund account
44 prior to the authority's approval of an updated preliminary zone
45 development plan.

46 d. No zone development plan shall remain in force once it has
47 been certified by the UEZ Authority for more than five years. The
48 governing body of a municipality or zone development corporation

1 shall follow the process enumerated in subsections a. and b. of this
 2 section to ensure a zone development plan remains current to
 3 protect against lapse of enterprise zone designation.

4 e. Notwithstanding the provisions of this section to the contrary,
 5 a qualified business in an enterprise zone having such qualified
 6 status immediately preceding the effective date of P.L. _____,
 7 c. (pending before the Legislature as this bill), and which is
 8 qualified under P.L. _____, c. (pending before the Legislature as this
 9 bill), shall remain eligible for the exemptions from the tax imposed
 10 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
 11 seq.), pursuant to sections 20 and 21 of P.L.1983, c.303 (C.52:27H-
 12 79 and C.52:27H-80), and shall be eligible for the exemption under
 13 section 8 of P.L. _____, c. (C. _____) (pending before the Legislature
 14 as this bill) even if the municipality in which the business is located
 15 fails to submit a zone development plan in accordance with this
 16 section; provided, however, a municipality failing to submit a zone
 17 development plan under this section shall not be eligible for loans,
 18 grants, and other assistance from the UEZ Authority, and shall not
 19 be allowed a distribution from that municipality's zone assistance
 20 fund, except as provided for in subsection c. of this section, until a
 21 revised zone development plan is submitted and approved by the
 22 UEZ Authority.²

23 (cf: P.L.1983, c.539, s.1)

24
 25 ^{25.} Section 10 of P.L.1983, c.303 (C.52:27H-69) is amended to
 26 read as follows:

27 10. An area defined by a continuous border within one
 28 qualifying municipality **【**or within two or more contiguous
 29 qualifying municipalities and two noncontiguous areas each having
 30 a continuous border within two noncontiguous qualifying
 31 municipalities**】** shall be eligible for designation as a zone if:

32 a. It has been designated an "area in need of rehabilitation"
 33 pursuant to Article VIII, Section I, paragraph 6 of the Constitution
 34 of the State of New Jersey **【**and P.L.1977, c.12 (C.54:4-3.95 et
 35 seq.)**】**; or is qualified for that designation in the judgment of the
 36 authority; and

37 b. It meets the criteria established by the authority pursuant to
 38 **【**this act**】** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to the
 39 incidence of poverty, unemployment and general economic
 40 distress.²

41 (cf: P.L.1993, c.367, s.5)

42
 43 ^{26.} Section 13 of P.L.1983, c.303 (C.52:27H-72) is amended to
 44 read as follows:

45 13. a. In designating eligible areas as enterprise zones, the
 46 authority shall **【**accord preference to**】** approve zone development
 47 plans which:

- 1 (1) Have **【the greatest】** potential for success in stimulating
2 primarily new economic activity in the area;
- 3 (2) Are designed to address **【the greatest degree of】** urban
4 distress, as measured by existing levels of unemployment, poverty,
5 and property tax arrearages;
- 6 (3) Demonstrate **【the most】** substantial and reliable
7 commitments of resources by zone businesses, zone neighborhood
8 associations, voluntary community organizations and other private
9 entities to the economic success of the zone;
- 10 (4) Demonstrate **【the most】** substantial effort and commitment
11 by the municipality to encourage economic activity in the area and
12 to remove disincentives for job creation compatible with the fiscal
13 condition of the municipality.

14 b. In addition to the considerations set forth in subsection a. of
15 this section, the authority in evaluating a zone development plan for
16 designation purposes shall consider:

- 17 (1) The likelihood of attracting federal assistance to projects in
18 the eligible area, and of obtaining federal designation of the area as
19 an enterprise zone for federal tax purposes;
- 20 (2) The adverse or beneficial effects of an enterprise zone
21 located at the proposed area upon economic development activities
22 or projects of State or other public agencies which are in operation,
23 or are approved for operation, in the qualifying municipality;
- 24 (3) The degree of commitment made by public and private
25 entities to utilize minority contractors and assure equal
26 opportunities for employment in connection with any construction
27 or reconstruction to be undertaken in the eligible area;
- 28 (4) The impact of the zone development plan upon the social,
29 natural and historic environment of the eligible area;
- 30 (5) The degree to which the implementation of the plan involves
31 the relocation of residents from the eligible area, and the adequacy
32 of commitments and provisions with respect thereto.

33 c. A designated zone that is operative on the effective date of
34 P.L. , c. (pending before the Legislature as this bill) shall
35 remain a designated zone until the end of the 10th State fiscal year
36 next following the effective date of P.L. , c. (pending before the
37 Legislature as this bill). The authority shall not designate new
38 enterprise zones following the effective date of P.L. ,
39 c. (pending before the Legislature as this bill).²

40 (cf: P.L.1983, c.303, s.13)

41

42 ²⁷. Section 20 of P.L.1983, c.303 (C.52:27H-79) is amended to
43 read as follows:

44 20. a. **【Receipts】** Except as provided in subsection b. of section
45 11 of P.L. , c. (C.) (pending before the Legislature as this
46 bill), receipts from the first \$100,000 of retail sales of tangible
47 personal property (except motor vehicles and energy) and sales of

1 services (except telecommunications services and utility services)
 2 to a qualified business for the exclusive use or consumption of such
 3 business within an enterprise zone are exempt from the taxes
 4 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
 5 (C.54:32B-1 et seq.); provided, however, a supermarket or grocery
 6 store located in a food desert community, as defined in section 37
 7 of P.L.2020, c.156 (C.34:1B-305) shall be eligible for such tax
 8 exemption, notwithstanding the limit imposed pursuant to this
 9 subsection.

10 b. (Deleted by amendment, P.L.2011, c.28)

11 c. As used in this section:

12 "Qualified business" includes a person who is certified as a
 13 qualified business by the authority **【**on or before the date a claim
 14 for refund is made and filed with the Director of the Division of
 15 Taxation in the Department of the Treasury pursuant to subsection
 16 e. of this section**】** and provided a UZ-5 certification by the
 17 authority. A person who is certified as a qualified business may
 18 apply to the authority for a UZ-5 certification provided the person
 19 owns or leases and regularly operates a place of business located in
 20 an eligible block group, as defined in subsection a. of section 12 of
 21 P.L. , c. (C.) (pending before the Legislature as this bill).
 22 The Department of the Treasury shall provide to a qualified
 23 business a certificate evidencing its UZ-5 certification, which
 24 certificate shall indicate the location at which the sales tax
 25 exemption provided for in this section is available.

26 d. (Deleted by amendment, P.L.2011, c.28)

27 e. **【**(1) Notwithstanding the provisions of section 20 of
 28 P.L.1966, c.30 (C.54:32B-20) and the provisions of R.S.54:49-14,
 29 the Director of the Division of Taxation in the Department of the
 30 Treasury shall refund to a person who is a qualified business the
 31 amount of any sales tax or any use tax paid by the person in
 32 connection with that person's purchase of tangible personal property
 33 or services that is exempt, pursuant to subsection a. of this section,
 34 from the taxes imposed by P.L.1966, c.30 (C.54:32B-1 et seq.) if
 35 the person who is a qualified business makes and files a claim for
 36 refund with the director within one year of the date the payment of
 37 tax for purchase is made.

38 (2) A person who is a qualified business shall make and file a
 39 claim for refund on such forms, and accompanied by auditable
 40 receipts and such other documentation, as the director may
 41 prescribe.**】** (Deleted by amendment, P.L. , c.) (pending before
 42 the Legislature as this bill)²

43 (cf: P.L.2011, c.28, s.1)

44

45 ²8. (New section) a. Receipts from the first \$100,000 of retail
 46 sales of materials, supplies, and services for the exclusive use of
 47 erecting structures or buildings on, or improving, altering or

1 repairing the real property of a qualified business, or a contractor
2 hired by the qualified business to make such improvements,
3 alterations, or repairs, are exempt from the taxes imposed under the
4 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.);
5 provided, however, receipts from retail sales of materials, supplies,
6 and services for the exclusive use of erecting new structures or
7 buildings on, or substantially improving, altering or repairing the
8 real property of a qualified business shall be eligible for such tax
9 exemption notwithstanding the limit imposed pursuant to this
10 subsection.

11 b. As used in this section:

12 "Qualified business" includes a person who is certified as a
13 qualified business by the authority and provided a UZ-4
14 certification by the authority. A person who is certified as a
15 qualified business may apply to the authority for a UZ-4
16 certification provided that the person owns or leases and regularly
17 operates a place of business located in an eligible block group, as
18 defined in subsection a. of section 12 of P.L. , c. (C.)
19 (pending before the Legislature as this bill). The Department of the
20 Treasury shall provide to a qualified business a certificate
21 evidencing its UZ-4 certification, which certificate shall indicate the
22 location at which the sales tax exemption provided for in this
23 section is available.

24 "Substantially improving, altering, or repairing" means any
25 reconstruction, rehabilitation, addition, or other improvement to a
26 structure, of which the total cost equals to or exceeds 50 percent of
27 the market value of the structure before the start of construction of
28 the improvement. The UEZ Authority may, from time to time, alter
29 this definition through regulation to respond to changing market
30 conditions.²

31

32 ²9. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
33 read as follows:

34 21. Receipts of retail sales, except retail sales of motor vehicles,
35 of alcoholic beverages as defined in the "Alcoholic Beverage Tax
36 Law," R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette
37 Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing
38 machinery, equipment or apparatus, and of energy, made by a
39 **【certified】** seller located in an eligible block group, as defined in
40 subsection a. of section 12 of P.L. , c. (C.) (pending before
41 the Legislature as this bill) and provided a UZ-2 certification by the
42 authority from a place of business owned or leased and regularly
43 operated by the seller for the purpose of making retail sales, and
44 located in a designated enterprise zone established pursuant to the
45 "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
46 (C.52:27H-60 et **【al.】** seq.), or a UEZ-impacted business district
47 established prior to the effective date of P.L. , c. (pending
48 before the Legislature as this bill) pursuant to section 3 of P.L.2001,

1 c.347 (C.52:27H-66.2), are exempt to the extent of **[50%]** 50
2 percent of the tax imposed under the "Sales and Use Tax Act,"
3 P.L.1966, c.30 (C.54:32B-1 et seq.).

4 Any seller, which is a qualified business having a place of
5 business located in a designated enterprise zone or in a designated
6 UEZ-impacted business district, may apply to the **[Director of the**
7 **Division of Taxation in the Department of the Treasury]** UEZ
8 Authority for a UZ-2 certification pursuant to this section provided
9 the seller is located in an eligible block group, as defined in
10 subsection a. of section 12 of P.L. , c. (C.) (pending before
11 the Legislature as this bill). The **[director]** UEZ Authority shall
12 certify a seller if the **[director]** UEZ Authority shall find that the
13 seller owns or leases and regularly operates a place of business
14 located in the designated enterprise zone or in the designated UEZ-
15 impacted business district for the purpose of making retail sales,
16 that items are regularly exhibited and offered for retail sale at that
17 location, and that the place of business is not utilized primarily for
18 the purpose of catalogue or mail order sales. The certification
19 under this section shall remain in effect during the time the business
20 retains its status as a qualified business meeting the eligibility
21 criteria of section 27 of P.L.1983, c.303 (C.52:27H-86). However,
22 the **[director]** UEZ Authority may at any time revoke a certification
23 granted pursuant to this section if the **[director]** UEZ Authority
24 shall determine that the seller no longer complies with the
25 provisions of this section. The Department of the Treasury shall
26 provide to a qualified business a certificate evidencing its UZ-2
27 certification, which certificate shall indicate the location at which
28 the sales tax exemption provided for in this section is available.

29 Notwithstanding the provisions of **[this act]** P.L.1983, c.303
30 (C.52:27H-60 et seq.) to the contrary, except as may otherwise be
31 provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the
32 authority may, in its discretion, determine if the provisions of this
33 section shall apply to any enterprise zone designated after the
34 effective date of P.L.1985, c.142 (C.52:27H-66 et al.); provided,
35 however, that the authority may make such a determination only
36 where the authority finds that the award of an exemption of 50
37 percent of the tax imposed under the "Sales and Use Tax Act,"
38 P.L.1966, c.30 (C.54:32B-1 et seq.) will not have any adverse
39 economic impact upon any other urban enterprise zone.

40 **[Notwithstanding any other provisions of law to the contrary,**
41 **except as provided in subsection b. of section 6 of P.L.1996, c.124**
42 **(C.13:1E-116.6), after first depositing 10 percent of the gross**
43 **amount of all revenues received from the taxation of retail sales**
44 **made by certified sellers from business locations in designated**
45 **enterprise zones to which this exemption shall apply into the**
46 **account created in the name of the authority in the enterprise zone**
47 **assistance fund pursuant to section 29 of P.L.1983, c.303**

1 (C.52:27H-88), the remaining 90 percent shall be deposited
 2 immediately upon collection by the Department of the Treasury, as
 3 follows:

4 a. In the first five-year period during which the State shall have
 5 collected reduced rate revenues within an enterprise zone, all such
 6 revenues shall be deposited in the enterprise zone assistance fund
 7 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

8 b. In the second five-year period during which the State shall
 9 have collected reduced rate revenues within an enterprise zone, 66
 10 2/3% of all those revenues shall be deposited in the enterprise zone
 11 assistance fund, and 33 1/3% shall be deposited in the General
 12 Fund;

13 c. In the third five-year period during which the State shall
 14 have collected reduced rate revenues within an enterprise zone, 33
 15 1/3% of all those revenues shall be deposited in the enterprise zone
 16 assistance fund, and 66 2/3% shall be deposited in the General
 17 Fund;

18 d. In the final five-year period during which the State shall
 19 have collected reduced rate revenues within an enterprise zone, but
 20 not to exceed the life of the enterprise zone, all those revenues shall
 21 be deposited in the General Fund.

22 Commencing on the effective date of P.L.1993, c.144, all
 23 revenues in any enterprise zone to which the provisions of this
 24 section have been extended prior to the enactment of P.L.1993,
 25 c.144 shall be deposited into the enterprise zone assistance fund
 26 until there shall have been deposited all revenues into that fund for
 27 a total of five full years, as set forth in subsection a. of this section.
 28 The State Treasurer then shall proceed to deposit funds into the
 29 enterprise zone assistance fund according to the schedule set forth
 30 in subsections b. through d. of this section, beginning at the point
 31 where the enterprise zone was located on that schedule on the
 32 effective date of P.L.1993, c.144. No enterprise zone shall receive
 33 the deposit benefit granted by any one subsection of this section for
 34 more than five cumulative years.

35 The revenues required to be deposited in the enterprise zone
 36 assistance fund under this section shall be used for the purposes of
 37 that fund and for the uses prescribed in section 29 of P.L.1983,
 38 c.303 (C.52:27H-88), subject to annual appropriations being made
 39 for those purposes and uses. ²

40 (cf: P.L.2011, c.49, s.15)

41

42 ²10. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended to
 43 read as follows:

44 29. a. (1) There is created an enterprise zone assistance fund to
 45 be held by the State Treasurer, which shall be the repository for all
 46 moneys required to be deposited therein under section ²21 of
 47 P.L.1983, c.303 (C.52:27H-80) or moneys appropriated annually to
 48 the fund ²11 of P.L. _____, c. _____ (C. _____) (pending before the

1 Legislature as this bill). All moneys deposited in the fund shall be
2 held and disbursed in the amounts necessary to fulfill the purposes
3 of this section and subject to the requirements hereinafter
4 prescribed. The State Treasurer may invest and reinvest any moneys
5 in the fund, or any portion thereof, to strengthen capital structures,
6 leverage additional debt capital, and increase lending and investing
7 in economically disadvantaged communities, and in any other
8 manner that advances the goals of the Urban Enterprise Zone
9 program, including, but not limited to legal obligations of the
10 United States or of the State or of any political subdivision thereof
11 or government-sponsored enterprises. Any income from, interest on,
12 or increment to moneys so invested or reinvested shall be included
13 in the fund.

14 Notwithstanding the provisions of section 11 of P.L. _____,
15 c. (C. _____) (pending before the Legislature as this bill) or any
16 other provision of law to the contrary, the amount to be deposited in
17 the enterprise zone assistance fund shall be as follows:

18 (a) In the first five State fiscal years next following the effective
19 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 100
20 percent of the amount determined pursuant to section 11 of P.L. _____,
21 c. (C. _____) (pending before the Legislature as this bill) shall be
22 deposited in the enterprise zone assistance fund;

23 (b) In the sixth State fiscal year next following the effective date
24 of P.L. _____, c. _____ (pending before the Legislature as this bill), 95
25 percent of the amount determined pursuant to section 11 of P.L. _____,
26 c. (C. _____) (pending before the Legislature as this bill) shall be
27 deposited in the enterprise zone assistance fund and five percent of
28 such amount shall be deposited in the General Fund;

29 (c) In the seventh State fiscal year next following the effective
30 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 90
31 percent of the amount determined pursuant to section 11 of P.L. _____,
32 c. (C. _____) (pending before the Legislature as this bill) shall be
33 deposited in the enterprise zone assistance fund and 10 percent of
34 such amount shall be deposited in the General Fund;

35 (d) In the eighth State fiscal year next following the effective
36 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 85
37 percent of the amount determined pursuant to section 11 of P.L. _____,
38 c. (C. _____) (pending before the Legislature as this bill) shall be
39 deposited in the enterprise zone assistance fund and 15 percent of
40 such amount shall be deposited in the General Fund;

41 (e) In the ninth State fiscal year next following the effective
42 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 80
43 percent of the amount determined pursuant to section 11 of P.L. _____,
44 c. (C. _____) (pending before the Legislature as this bill) shall be
45 deposited in the enterprise zone assistance fund and 20 percent of
46 such amount shall be deposited in the General Fund; and

47 (f) In the 10th State fiscal year next following the effective date
48 of P.L. _____, c. _____ (pending before the Legislature as this bill), 75

1 percent of the amount determined pursuant to section 11 of P.L. ,
2 c. (C.) (pending before the Legislature as this bill) shall be
3 deposited in the enterprise zone assistance fund and 25 percent of
4 such amount shall be deposited in the General Fund.

5 (2) The State Treasurer shall maintain separate accounts for
6 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
7 60 et seq.) that is in good standing with the UEZ Authority in
8 accordance with rules adopted by the UEZ Authority, and one in the
9 authority's name for the administration of the Urban Enterprise
10 Zone program, and for providing grants, including planning grants,
11 investments, loans or other guaranties related to qualified assistance
12 fund expenses. The State Treasurer shall credit to each account an
13 amount of the moneys deposited in the fund [equal to the amount of
14 revenues collected from the taxation of retail sales made in the zone
15 and appropriated to the enterprise zone assistance fund, or that
16 amount of moneys appropriated to the fund and required to be
17 credited to the enterprise zone account of the qualifying
18 municipality pursuant to section 21 of P.L.1983, c.303 (C.52:27H-
19 80)] determined by a weighted formula that applies 50 percent
20 weight to a zone municipality's number of commercial and
21 industrial parcels as recorded by the municipal tax assessor, its
22 Municipal Revitalization Index Distress Score, as determined by the
23 Department of Community Affairs, and the average number of
24 unemployed persons in the municipality according to data provided
25 by the New Jersey Department of Labor and Workforce
26 Development, and 50 percent weight to the gross taxable sales in
27 the municipality subject to reduced sales tax pursuant to section 21
28 of P.L.1983, c.303 (C.52:27H-80), as determined by the State
29 Treasurer. The data used in the formula, developed under this
30 section, shall be the most recent data that has been made available
31 by the Department of Community Affairs, the Department of Labor
32 and Workforce Development, and the State Treasurer. When funds
33 are received by a qualifying municipality pursuant to this
34 subsection, the funds shall be placed in a new trust or, for a
35 qualifying municipality that has a trust for an enterprise zone on the
36 effective date of P.L. , c. (pending before the Legislature as this
37 bill), in the existing trust. The Division of Local Government
38 Services in the Department of Community Affairs shall promulgate
39 regulations, policies, or procedures as necessary to implement the
40 provisions of this section.

41 (3) From the amounts allocated to the zone assistance fund in
42 each State fiscal year pursuant to section 11 of P.L. , c. (C.)
43 (pending before the Legislature as this bill), there shall be deposited
44 annually to the account in the authority's name, \$2,500,000
45 beginning in State Fiscal Year 2022, for the administration of the
46 Urban Enterprise Zone program, and for providing grants,
47 investments, loans, or other guaranties related to qualified
48 assistance fund expenses. This amount shall be adjusted annually

1 by the percentage change in the 12-month Consumer Price Index
2 from June 30 to July 1.

3 (4) The State Treasurer shall promulgate the rules and
4 regulations necessary to govern the administration of the fund for
5 the purposes of this section, which shall include, but not be limited
6 to, regulations requiring the establishment of separate bank
7 accounts for funds credited to the enterprise zone account of each
8 municipality from the enterprise zone assistance fund, commonly
9 known as "first generation funds," and funds generated from the
10 repayments of loans to individuals and businesses from the
11 enterprise zone account of each municipality and the proceeds from
12 the sale of properties and equipment acquired through the enterprise
13 zone program, commonly known as "second generation funds," and
14 the review, compilation, and monitoring of second generation fund
15 quarterly reports submitted by each enterprise zone.

16 Any individual, including an individual who is not directly
17 employed by a municipality, with the authority to administer,
18 allocate or approve the use of zone assistance funds is subject to the
19 "Local Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et
20 seq.), unless the individual is a State employee or a special State
21 officer.

22 b. The enterprise zone assistance fund shall be used for the
23 purpose of assisting qualifying municipalities in which enterprise
24 zones are designated in undertaking economic development projects
25 in designated enterprise zones by funding qualified assistance fund
26 expenses. However, a municipality shall not appropriate or expend
27 more than 25 percent of the amount annually credited to its
28 enterprise zone assistance fund for public safety purposes, as
29 described pursuant to paragraph (4) of subsection m. of section 3 of
30 P.L.1983, c.303 (C.52:27H-62) or more than 10 percent of the
31 amount annually credited to its enterprise zone assistance fund for
32 administrative expenses.

33 c. The governing body of a qualifying municipality in which an
34 enterprise zone is designated and the zone development corporation
35 created or designated by the municipality for that enterprise zone
36 may, by resolution jointly adopted after public hearing, propose to
37 undertake an economic development project in the enterprise zone,
38 and to fund that project from moneys deposited in the enterprise
39 zone assistance fund and credited to the account maintained by the
40 State Treasurer for the enterprise zone.

41 The proposal so adopted shall set forth a plan for the project and
42 shall include:

43 (1) A description of the proposed project;

44 (2) An estimate of the total project costs, and an estimate of the
45 amounts of funding necessary annually from the enterprise zone
46 account;

47 (3) A statement of any other revenue sources to be used to
48 finance the project;

- 1 (4) A statement of the time necessary to complete the project;
- 2 (5) A statement of the manner in which the proposed project
3 furthers the municipality's policy and intentions for addressing
4 economic development in the enterprise zone as set forth in the
5 zone development plan approved by the authority; and
- 6 (6) A description of the financial and programmatic controls and
7 reporting mechanisms to be used to guarantee that the funds will be
8 spent in accordance with the plan and that the project will
9 accomplish its purpose.

10 As used in this section, "project" means an activity **【**funded by
11 the zone assistance fund through the qualified municipality and
12 implemented by the zone development corporation,**】** that satisfies
13 the requirements of a qualified assistance fund expense, as that term
14 is defined in subsection m. of section 3 of P.L.1983, c.303
15 (C.52:27H-62), and which will lead to the creation of new jobs and
16 increased economic activity within the zone **【**, such as: the
17 establishment of revolving loan programs for qualified businesses
18 in the zone to encourage private investment and job creation, and
19 marketing, advertising and special event activities that will lead to
20 increased economic activity or encourage private investment and
21 job creation in the zone, but not including the expenditures therefor
22 which are required to be reported pursuant to "The New Jersey
23 Campaign Contributions and Expenditures Reporting Act,"
24 P.L.1973, c.83 (C.19:44A-1 et al.) and the costs associated
25 therewith including the costs of economic analyses**】**.

26 d. **【**Upon adoption by the governing body of the qualifying
27 municipality and by the zone development corporation, the proposal
28 shall be sent to the authority for its evaluation and approval. The
29 authority shall approve the proposal if it shall find that the proposed
30 project furthers the policy and intentions of the zone development
31 plan approved by the authority, and that the estimated annual
32 payments for the project from the enterprise zone account to which
33 the proposal pertains are not likely to result in a deficit in that
34 account.**】** (Deleted by amendment, P.L. , c.) (pending before the
35 Legislature as this bill)

36 e. **【**If the authority shall approve the proposal, it shall annually,
37 upon its receipt of a written statement from the governing body of
38 the qualifying municipality and the zone development corporation,
39 certify to the State Treasurer the amount to be paid in that year from
40 the enterprise zone account in the enterprise zone assistance fund
41 with respect to each approved project. The authority may at any
42 time revoke its approval of a project if it finds that the annual
43 payments made from the enterprise zone assistance fund are not
44 being used as required by this section.**】** (Deleted by amendment,
45 P.L. , c.) (pending before the Legislature as this bill)

46 f. **【**Upon certification by the authority of the annual amount to
47 be paid to a qualifying zone with respect to any project, the State

1 Treasurer shall pay in each year to the qualifying municipality from
2 the amounts deposited in the enterprise zone assistance fund the
3 amount so certified, within the limits of the amounts credited to the
4 enterprise zone account of the qualifying municipality. **】** (Deleted by
5 amendment, P.L. , c.) (pending before the Legislature as this
6 bill)

7 g. **【**An amount not to exceed one-third of the amount deposited
8 in the account created in the name of the authority in the enterprise
9 zone assistance fund shall be used by the authority for the
10 coordination and administration of the program throughout the
11 State, including but not limited to costs for personnel, operating
12 expenses and marketing. The balance of the remaining amount
13 shall be distributed to qualifying municipalities in proportion to
14 each municipality's contribution to the enterprise zone assistance
15 fund for the coordination and administration of the program within
16 the municipality, including but not limited to costs for personnel,
17 operating expenses and marketing. **】** (Deleted by amendment,
18 P.L. , c.) (pending before the Legislature as this bill)

19 h. At the end of a State fiscal year, if a municipality has not
20 encumbered a portion of its allocation, such amount may be carried
21 forward to the next State fiscal year and the State fiscal year
22 thereafter. If at the end of the third State fiscal year any of those
23 unencumbered funds remain, then the funds shall be transferred to
24 the UEZ Authority's account in the enterprise zone assistance fund.

25 i. At the end of a State fiscal year, if a municipality has not
26 expended or otherwise committed a portion of its encumbered
27 funds, then such amount may be carried forward to the next three
28 succeeding State fiscal years. If at the end of the third State fiscal
29 year any unexpended funds remain, then the funds shall be
30 transferred to the UEZ Authority's account in the enterprise zone
31 assistance fund.

32 j. At the end of a State fiscal year, the Department of
33 Community Affairs shall review an enterprise zone's expenditures
34 of funds received from the zone assistance fund. If the department
35 finds that an enterprise zone expended such funds in a manner
36 inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et
37 seq.) and P.L. , c. (pending before the Legislature as this bill),
38 then the enterprise zone shall repay such funds to the department
39 through the forfeiture of future zone assistance fund disbursements.
40 The department shall withhold future funding from the enterprise
41 zone until the enterprise zone enters into and complies with a
42 corrective action plan developed by the department.

43 k. If in a State fiscal year the amount allocated to the enterprise
44 zone assistance fund is less than the amount required to be allocated
45 pursuant to section 11 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) and paragraph (1) of subsection a. of this
47 section, the Legislature shall appropriate to the enterprise zone
48 assistance fund the amount that was not allocated in such State

1 fiscal year in a succeeding State fiscal year along with the funds
2 required to be allocated in that State fiscal year.²

3 (cf: P.L.2018, c.19, s.4)

4

5 ²11. (New section) a. The combined State tax expenditures in
6 State Fiscal Year 2022 for the Urban Enterprise Zone Special Sales
7 Tax Rate and Urban Enterprise Zone Exempt Business Purchases,
8 as expressed in the Fiscal Year 2022 State of New Jersey Tax
9 Expenditure Report, shall be the “ZAF base fund amount.”

10 In State Fiscal Year 2023, the amount appropriated to the
11 enterprise zone assistance fund shall be determined as follows: The
12 State Treasurer, in consultation with the UEZ Authority, shall
13 determine the combined State tax expenditures for the Urban
14 Enterprise Zone Special Sales Tax Rate and Urban Enterprise Zone
15 Exempt Business Purchases in the six-month period beginning
16 January 1, 2022 and ending June 30, 2022. The combined State tax
17 expenditures for the Urban Enterprise Zone Special Sales Tax Rate
18 and Urban Enterprise Zone Exempt Business Purchases for the six-
19 month period beginning January 1, 2022 and ending June 30, 2022,
20 shall be multiplied by two and then subtracted from the ZAF base
21 fund amount. The difference shall be the State Fiscal Year 2023
22 appropriation to the enterprise zone assistance fund.

23 Beginning in State Fiscal Year 2024, and in each State fiscal
24 year thereafter, the amount appropriated to the enterprise zone
25 assistance fund shall be determined as follows: After January 1 but
26 prior to June 30, the State Treasurer, in consultation with the UEZ
27 Authority, shall develop a methodology to compare the combined
28 State tax expenditures for the Urban Enterprise Zone Special Sales
29 Tax Rate and Urban Enterprise Zone Exempt Business Purchases in
30 the prior State fiscal year with the ZAF base fund amount to
31 calculate the savings achieved by P.L. , c. (pending before the
32 Legislature as this bill). The savings determined shall be the
33 amount appropriated to the enterprise zone assistance fund for the
34 State fiscal year.

35 b. Notwithstanding the provisions of subsection a. of this
36 section, for State Fiscal Year 2023 and thereafter, the amount
37 appropriated to the enterprise zone assistance fund shall not exceed
38 \$82,500,000, and in Fiscal Year 2024, and in each year thereafter,
39 \$82,500,000 as adjusted annually based on the percentage change in
40 the 12-month Consumer Price Index from June 30 to July 1 of each
41 year, and shall be no less than \$60,000,000. If the application of
42 the formulas set forth in subsection a. of this section will result in
43 an appropriation to the enterprise zone assistance fund that is less
44 than \$60,000,000 in any State fiscal year, then the State Treasurer,
45 in consultation with the UEZ Authority, shall impose a limit on the
46 receipts from retail sales of tangible personal property and sales of
47 services to a qualified business that are exempt from the sales and
48 use tax pursuant to section 20 of P.L.1983, c.303 (C.52:27H-79);

1 provided, however, that no less than the receipts from the first
2 \$50,000 of retail sales of tangible personal property and sales of
3 services to a qualified business shall be exempt from the sales and
4 use tax in accordance with section 20 of P.L.1983, c.303
5 (C.52:27H-79).²

6
7 ²12. (New section) a. As used in this section:

8 “Eligible block group” means a block group that is located in an
9 enterprise zone on the effective date of P.L. , c. (pending before
10 the Legislature as this bill).

11 b. The UEZ Authority shall notify each qualified municipality
12 of each eligible block group within the municipality no later than 14
13 days after the effective date of P.L. , c. (pending before the
14 Legislature as this bill). The UEZ Authority shall then certify the
15 final eligible block groups to each municipality and shall post a link
16 to a list of eligible block groups on the UEZ Authority’s Internet
17 homepage on the Department of Community Affairs’ Internet
18 website.

19 c. A qualified business shall be located in an eligible block
20 group. The certification of a qualified business that was certified as
21 a qualified business on the effective date of P.L. , c. (pending
22 before the Legislature as this bill) shall expire at the end of the 10th
23 State fiscal year following the effective date of P.L. , c. (pending
24 before the Legislature as this bill). However, the UEZ Authority
25 may at any time revoke a certification if the UEZ Authority shall
26 determine that the seller no longer complies with the provisions of
27 P.L.1983, c.303 (C.52:27H-60 et seq.).

28 d. The certification of a qualified business located in an
29 eligible block group after the effective date of P.L. , c. (pending
30 before the Legislature as this bill) shall expire at the end of the 10th
31 State fiscal year following the State fiscal year in which the
32 business was first certified as a qualified business. A business
33 whose certification has expired shall not be eligible to seek a new
34 certification.²

35
36 13. (New section) On or before June 30 of each year next
37 following the effective date of P.L. , c. (pending before the
38 Legislature as this bill), the State Treasurer shall provide to the
39 UEZ Authority an annual report of the aggregate amount, expressed
40 in dollars, of the incentives provided under P.L.1983, c.303
41 (C.52:27H-60 et seq.) to all qualified businesses and municipalities.
42 The report shall include aggregate data on gross revenues, retail
43 sales taxes collected, and shall also include information on the
44 address, municipality, and industry of each business. All data from
45 participating businesses shall be collected through an online
46 application and consumer access portal, where possible.

1 14. (New section) The UEZ Authority shall conduct an annual
2 review that determines the number of participating businesses,
3 unemployment rate, median household income, and number of jobs
4 in each enterprise zone to assess the program's progress. The
5 review shall also include the total tax expenditures by zone and
6 total zone assistance funds expended as the requisite data becomes
7 available from the annual report from the Department of the
8 Treasury required pursuant to section 13 of P.L. , c. (C.)
9 (pending before the Legislature as this bill). The UEZ Authority
10 shall review the status of any projects that were approved by
11 participating enterprise zones, overall enterprise zone performance,
12 and adherence to the zone development plans. Each review shall
13 include a detailed listing of deliverables by each enterprise zone and
14 the State that are to be implemented and subsequently evaluated in
15 the future.

16

17 15. (New section) The UEZ Authority and the Department of
18 Labor and Workforce and Development shall enter into a
19 memorandum of understanding to assist in substantial and
20 comprehensive data gathering and information sharing between the
21 two agencies to further the UEZ Authority's ability to evaluate
22 enterprise zone performance and compliance, and to initiate
23 enforcement actions.

24

25 16. (New section) Following the effective date of P.L. ,
26 c. (pending before the Legislature as this bill), no new
27 applications for the enterprise zone employee tax credit, pursuant to
28 section 19 of P.L.1983, c.303 (C.52:27H-78), or for the corporation
29 business tax exemption, pursuant to section 17 of P.L.1983, c.303
30 (C.52:27H-76), shall be accepted.

31

32 17. Section 7 of P.L.1989, c.207 (C.54:4-3.145) is amended to
33 read as follows:

34 7. a. Each approved abatement shall be evidenced by a financial
35 agreement between the qualified municipality and the applicant.
36 The agreement shall be prepared by the applicant and shall contain
37 the representations that are required by the enabling ordinance. The
38 agreement shall provide for the applicant to annually pay to the
39 municipality an amount in lieu of real property taxes, to be
40 computed according to either subsection b. or c. of this section, as
41 provided for in the enabling ordinance.

42 b. Payments in lieu of taxes may be computed as two percent of
43 the cost of the improvements or conversion alterations, as
44 appropriate for five years following such completion and in the
45 sixth and all subsequent tax years following completion, 100% of
46 the equalized taxes otherwise due; or

1 c. Payments in lieu of taxes may be computed in the discretion
2 of the qualified municipality as a portion of the real property taxes
3 otherwise due, **[**according to the following schedule:

4 (1) In the first tax year following completion, no payment in lieu
5 of taxes otherwise due;

6 (2) In the second tax year following completion, an amount not
7 less than 20% of taxes otherwise due;

8 (3) In the third tax year following completion, an amount not
9 less than 40% of taxes otherwise due;

10 (4) In the fourth tax year following completion, an amount not
11 less than 60% of taxes otherwise due;

12 (5) In the fifth tax year following completion, an amount not
13 less than 80% of taxes otherwise due;

14 (6) **In** provided that in the sixth and all subsequent tax years
15 following completion, payments in lieu of taxes shall equal 100% of
16 the equalized taxes otherwise due.

17 d. For the purposes of this section, the amount of "taxes
18 otherwise due" (not to be confused with "equalized taxes otherwise
19 due") shall be determined by including the appropriate percentage
20 of the assessed valuation of the abated structure, improvement or
21 conversion alteration, as the case may be, on the assessment list of
22 the municipality as taxable property, and levying taxes thereon in
23 the same manner as other taxes are levied pursuant to chapter 4 of
24 Title 54 of the Revised Statutes; provided, however, that no value
25 for a property subject to the provisions of this act shall be included
26 in the calculation of the "net valuation on which county taxes are
27 apportioned" until the first tax year for which a municipal-wide
28 revaluation is implemented.

29 (cf: P.L.1991, c.469, s.2)

30
31 18. The following sections of law are repealed:

32 Section 4 of P.L.2001, c.347 (C.52:27H-66.3);

33 Section 6 of P.L.2001, c.347 (C.52:27H-66.5);

34 Section 11 of P.L.2001, c.347 (C.52:27H-66.6);

35 Section 16 of P.L.1983, c.303 (C.52:27H-75); and

36 Section 9 of P.L.1988, c.93 (C.52:27H-80.2).

37
38 ²19. (New section) There is appropriated \$42,500,000 from the
39 General Fund to the enterprise zone assistance fund established
40 under section 29 of P.L.1983, c.303 (C.52:27H-88) for the purposes
41 of that fund, and for the uses prescribed in section 29 of P.L.1983,
42 c.303 (C.52:27H-88).²

43
44 ²**[19.]** 20.² This act shall take effect immediately ²; provided
45 however, that section 8 and the amendments made by this act to
46 section 20 of P.L.1983, c.303 (C.52:27H-79), shall apply to sales
47 and uses on and after January 1, 2022².