

# ASSEMBLY, No. 4432

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED DECEMBER 19, 2016

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**SYNOPSIS**

Allows certain businesses having collaborative research relationships with institutions of higher education to receive tax credits under Grow New Jersey Assistance Program.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/7/2017)**

1 AN ACT establishing Garden State Create Zones under Grow New  
2 Jersey Assistance Program, providing certain incentives to  
3 businesses under that program, and amending P.L.2011, c.149.

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

7  
8 1. Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to  
9 read as follows:

10 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

11 "Affiliate" means an entity that directly or indirectly controls, is  
12 under common control with, or is controlled by the business.  
13 Control exists in all cases in which the entity is a member of a  
14 controlled group of corporations as defined pursuant to section 1563  
15 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the  
16 entity is an organization in a group of organizations under common  
17 control as defined pursuant to subsection (b) or (c) of section 414 of  
18 the Internal Revenue Code of 1986 (26 U.S.C. s.414). A taxpayer  
19 may establish by clear and convincing evidence, as determined by  
20 the Director of the Division of Taxation in the Department of the  
21 Treasury, that control exists in situations involving lesser  
22 percentages of ownership than required by those statutes. An  
23 affiliate of a business may contribute to meeting either the qualified  
24 investment or full-time employee requirements of a business that  
25 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-  
26 209).

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

29 "Aviation district" means the area within a one-mile radius of the  
30 outermost boundary of the "Atlantic City International Airport,"  
31 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-  
32 24).

33 "Business" means an applicant proposing to own or lease  
34 premises in a qualified business facility that is:

35 a corporation that is subject to the tax imposed pursuant to  
36 section 5 of P.L.1945, c.162 (C.54:10A-5);

37 a corporation that is subject to the tax imposed pursuant to  
38 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),  
39 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

40 a partnership;

41 an S corporation;

42 a limited liability company; or

43 a non-profit corporation.

44 If the business or tenant is a cooperative or part of a cooperative,  
45 then the cooperative may qualify for credits by counting the full-  
46 time employees and capital investments of its member

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

Matter underlined thus is new matter.

1 organizations, and the cooperative may distribute credits to its  
2 member organizations. If the business or tenant is a cooperative  
3 that leases to its member organizations, the lease shall be treated as  
4 a lease to an affiliate or affiliates.

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

8 "Capital investment" in a qualified business facility means  
9 expenses by a business or any affiliate of the business incurred after  
10 application for:

11 a. site preparation and construction, repair, renovation,  
12 improvement, equipping, or furnishing on real property or of a  
13 building, structure, facility, or improvement to real property;

14 b. obtaining and installing furnishings and machinery,  
15 apparatus, or equipment, including but not limited to material goods  
16 subject to bonus depreciation under sections 168 and 179 of the  
17 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the  
18 operation of a business on real property or in a building, structure,  
19 facility, or improvement to real property;

20 c. receiving Highlands Development Credits under the  
21 Highlands Transfer Development Rights Program authorized  
22 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

23 d. any of the foregoing.

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

33 In addition to the foregoing, if a business acquires or leases a  
34 qualified business facility, the capital investment made or acquired  
35 by the seller or owner, as the case may be, if pertaining primarily to  
36 the premises of the qualified business facility, shall be considered a  
37 capital investment by the business and, if pertaining generally to the  
38 qualified business facility being acquired or leased, shall be  
39 allocated to the premises of the qualified business facility on the  
40 basis of the gross leasable area of the premises in relation to the  
41 total gross leasable area in the qualified business facility. The  
42 capital investment described herein may include any capital  
43 investment made or acquired within 24 months prior to the date of  
44 application so long as the amount of capital investment made or  
45 acquired by the business, any affiliate of the business, or any owner  
46 after the date of application equals at least 50 percent of the amount  
47 of capital investment, allocated to the premises of the qualified  
48 business facility being acquired or leased on the basis of the gross

1 leasable area of **【such】** the premises in relation to the total gross  
2 leasable area in the qualified business facility made or acquired  
3 prior to the date of application.

4 "Commitment period" means the period of time that is 1.5 times  
5 the eligibility period.

6 "County college," "public research university," and "State  
7 college" shall have the same meaning as provided for those terms in  
8 section 3 of P.L.1994, c.48 (C.18A:3B-3).

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

14 "Disaster recovery project" means a project located on property  
15 that has been wholly or substantially damaged or destroyed as a  
16 result of a federally-declared disaster which, after utilizing all  
17 disaster funds available from federal, State, county, and local  
18 funding sources, demonstrates to the satisfaction of the authority  
19 that access to additional funding authorized pursuant to the "New  
20 Jersey Economic Opportunity Act of 2013," P.L.2013,  
21 c.161 (C.52:27D-489p et al.), is necessary to complete **【such】** the  
22 redevelopment project, and which is located within the qualified  
23 incentive area and has been determined by the authority to be in an  
24 area appropriate for development and in need of economic  
25 development incentive assistance.

26 "Distressed municipality" means a municipality that is qualified  
27 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a  
28 municipality under the supervision of the Local Finance Board  
29 pursuant to the provisions of the "Local Government Supervision  
30 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality  
31 identified by the Director of the Division of Local Government  
32 Services in the Department of Community Affairs to be facing  
33 serious fiscal distress, a SDA municipality, or a municipality in  
34 which a major rail station is located.

35 "Eligibility period" means the period in which a business may  
36 claim a tax credit under the Grow New Jersey Assistance Program,  
37 beginning with the tax period in which the authority accepts  
38 certification of the business that it has met the capital investment  
39 and employment requirements of the Grow New Jersey Assistance  
40 Program and extending thereafter for a term of not more than 10  
41 years, with the term to be determined solely at the discretion of the  
42 applicant.

43 "Eligible position" or "full-time job" means a full-time position  
44 in a business in this State which the business has filled with a full-  
45 time employee.

46 "Full-time employee" means a person:

47 a. who is employed by a business for consideration for at least  
48 35 hours a week, or who renders any other standard of service

1 generally accepted by custom or practice as full-time employment,  
2 or

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

11 c. who is a resident of another State but whose income is not  
12 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
13 et seq. or who is a partner of a business who works for the  
14 partnership for at least 35 hours a week, or who renders any other  
15 standard of service generally accepted by custom or practice as full-  
16 time employment, and whose distributive share of income, gain,  
17 loss, or deduction, or whose guaranteed payments, or any  
18 combination thereof, is subject to the payment of estimated taxes, as  
19 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
20 et seq., and

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

24 With respect to a logistics, manufacturing, energy, defense,  
25 aviation, or maritime business, excluding primarily warehouse or  
26 distribution operations, located in a port district having a container  
27 terminal:

28 the requirement that employee health benefits are to be provided  
29 shall be deemed to be satisfied if **【such】** the benefits are provided  
30 in accordance with industry practice by a third party obligated to  
31 provide **【such】** the benefits pursuant to a collective bargaining  
32 agreement;

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

36 35 hours of employment per week at a qualified business facility  
37 shall constitute one "full-time employee," regardless of whether or  
38 not the hours of work were performed by one or more persons.

39 For any project located in a Garden State Growth Zone which  
40 qualifies under the "Municipal Rehabilitation and Economic  
41 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any  
42 project located in the Atlantic City Tourism District as established  
43 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated  
44 by the Casino Reinvestment Development Authority, and which  
45 will include a retail facility of at least 150,000 square feet, of which  
46 at least 50 percent will be occupied by either a full-service  
47 supermarket or grocery store, 30 hours of employment per week at a  
48 qualified business facility shall constitute one "full-time employee,"

1 regardless of whether or not the hours of work were performed by  
2 one or more persons, and the requirement that employee health  
3 benefits are to be provided shall be deemed to be satisfied if the  
4 employees of the business are covered by a collective bargaining  
5 agreement.

6 "Full-time employee" shall not include any person who works as  
7 an independent contractor or on a consulting basis for the business.  
8 Full-time employee shall also not include any person who at the  
9 time of project application works in New Jersey for consideration  
10 for at least 35 hours per week, or who renders any other standard of  
11 service generally accepted by custom or practice as full-time  
12 employment but who prior to project application was not provided,  
13 by the business, with employee health benefits under a health  
14 benefits plan authorized pursuant to State or federal law.

15 "Garden State Create Zone" means a geographic area within  
16 three miles of the outer boundary line of a public research  
17 university campus where an eligible business has established a  
18 collaborative research relationship with the public research  
19 university.

20 "Garden State Growth Zone" or "growth zone" means the four  
21 New Jersey cities with the lowest median family income based on  
22 the 2009 American Community Survey from the US Census, (Table  
23 708. Household, Family, and Per Capita Income and Individuals,  
24 and Families Below Poverty Level by City: 2009); or a municipality  
25 which contains a Tourism District as established pursuant to section  
26 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
27 Reinvestment Development Authority.

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

34 "Incentive agreement" means the contract between the business  
35 and the authority, which sets forth the terms and conditions under  
36 which the business shall be eligible to receive the incentives  
37 authorized pursuant to the program.

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

42 "Independent institution of higher education" shall have the same  
43 meaning as provided in section 3 of P.L.1985, c.493 (C.18A:72H-  
44 3).

45 "Major rail station" means a railroad station located within a  
46 qualified incentive area which provides access to the public to a  
47 minimum of six rail passenger service lines operated by the New  
48 Jersey Transit Corporation.

1 "Mega project" means:

2 a. a qualified business facility located in a port district housing  
3 a business in the logistics, manufacturing, energy, defense, or  
4 maritime industries, either:

5 (1) having a capital investment in excess of \$20,000,000, and at  
6 which more than 250 full-time employees of **【such】** the business  
7 are created or retained, or

8 (2) at which more than 1,000 full-time employees of **【such】** the  
9 business are created or retained;

10 b. a qualified business facility located in an aviation district  
11 housing a business in the aviation industry, in a Garden State  
12 Growth Zone, or in a priority area housing the United States  
13 headquarters and related facilities of an automobile manufacturer,  
14 either:

15 (1) having a capital investment in excess of \$20,000,000, and at  
16 which more than 250 full-time employees of **【such】** the business  
17 are created or retained, or

18 (2) at which more than 1,000 full-time employees of **【such】** the  
19 business are created or retained;

20 c. a qualified business facility located in an urban transit hub  
21 housing a business of any kind, having a capital investment in  
22 excess of \$50,000,000, and at which more than 250 full-time  
23 employees of **【a】** the business are created or retained;

24 d. a project located in an area designated in need of  
25 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)  
26 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within  
27 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
28 Ocean, or Salem counties having a capital investment in excess of  
29 \$20,000,000, and at which more than 150 full-time employees of  
30 **【a】** the business are created or retained; or

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

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

40 (2) at which more than 1,000 full-time employees of **【such】** the  
41 business are created or retained.

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

1 "Moderate-income housing" means housing affordable,  
2 according to United States Department of Housing and Urban  
3 Development or other recognized standards for home ownership  
4 and rental costs, and occupied or reserved for occupancy by  
5 households with a gross household income equal to more than 50  
6 percent but less than 80 percent of the median gross household  
7 income for households of the same size within the housing region in  
8 which the housing is located.

9 "Municipal Revitalization Index" means the 2007 index by the  
10 Office for Planning Advocacy within the Department of State  
11 measuring or ranking municipal distress.

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

17 "Other eligible area" means the portions of the qualified  
18 incentive area that are not located within a distressed municipality,  
19 or the priority area.

20 "Partnership" means an entity classified as a partnership for  
21 federal income tax purposes.

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

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

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

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

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

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

45 c. are the proposed site of a disaster recovery project, a  
46 qualified incubator facility, a highlands development credit  
47 receiving area or redevelopment area, a tourism destination project,  
48 or transit oriented development; or



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

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

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

12 "Qualified business facility" means any building, complex of  
13 buildings or structural components of buildings, and all machinery  
14 and equipment located within a qualified incentive area, used in  
15 connection with the operation of a business that is not engaged in  
16 final point of sale retail business at that location unless the building,  
17 complex of buildings or structural components of buildings, and all  
18 machinery and equipment located within a qualified incentive area,  
19 are used in connection with the operation of:

20 a. a final point of sale retail business located in a Garden State  
21 Growth Zone that will include a retail facility of at least 150,000  
22 square feet, of which at least 50 percent is occupied by either a full-  
23 service supermarket or grocery store; or

24 b. a tourism destination project located in the Atlantic City  
25 Tourism District as established pursuant to section 5 of P.L.2011,  
26 c.18 (C.5:12-219).

27 "Qualified incentive area" means:

28 a. an aviation district;

29 b. a port district;

30 c. a distressed municipality or urban transit hub municipality;

31 d. an area (1) designated pursuant to the "State Planning Act,"  
32 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

33 (a) Planning Area 1 (Metropolitan);

34 (b) Planning Area 2 (Suburban); or

35 (c) Planning Area 3 (Fringe Planning Area);

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

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

47 (4) located within a regional growth area, town, village, or a  
48 military and federal installation area designated in the

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

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

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

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

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

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

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

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

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

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

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

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

41 "Qualified incubator facility" means a commercial building  
42 located within a qualified incentive area: which contains 50,000 or  
43 more square feet of office, laboratory, or industrial space; which is  
44 located near, and presents opportunities for collaboration with, a  
45 research institution, teaching hospital, college, or university; and  
46 within which, at least 50 percent of the gross leasable area is  
47 restricted for use by one or more technology startup companies  
48 during the commitment period.

1 "Retained full-time job" means an eligible position that currently  
2 exists in New Jersey and is filled by a full-time employee but  
3 which, because of a potential relocation by the business, is at risk of  
4 being lost to another state or country, or eliminated. For the  
5 purposes of determining a number of retained full-time jobs, the  
6 eligible positions of an affiliate shall be considered eligible  
7 positions of the business. For the purposes of the certifications and  
8 annual reports required in the incentive agreement pursuant to  
9 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the  
10 extent an eligible position that was the basis of the award no longer  
11 exists, a business shall include as a retained full-time job a new  
12 eligible position that is filled by a full-time employee provided that  
13 the position is included in the order of date of hire and is not the  
14 basis for any other incentive award. For a project located in a  
15 Garden State Growth Zone which qualified for the "Municipal  
16 Rehabilitation and Economic Recovery Act," P.L.2002,  
17 c.43 (C.52:27BBB-1 et al.), retained full-time job shall include any  
18 employee previously employed in New Jersey and transferred to the  
19 new location in the Garden State Growth Zone which qualified for  
20 the "Municipal Rehabilitation and Economic Recovery Act,"  
21 P.L.2002, c.43 (C.52:27BBB-1 et al.).

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

24 "SDA municipality" means a municipality in which an SDA  
25 district is situate.

26 "Targeted industry" means any industry identified from time to  
27 time by the authority including initially, a transportation,  
28 manufacturing, defense, energy, logistics, life sciences, technology,  
29 health, and finance business, but excluding a primarily warehouse  
30 or distribution business.

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

36 "Tourism destination project" means a qualified non-gaming  
37 business facility that will be among the most visited privately  
38 owned or operated tourism or recreation sites in the State, and  
39 which is located within the qualified incentive area and has been  
40 determined by the authority to be in an area appropriate for  
41 development and in need of economic development incentive  
42 assistance, including a non-gaming business within an established  
43 Tourism District with a significant impact on the economic viability  
44 of that District.

45 "Transit oriented development" means a qualified business  
46 facility located within a 1/2-mile radius, or one-mile radius for  
47 projects located in a Garden State Growth Zone, surrounding the  
48 mid-point of a New Jersey Transit Corporation, Port Authority

1 Transit Corporation, or Port Authority Trans-Hudson Corporation  
2 rail, bus, or ferry station platform area, including all light rail  
3 stations.

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

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

18 (cf: P.L.2015, c.217, s.1)

19

20 2. Section 5 of P.L.2011, c.149 (C.34:1B-246) is amended to  
21 read as follows:

22 5. a. The total amount of the tax credit for an eligible business  
23 for each new or retained full-time job shall be as set forth in  
24 subsections b. through f. of this section. The total tax credit amount  
25 shall be calculated and credited to the business annually for each  
26 year of the eligibility period. Notwithstanding any other provisions  
27 of P.L.2013, c.161 (C.52:27D-489p et al.), a business may assign its  
28 ability to apply for the tax credit under this subsection to a non-  
29 profit organization with a mission dedicated to attracting investment  
30 and completing development and redevelopment projects in a  
31 Garden State Growth Zone. The non-profit organization or  
32 organization operating a qualified incubator facility may make an  
33 application on behalf of a business which meets the requirements  
34 for the tax credit, or a group of non-qualifying businesses or  
35 positions, located at a qualified business facility, that shall be  
36 considered a unified project for the purposes of the incentives  
37 provided under this section. For any project located in a Garden  
38 State Growth Zone that qualifies under the "Municipal  
39 Rehabilitation and Economic Recovery Act," P.L.2002,  
40 c.43 (C.52:27BBB-1 et al.), or any project located in a Garden State  
41 Growth Zone which contains a Tourism District as established  
42 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated  
43 by the Casino Reinvestment Development Authority, and which  
44 will include a retail facility of at least 150,000 square feet, of which  
45 at least 50 percent will be occupied by either a full-service  
46 supermarket or grocery store, a business may assign its ability to  
47 apply for the tax credit under this subsection to the developer of the  
48 facility. The developer may make an application on behalf of the

1 business which meets the requirements for the tax credit, or a group  
2 of non-qualifying businesses located at the business facility, that  
3 shall be considered a unified project for the purposes of the  
4 incentives provided under this section, and the developer may apply  
5 for tax credits available based on the number of jobs provided by  
6 the business or businesses and the total capital investment of the  
7 business or businesses and the developer.

8 b. The base amount of the tax credit for each new or retained  
9 full-time job shall be as follows:

10 (1) for a qualified business facility located within an urban  
11 transit hub municipality, Garden State Create Zone, or Garden State  
12 Growth Zone or is a mega project, \$5,000 per year;

13 (2) for a qualified business facility located within a distressed  
14 municipality but not qualifying under paragraph (1) of this  
15 subsection, \$4,000 per year;

16 (3) for a project in a priority area, \$3,000 per year; and

17 (4) for a project in other eligible areas, \$500 per year.

18 c. In addition to the base amount of the tax credit, the amount  
19 of the tax credit to be awarded for each new or retained full-time  
20 job shall be increased if the qualified business facility meets any of  
21 the following priority criteria or other additional or replacement  
22 criteria determined by the authority from time to time in response to  
23 evolving economic or market conditions:

24 (1) for a qualified business facility located in a deep poverty  
25 pocket or in an area that is the subject of a Choice Neighborhoods  
26 Transformation Plan funded by the federal Department of Housing  
27 and Urban Development, an increase of \$1,500 per year;

28 (2) for a qualified business facility located in a qualified  
29 incubator facility, an increase of \$500 per year;

30 (3) for a qualified business facility located in a mixed-use  
31 development that incorporates sufficient moderate income housing  
32 on site to accommodate a minimum of 20 percent of the full-time  
33 employees of the business, an increase of \$500 per year;

34 (4) for a qualified business facility located within a transit  
35 oriented development, an increase of \$2,000 per year;

36 (5) for a qualified business facility, other than a mega project, at  
37 which the capital investment in industrial premises for industrial  
38 use by the business is in excess of the minimum capital investment  
39 required for eligibility pursuant to subsection b. of section 3 of  
40 P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000 per year for  
41 each additional amount of investment that exceeds the minimum  
42 amount required for eligibility by 20 percent, with a maximum  
43 increase of \$3,000 per year;

44 (6) for a business with new full-time jobs and retained full-time  
45 jobs at the project with an average salary in excess of the existing  
46 average salary for the county in which the project is located, or, in  
47 the case of a project in a Garden State Growth Zone, a business that  
48 employs full-time positions at the project with an average salary in

- 1 excess of the average salary for the Garden State Growth Zone, an  
2 increase of \$250 per year during the commitment period for each 35  
3 percent by which the project's average salary levels exceeds the  
4 county or Garden State Growth Zone average salary, with a  
5 maximum increase of \$1,500 per year;
- 6 (7) for a business with large numbers of new full-time jobs and  
7 retained full-time jobs during the commitment period, the increases  
8 shall be in accordance with the following schedule:
- 9 (a) if the number of new full-time jobs and retained full-time  
10 jobs is between 251 and 400, \$500 per year;
- 11 (b) if the number of new full-time jobs and retained full-time  
12 jobs is between 401 and 600, \$750 per year;
- 13 (c) if the number of new full-time jobs and retained full-time  
14 jobs is between 601 and 800, \$1000 per year;
- 15 (d) if the number of new full-time jobs and retained full-time  
16 jobs is between 801 and 1,000, \$1,250 per year;
- 17 (e) if the number of new full-time jobs and retained full-time  
18 jobs is in excess of 1,000, \$1,500 per year;
- 19 (8) for a business in a targeted industry, an increase of \$500 per  
20 year;
- 21 (9) for a qualified business facility exceeding the Leadership in  
22 Energy and Environmental Design's "Silver" rating standards or  
23 completes substantial environmental remediation, an additional  
24 increase of \$250 per year;
- 25 (10) for a mega project or a project located within a Garden  
26 State Growth Zone at which the capital investment in industrial  
27 premises for industrial use by the business **[is in excess of]** exceeds  
28 the minimum capital investment required for eligibility pursuant to  
29 subsection b. of section 3 of P.L.2011, c.149 (C.34:1B-244), an  
30 increase of \$1,000 per year for each additional amount of  
31 investment that exceeds the minimum amount by 20 percent, with a  
32 maximum increase of \$5,000 per year;
- 33 (11) for a project in which a business retains at least 400 jobs  
34 and is located within the municipality in which it was located  
35 immediately prior to the filing of the application hereunder and is  
36 the United States headquarters of an automobile manufacturer, an  
37 increase of \$1,500 per year;
- 38 (12) for a project located in a municipality in Atlantic,  
39 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,  
40 and Salem counties with a 2007 Municipality Revitalization Index  
41 greater than 465, an increase of \$1,000 per year;
- 42 (13) for a project located within a half-mile of any light rail  
43 station constructed after the effective date of P.L.2013,  
44 c.161 (C.52:27D-489p et al.), an increase of \$1,000 per year;
- 45 (14) for a marine terminal project in a municipality located  
46 outside the Garden State Growth Zone, but within the geographical  
47 boundaries of the South Jersey Port District, an increase of \$1,500  
48 per year;

1 (15) for a project located within an area determined to be in  
2 need of redevelopment pursuant to sections 5 and 6 of P.L.1992,  
3 c.79 (C.40A:12A-5 and C.40A:12A-6), and which is located within  
4 a quarter mile of at least one United States Highway and at least  
5 two New Jersey State Highways, an increase of \$1,500 per year;

6 (16) for a project that generates solar energy on site for use  
7 within the project of an amount that equals at least 50 percent of the  
8 project's electric supply service needs, an increase of \$250 per year;

9 **[and]**

10 (17) for a qualified business facility that includes a vacant  
11 commercial building having over 1,000,000 square feet of office or  
12 laboratory space available for occupancy for a period of over one  
13 year, an increase of \$1,000 per year; and

14 (18) for an eligible business located within three miles of the  
15 outer boundary line of a State college, a county college, or an  
16 independent institution of higher education, but not a public  
17 research university, where the eligible business has established a  
18 collaborative research relationship with any of the above  
19 institutions of higher education located therein, an increase of  
20 \$2,000 per year.

21 d. The gross amount of the tax credit for an eligible business  
22 for each new or retained full-time job shall be the sum of the base  
23 amount as set forth pursuant to subsection b. of this section and the  
24 various additional bonus amounts for which the business is eligible  
25 pursuant to subsection c. of this section, subject to the following  
26 limitations:

27 (1) for a mega project or a project in a Garden State Growth  
28 Zone, the gross amount for each new or retained full-time job shall  
29 not exceed \$15,000 per year;

30 (2) for a qualified business facility located within an urban  
31 transit hub municipality or a Garden State Create Zone, the gross  
32 amount for each new or retained full-time job shall not exceed  
33 \$12,000 per year;

34 (3) for a qualified business facility in a distressed municipality  
35 the gross amount for each new or retained full-time job shall not  
36 exceed \$11,000 per year;

37 (4) for a qualified business facility in other priority areas, the  
38 gross amount for each new or retained full-time job shall not exceed  
39 \$10,500 per year;

40 (5) for a qualified business facility in other eligible areas, the  
41 gross amount for each new or retained full-time job shall not exceed  
42 \$6,000 per year; and

43 (6) for a disaster recovery project, the gross amount for each  
44 new or retained full-time job shall not exceed \$2,000 per year.

45 Notwithstanding anything to the contrary set forth herein and in  
46 the provisions of subsections a. through f. of this section, but  
47 subject to the provisions of paragraph (1) of subsection f. of this  
48 section, for a project located within a Garden State Growth Zone

1 which qualifies for the "Municipal Rehabilitation and Economic  
2 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), which  
3 creates 35 or more full-time jobs new to the municipality, the total  
4 tax credit shall be:

5 (a) for a project which creates 35 or more full-time jobs new to  
6 the municipality and makes a capital investment of at least  
7 \$5,000,000, the total tax credit amount per full-time job shall be the  
8 greater of: (i) the total tax credit amount for a qualifying project in  
9 a Garden State Growth Zone as calculated pursuant to subsections  
10 a. through f. of this section; or (ii) the total capital investment of the  
11 project divided by the total number of full-time jobs at that project  
12 but not greater than \$2,000,000 per year over the grant term of ten  
13 years;

14 (b) for a project which creates 70 or more full-time jobs new to  
15 the municipality and makes a capital investment of at least  
16 \$10,000,000, the total tax credit amount per full-time job shall be  
17 the greater of: (i) the total tax credit amount for a qualifying project  
18 in a Garden State Growth Zone as calculated pursuant to  
19 subsections a. through f. of this section; or (ii) the total capital  
20 investment of the project divided by the total number of full-time  
21 jobs at that project but not greater than \$3,000,000 per year over the  
22 grant term of ten years;

23 (c) for a project which creates 100 or more full-time jobs new to  
24 the municipality and makes a capital investment of at least  
25 \$15,000,000, the total tax credit amount per full-time job shall be  
26 the greater of: (i) the total tax credit amount for a qualifying project  
27 in a Garden State Growth Zone as calculated pursuant to  
28 subsections a. through f. of this section; or (ii) the total capital  
29 investment of the project divided by the total number of full-time  
30 jobs at that project but not greater than \$4,000,000 per year over the  
31 grant term of ten years;

32 (d) for a project which creates 150 or more full-time jobs new to  
33 the municipality and makes a capital investment of at least  
34 \$20,000,000, the total tax credit amount per full-time job shall be  
35 the greater of: (i) the total tax credit amount for a qualifying project  
36 in a Garden State Growth Zone as calculated pursuant to  
37 subsections a. through f. of this section; or (ii) the total capital  
38 investment of the project divided by the total number of full-time  
39 jobs at that project but not greater than \$5,000,000 per year over the  
40 grant term of ten years; or

41 (e) for a project which creates 250 or more full-time jobs new to  
42 the municipality and makes a capital investment of at least  
43 \$30,000,000, the total tax credit amount per full-time job shall be  
44 the greater of: (i) the total tax credit amount for a qualifying project  
45 in a Garden State Growth Zone as calculated pursuant to  
46 subsections a. through f. of this section; or (ii) the total capital  
47 investment of the project divided by the total number of full-time



1 jobs as defined herein at that project divided by the ten-year grant  
2 term.

3 e. After the determination by the authority of the gross amount  
4 of tax credits for which a business is eligible pursuant to subsection  
5 d. of this section, the final total tax credit amount shall be  
6 calculated as follows: (1) for each new full-time job, the business  
7 shall be allowed tax credits equaling 100 percent of the gross  
8 amount of tax credits for each new full-time job; and (2) for each  
9 retained full-time job, the business shall be allowed tax credits  
10 equaling the lesser of 50 percent of the gross amount of tax credits  
11 for each retained full-time job, or one-tenth of the capital  
12 investment divided by the number of retained and new full-time  
13 jobs per year over the grant term of ten years, unless the jobs are  
14 part of a mega project which is the United States headquarters of an  
15 automobile manufacturer located within a priority area or in a  
16 Garden State Growth Zone, in which case the business shall be  
17 entitled to tax credits equaling 100 percent of the gross amount of  
18 tax credits for each retained full-time job, or unless the new  
19 qualified business facility would replace a facility that has been  
20 wholly or substantially damaged as a result of a federally-declared  
21 disaster, in which case the business shall be entitled to tax credits  
22 equaling 100 percent of the gross amount of tax credits for each  
23 retained full-time job.

24 f. Notwithstanding the provisions of subsections a. through e.  
25 of this section, for each application approved by the authority's  
26 board, the amount of tax credits available to be applied by the  
27 business annually shall not exceed:

28 (1) \$35,000,000 and provides a net benefit to the State as  
29 provided herein with respect to a qualified business facility in a  
30 Garden State Growth Zone which qualifies under the "Municipal  
31 Rehabilitation and Economic Recovery Act," P.L.2002,  
32 c.43 (C.52:27BBB-1 et al.), or which contains a Tourism District as  
33 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and  
34 regulated by the Casino Reinvestment Development Authority;

35 (2) \$30,000,000 and provides a net benefit to the State as  
36 provided herein with respect to a mega project or a qualified  
37 business facility in a Garden State Growth Zone;

38 (3) \$10,000,000 and provides a net benefit to the State as  
39 provided herein with respect to a qualified business facility in an  
40 urban transit hub municipality or a Garden State Create Zone;

41 (4) \$8,000,000 and provides a net benefit to the State as  
42 provided herein with respect to a qualified business facility in a  
43 distressed municipality;

44 (5) \$4,000,000 and provides a net benefit to the State as  
45 provided herein with respect to a qualified business facility in other  
46 priority areas, but not more than 90 percent of the withholdings of  
47 the business from the qualified business facility; and

1 (6) \$2,500,000 and provides a net benefit to the State as  
2 provided herein with respect to a qualified business facility in other  
3 eligible areas, but not more than 90 percent of the withholdings of  
4 the business from the qualified business facility.

5 Under paragraphs (1) through (6) of this subsection, with the  
6 exception of a project located within a Garden State Growth Zone  
7 which qualifies for the "Municipal Rehabilitation and Economic  
8 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which  
9 contains a Tourism District as established pursuant to section 5 of  
10 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
11 Reinvestment Development Authority, that divides the total capital  
12 investment of the project by the total number of full-time jobs at  
13 that project, for each application for tax credits in excess of  
14 \$4,000,000 annually, the amount of tax credits available to be  
15 applied by the business annually shall be the lesser of the maximum  
16 amount under the applicable subsection or an amount determined by  
17 the authority necessary to complete the project, with such  
18 determination made by the authority's utilization of a full economic  
19 analysis of all locations under consideration by the business; all  
20 lease agreements, ownership documents, or substantially similar  
21 documentation for the business's current in-State locations, as  
22 applicable; and all lease agreements, ownership documents, or  
23 substantially similar documentation for the potential out-of-State  
24 location alternatives, to the extent they exist. Based on this  
25 information, and any other information deemed relevant by the  
26 authority, the authority shall independently verify and confirm the  
27 amount necessary to complete the project.

28 (cf: P.L.2014, c.63, s.4)

29  
30 3. This act shall take effect immediately.

31  
32  
33 STATEMENT

34  
35 The bill allows a business located within a three-mile geographic  
36 area surrounding the campus of a New Jersey public research  
37 university and having a collaborative research relationship with the  
38 university, designated under the bill as a "Garden State Create  
39 Zone," to receive base and bonus tax credits for job creation and  
40 retention activity under the Grow New Jersey Assistance (Grow NJ)  
41 Program. Additionally, the bill allows a business within a three-  
42 mile geographic area surrounding the campus of a State college or  
43 university, a county college, or an independent institution of higher  
44 education and having a collaborative research relationship with  
45 these entities, to receive bonus tax credits under the Grow NJ  
46 Program.