

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4432

STATE OF NEW JERSEY
217th LEGISLATURE

ADOPTED JUNE 26, 2017

Sponsored by:

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District 36 (Bergen and Passaic)

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

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Assemblyman NICHOLAS CHIARAVALLOTI

District 31 (Hudson)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Senator SANDRA B. CUNNINGHAM

District 31 (Hudson)

Co-Sponsored by:

Assemblyman Conaway and Assemblywoman Pinkin

SYNOPSIS

Provides increased tax credit amounts under Grow New Jersey Assistance Program for certain businesses that have collaborative research relationships with colleges or universities.

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Budget Committee.

(Sponsorship Updated As Of: 6/30/2017)

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

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

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

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

33 a corporation that is subject to the tax imposed pursuant to section
34 5 of P.L.1945, c.162 (C.54:10A-5);

35 a corporation that is subject to the tax imposed pursuant to sections
36 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
37 P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

38 a partnership;

39 an S corporation;

40 a limited liability company; or

41 a non-profit corporation.

42 If the business or tenant is a cooperative or part of a cooperative,
43 then the cooperative may qualify for credits by counting the full-time
44 employees and capital investments of its member organizations, and
45 the cooperative may distribute credits to its member organizations. If
46 the business or tenant is a cooperative that leases to 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, the lease shall be treated as a lease to an affiliate or
2 affiliates.

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

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

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

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

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

21 d. any of the foregoing.

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

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

1 "College or university" means a county college, an independent
2 institution of higher education, a public research university, or a State
3 college.

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

6 "County college" means an educational institution established by
7 one or more counties, pursuant to chapter 64A of Title 18A of the
8 New Jersey Statutes.

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

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

34 "Doctoral university" means a university located within New
35 Jersey that is classified as a doctoral university under the Carnegie
36 Classification of Institutions of Higher Education's Basic
37 Classification methodology on the effective date of P.L. _____, c.
38 (pending before the Legislature as this bill).

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

46 "Eligible position" or "full-time job" means a full-time position in
47 a business in this State which the business has filled with a full-time
48 employee.

1 "Full-time employee" means a person:

2 a. who is employed by a business for consideration for at least 35
3 hours a week, or who renders any other standard of service generally
4 accepted by custom or practice as full-time employment; or

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

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

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

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

29 the requirement that employee health benefits are to be provided
30 shall be deemed to be satisfied if the benefits are provided in
31 accordance with industry practice by a third party obligated to provide
32 such benefits pursuant to a collective bargaining 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 or
35 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 not
38 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 Recovery
41 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any project located in
42 the Atlantic City Tourism District as established pursuant to section 5
43 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
44 Reinvestment Development Authority, and which will include a retail
45 facility of at least 150,000 square feet, of which at least 50 percent will
46 be occupied by either a full-service supermarket or grocery store, 30
47 hours of employment per week at a qualified business facility shall
48 constitute one "full-time employee," regardless of whether the hours of

1 work were performed by one or more persons, and the requirement
2 that employee health benefits are to be provided shall be deemed to be
3 satisfied if the employees of the business are covered by a collective
4 bargaining agreement.

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

14 "Garden State Create Zone" means the campus of a doctoral
15 university, and the area within a three-mile radius of the outermost
16 boundary of the campus of a doctoral university, according to a map
17 appearing in the doctoral university's official catalog or other
18 official publication on the effective date of P.L. , c. (pending
19 before the Legislature as this bill).

20 "Garden State Growth Zone" or "growth zone" means the four
21 New Jersey cities with the lowest median family income based on the
22 2009 American Community Survey from the US Census, (Table 708.
23 Household, Family, and Per Capita Income and Individuals, and
24 Families Below Poverty Level by City: 2009); or a municipality which
25 contains a Tourism District as established pursuant to section 5 of
26 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment
27 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 Highlands
32 Transfer Development Rights Program authorized pursuant to section
33 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 tax
39 credit based on documentation submitted by a business pursuant to
40 paragraph (1) of subsection b. of section 6 of P.L.2011, c.149
41 (C.34:1B-247).

42 "Independent institution of higher education" means a college or
43 university incorporated and located in New Jersey, which by virtue of
44 law or character or license is a nonprofit educational institution
45 authorized to grant academic degrees and which provides a level of
46 education which is equivalent to the education provided by the State's
47 public institutions of higher education, as attested by the receipt of and
48 continuation of regional accreditation by the Middle States Association

1 of Colleges and Schools, and which is eligible to receive State aid
2 under the provisions of the Constitution of the United States and the
3 Constitution of the State of New Jersey, but does not include any
4 educational institution dedicated primarily to the education or training
5 of ministers, priests, rabbis or other professional persons in the field of
6 religion.

7 "Major rail station" means a railroad station located within a
8 qualified incentive area which provides access to the public to a
9 minimum of six rail passenger service lines operated by the New
10 Jersey Transit Corporation.

11 "Mega project" means:

12 a. a qualified business facility located in a port district housing a
13 business in the logistics, manufacturing, energy, defense, or maritime
14 industries, either:

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

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

20 b. a qualified business facility located in an aviation district
21 housing a business in the aviation industry, in a Garden State Growth
22 Zone, or in a priority area housing the United States headquarters and
23 related facilities of an automobile manufacturer, either:

24 (1) having a capital investment in excess of \$20,000,000, and at
25 which more than 250 full-time employees of the business are created
26 or retained, or

27 (2) at which more than 1,000 full-time employees of the business
28 are created or retained;

29 c. a qualified business facility located in an urban transit hub
30 housing a business of any kind, having a capital investment in excess
31 of \$50,000,000, and at which more than 250 full-time employees of
32 the business are created or retained;

33 d. a project located in an area designated in need of
34 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.) prior
35 to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
36 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
37 Ocean, or Salem counties having a capital investment in excess of
38 \$20,000,000, and at which more than 150 full-time employees of the
39 business are created or retained; or

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

46 (1) having a capital investment in excess of \$20,000,000, and at
47 which more than 250 full-time employees of the business are created
48 or retained, or

1 (2) at which more than 1,000 full-time employees of the business
2 are created or retained.

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

10 "Moderate-income housing" means housing affordable, according
11 to United States Department of Housing and Urban Development or
12 other recognized standards for home ownership and rental costs, and
13 occupied or reserved for occupancy by households with a gross
14 household income equal to more than 50 percent but less than 80
15 percent of the median gross household income for households of the
16 same size within the housing region in which the housing is located.

17 "Municipal Revitalization Index" means the 2007 index by the
18 Office for Planning Advocacy within the Department of State
19 measuring or ranking municipal distress.

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

25 "Other eligible area" means the portions of the qualified incentive
26 area that are not located within a distressed municipality, or the
27 priority area.

28 "Partnership" means an entity classified as a partnership for federal
29 income tax purposes.

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

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

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

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

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

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

4 c. are the proposed site of a disaster recovery project, a qualified
5 incubator facility, a highlands development credit receiving area or
6 redevelopment area, a tourism destination project, or transit oriented
7 development; or

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

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

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

18 "Public research university" means a public research university as
19 defined in section 3 of P.L.1994, c.48 (C.18A:3B-3).

20 "Qualified business facility" means any building, complex of
21 buildings or structural components of buildings, and all machinery and
22 equipment located within a qualified incentive area, used in connection
23 with the operation of a business that is not engaged in final point of
24 sale retail business at that location unless the building, complex of
25 buildings or structural components of buildings, and all machinery and
26 equipment located within a qualified incentive area, are used in
27 connection with the operation of:

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

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

35 "Qualified incentive area" means:

36 a. an aviation district;

37 b. a port district;

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

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

41 (a) Planning Area 1 (Metropolitan);

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

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

44 (2) located within a smart growth area and planning area
45 designated in a master plan adopted by the New Jersey Meadowlands
46 Commission pursuant to subsection (i) of section 6 of P.L.1968, c.404
47 (C.13:17-6) or subject to a redevelopment plan adopted by the New

- 1 Jersey Meadowlands Commission pursuant to section 20 of P.L.1968,
2 c.404 (C.13:17-21);
- 3 (3) located within any land owned by the New Jersey Sports and
4 Exposition Authority, established pursuant to P.L.1971, c.137 (C.5:10-
5 1 et seq.), within the boundaries of the Hackensack Meadowlands
6 District as delineated in section 4 of P.L.1968, c.404 (C.13:17-4);
- 7 (4) located within a regional growth area, rural development area
8 zoned for industrial use as of the effective date of P.L.2016, c.75,
9 town, village, or a military and federal installation area designated in
10 the comprehensive management plan prepared and adopted by the
11 Pinelands Commission pursuant to the "Pinelands Protection Act,"
12 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 13 (5) located within the planning area of the Highlands Region as
14 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
15 development credit receiving area or redevelopment area;
- 16 (6) located within a Garden State Growth Zone;
- 17 (7) located within land approved for closure under any federal
18 Commission on Base Realignment and Closure action; or
- 19 (8) located only within the following portions of the areas
20 designated pursuant to the "State Planning Act," P.L.1985, c.398
21 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
22 Planning Area 4B (Rural/Environmentally Sensitive) or Planning Area
23 5 (Environmentally Sensitive) if Planning Area 4A (Rural Planning
24 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
25 Planning Area 5 (Environmentally Sensitive) is located within:
- 26 (a) a designated center under the State Development and
27 Redevelopment Plan;
- 28 (b) a designated growth center in an endorsed plan until the State
29 Planning Commission revises and readopts New Jersey's State
30 Strategic Plan and adopts regulations to revise this definition as it
31 pertains to Statewide planning areas;
- 32 (c) any area determined to be in need of redevelopment pursuant to
33 sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) or
34 in need of rehabilitation pursuant to section 14 of P.L.1992, c.79
35 (C.40A:12A-14);
- 36 (d) any area on which a structure exists or previously existed
37 including any desired expansion of the footprint of the existing or
38 previously existing structure provided the expansion otherwise
39 complies with all applicable federal, State, county, and local permits
40 and approvals;
- 41 (e) the planning area of the Highlands Region as defined in section
42 3 of P.L.2004, c.120 (C.13:20-3) or a highlands development credit
43 receiving area or redevelopment area; or
- 44 (f) any area on which an existing tourism destination project is
45 located.
- 46 "Qualified incentive area" shall not include any property located
47 within the preservation area of the Highlands Region as defined in
48 section 3 of P.L.2004, c.120 (C.13:20-3).

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

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

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

30 "SDA municipality" means a municipality in which an SDA
31 district is situate.

32 "State college" means a State college or university established
33 pursuant to chapter 64 of Title 18A of the New Jersey Statutes.

34 "Targeted industry" means any industry identified from time to
35 time by the authority including initially, a transportation,
36 manufacturing, defense, energy, logistics, life sciences, technology,
37 health, and finance business, but excluding a primarily warehouse or
38 distribution business.

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

44 "Tourism destination project" means a qualified non-gaming
45 business facility that will be among the most visited privately owned
46 or operated tourism or recreation sites in the State, and which is
47 located within the qualified incentive area and has been determined by
48 the authority to be in an area appropriate for development and in need

1 of economic development incentive assistance, including a non-
2 gaming business within an established Tourism District with a
3 significant impact on the economic viability of that District.

4 "Transit oriented development" means a qualified business facility
5 located within a 1/2-mile radius, or one-mile radius for projects
6 located in a Garden State Growth Zone, surrounding the mid-point of a
7 New Jersey Transit Corporation, Port Authority Transit Corporation,
8 or Port Authority Trans-Hudson Corporation rail, bus, or ferry station
9 platform area, including all light rail stations.

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

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

22 (cf: P.L.2016, c.75, s.1)

23

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

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

1 at least 50 percent will be occupied by either a full-service
2 supermarket or grocery store, a business may assign its ability to
3 apply for the tax credit under this subsection to the developer of the
4 facility. The developer may make an application on behalf of the
5 business which meets the requirements for the tax credit, or a group
6 of non-qualifying businesses located at the business facility, that
7 shall be considered a unified project for the purposes of the
8 incentives provided under this section, and the developer may apply
9 for tax credits available based on the number of jobs provided by
10 the business or businesses and the total capital investment of the
11 business or businesses and the developer.

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

14 (1) (a) for a qualified business facility located within an urban
15 transit hub municipality **【or】** , located within a Garden State Growth
16 Zone, or which is a mega project, \$5,000 per year;

17 (b) for a qualified business facility located within a Garden State
18 Create Zone and used by an eligible business in a targeted industry
19 to conduct a collaborative research relationship with a doctoral
20 university within the zone, \$5,000 per year;

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

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

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

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

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

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

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

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

44 (5) for a qualified business facility, other than a mega project, at
45 which the capital investment in industrial premises for industrial
46 use by the business is in excess of the minimum capital investment
47 required for eligibility pursuant to subsection b. of section 3 of
48 P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000 per year for

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

1 and Salem counties with a 2007 Municipality Revitalization Index
2 greater than 465, an increase of \$1,000 per year;

3 (13) for a project located within a half-mile of any light rail
4 station constructed after the effective date of P.L.2013,
5 c.161 (C.52:27D-489p et al.), an increase of \$1,000 per year;

6 (14) for a marine terminal project in a municipality located
7 outside the Garden State Growth Zone, but within the geographical
8 boundaries of the South Jersey Port District, an increase of \$1,500
9 per year;

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

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

18 **[and]**

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

23 (18) for an eligible business in a targeted industry at a qualified
24 business facility on the campus of a college or university other than
25 a doctoral university, or at a qualified business facility within a
26 three-mile radius of the outermost boundary of the campus of a
27 college or university other than a doctoral university, which facility
28 is used by the business to conduct a collaborative research
29 relationship with the college or university, an increase of \$1,000 per
30 year. The boundary of the campus of a college or university shall
31 be based upon a map appearing in the college's or university's
32 official catalog or other official publication on the effective date of
33 P.L. , c. (pending before the Legislature as this bill).

34 d. The gross amount of the tax credit for an eligible business
35 for each new or retained full-time job shall be the sum of the base
36 amount as set forth pursuant to subsection b. of this section and the
37 various additional bonus amounts for which the business is eligible
38 pursuant to subsection c. of this section, subject to the following
39 limitations:

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

43 (2) for a qualified business facility located within an urban
44 transit hub municipality or a Garden State Create Zone, the gross
45 amount for each new or retained full-time job shall not exceed
46 \$12,000 per year;

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

4 (4) for a qualified business facility in other priority areas, the
5 gross amount for each new or retained full-time job shall not exceed
6 \$10,500 per year;

7 (5) for a qualified business facility in other eligible areas, the
8 gross amount for each new or retained full-time job shall not exceed
9 \$6,000 per year; and

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

12 Notwithstanding anything to the contrary set forth herein and in
13 the provisions of subsections a. through f. of this section, but
14 subject to the provisions of paragraph (1) of subsection f. of this
15 section, for a project located within a Garden State Growth Zone
16 which qualifies for the "Municipal Rehabilitation and Economic
17 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), which
18 creates 35 or more full-time jobs new to the municipality, the total
19 tax credit shall be:

20 (a) for a project which creates 35 or more full-time jobs new to
21 the municipality and makes a capital investment of at least
22 \$5,000,000, the total tax credit amount per full-time job shall be the
23 greater of: (i) the total tax credit amount for a qualifying project in
24 a Garden State Growth Zone as calculated pursuant to subsections
25 a. through f. of this section; or (ii) the total capital investment of the
26 project divided by the total number of full-time jobs at that project
27 but not greater than \$2,000,000 per year over the grant term of ten
28 years;

29 (b) for a project which creates 70 or more full-time jobs new to
30 the municipality and makes a capital investment of at least
31 \$10,000,000, the total tax credit amount per full-time job shall be
32 the greater of: (i) the total tax credit amount for a qualifying project
33 in a Garden State Growth Zone as calculated pursuant to
34 subsections a. through f. of this section; or (ii) the total capital
35 investment of the project divided by the total number of full-time
36 jobs at that project but not greater than \$3,000,000 per year over the
37 grant term of ten years;

38 (c) for a project which creates 100 or more full-time jobs new to
39 the municipality and makes a capital investment of at least
40 \$15,000,000, the total tax credit amount per full-time job shall be
41 the greater of: (i) the total tax credit amount for a qualifying project
42 in a Garden State Growth Zone as calculated pursuant to
43 subsections a. through f. of this section; or (ii) the total capital
44 investment of the project divided by the total number of full-time
45 jobs at that project but not greater than \$4,000,000 per year over the
46 grant term of ten years;

47 (d) for a project which creates 150 or more full-time jobs new to
48 the municipality and makes a capital investment of at least

1 \$20,000,000, the total tax credit amount per full-time job shall be
2 the greater of: (i) the total tax credit amount for a qualifying project
3 in a Garden State Growth Zone as calculated pursuant to
4 subsections a. through f. of this section; or (ii) the total capital
5 investment of the project divided by the total number of full-time
6 jobs at that project but not greater than \$5,000,000 per year over the
7 grant term of ten years; or

8 (e) for a project which creates 250 or more full-time jobs new to
9 the municipality and makes a capital investment of at least
10 \$30,000,000, the total tax credit amount per full-time job shall be
11 the greater of: (i) the total tax credit amount for a qualifying project
12 in a Garden State Growth Zone as calculated pursuant to
13 subsections a. through f. of this section; or (ii) the total capital
14 investment of the project divided by the total number of full-time
15 jobs as defined herein at that project divided by the ten-year grant
16 term.

17 e. After the determination by the authority of the gross amount
18 of tax credits for which a business is eligible pursuant to subsection
19 d. of this section, the final total tax credit amount shall be
20 calculated as follows: (1) for each new full-time job, the business
21 shall be allowed tax credits equaling 100 percent of the gross
22 amount of tax credits for each new full-time job; and (2) for each
23 retained full-time job, the business shall be allowed tax credits
24 equaling the lesser of 50 percent of the gross amount of tax credits
25 for each retained full-time job, or one-tenth of the capital
26 investment divided by the number of retained and new full-time
27 jobs per year over the grant term of ten years, unless the jobs are
28 part of a mega project which is the United States headquarters of an
29 automobile manufacturer located within a priority area or in a
30 Garden State Growth Zone, in which case the business shall be
31 entitled to tax credits equaling 100 percent of the gross amount of
32 tax credits for each retained full-time job, or unless the new
33 qualified business facility would replace a facility that has been
34 wholly or substantially damaged as a result of a federally-declared
35 disaster, in which case the business shall be entitled to tax credits
36 equaling 100 percent of the gross amount of tax credits for each
37 retained full-time job.

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

42 (1) \$35,000,000 and provides a net benefit to the State as
43 provided herein with respect to a qualified business facility in a
44 Garden State Growth Zone which qualifies under the "Municipal
45 Rehabilitation and Economic Recovery Act," P.L.2002,
46 c.43 (C.52:27BBB-1 et al.), or which contains a Tourism District as
47 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
48 regulated by the Casino Reinvestment Development Authority;

1 (2) \$30,000,000 and provides a net benefit to the State as
2 provided herein with respect to a mega project or a qualified
3 business facility in a Garden State Growth Zone;

4 (3) \$10,000,000 and provides a net benefit to the State as
5 provided herein with respect to a qualified business facility in an
6 urban transit hub municipality or a Garden State Create Zone;

7 (4) \$8,000,000 and provides a net benefit to the State as
8 provided herein with respect to a qualified business facility in a
9 distressed municipality;

10 (5) \$4,000,000 and provides a net benefit to the State as
11 provided herein with respect to a qualified business facility in other
12 priority areas, but not more than 90 percent of the withholdings of
13 the business from the qualified business facility; and

14 (6) \$2,500,000 and provides a net benefit to the State as
15 provided herein with respect to a qualified business facility in other
16 eligible areas, but not more than 90 percent of the withholdings of
17 the business from the qualified business facility.

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

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

42
43 3. Section 8 of P.L.2011, c.149 (C.34:1B-249) is amended to
44 read as follows:

45 8. a. The chief executive officer of the authority, in consultation
46 with the Director of the Division of Taxation in the Department of
47 the Treasury, shall adopt rules in accordance with the
48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.) as are necessary to implement P.L.2011, c.149 (C.34:1B-242
2 et al.), including but not limited to: examples of and the
3 determination of capital investment; the enumeration of qualified
4 incentive areas; the enumeration of specific targeted industries;
5 specific delineation of the incentive areas; the determination of the
6 limits, if any, on the expense or type of furnishings that may
7 constitute capital improvements; the promulgation of procedures
8 and forms necessary to apply for a tax credit, including the
9 enumeration of the certification procedures and allocation of tax
10 credits for different phases of a qualified business facility; and
11 provisions for tax credit applicants to be charged an initial
12 application fee, and ongoing service fees, to cover the
13 administrative costs related to the tax credit.

14 b. Through regulation, the authority shall establish standards
15 by which qualified business facilities shall be constructed or
16 renovated in compliance with the minimum environmental and
17 sustainability standards.

18 c. Through regulation, the chief executive officer of the
19 authority, in consultation with the Secretary of Higher Education,
20 shall establish standards for collaborative research relationships
21 between businesses in targeted industries and colleges and
22 universities sufficient to qualify a business for an enhanced base or
23 bonus tax credit amount under P.L. , c. (pending before the
24 Legislature as this bill).

25 (cf: P.L.2013, c.161, s.12)

26

27 4. This act shall take effect immediately.