

ASSEMBLY, No. 4926

STATE OF NEW JERSEY

217th LEGISLATURE

INTRODUCED JUNE 1, 2017

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

SYNOPSIS

Provides tax credit eligibility for qualified businesses for certain persons employed as independent contractors under Grow New Jersey Assistance Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/8/2017)

1 AN ACT concerning tax credits to qualified businesses under the
2 Grow New Jersey Assistance Program and amending P.L.2011,
3 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-

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

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

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

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

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

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

24 d. any of the foregoing.

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

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

1 business facility being acquired or leased on the basis of the gross
2 leasable area of the premises in relation to the total gross leasable
3 area in the qualified business facility made or acquired prior to the
4 date of application.

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

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

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

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

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

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

44 "Full-time employee" means a person:

- 45 a. who is employed by a business for consideration for at least
46 35 hours a week, or who renders any other standard of service
47 generally accepted by custom or practice as full-time employment;
48 or

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

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

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

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

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

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

33 35 hours of employment per week at a qualified business facility
34 shall constitute one "full-time employee," regardless of whether or
35 not the hours of work were performed by one or more persons.

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

1 to be provided shall be deemed to be satisfied if the employees of
2 the business are covered by a collective bargaining agreement.

3 "Full-time employee" shall not include any person who works as
4 an independent contractor or on a consulting basis for the business,
5 except that any person working as an independent contractor for the
6 business shall be deemed a full-time employee if the business
7 demonstrates to the authority that:

8 (1) the person working as an independent contractor for the
9 business provides critical capabilities to the business in engineering,
10 software development, technology services, or advanced
11 manufacturing supply chain disciplines under a contractual or
12 partnering relationship for a term of no less than three years;

13 (2) the person working as an independent contractor for the
14 business;

15 (a) works at least 80 percent of the person's work time at a
16 qualified business facility;

17 (b) works for at least 35 hours a week, or renders any other
18 standard service generally accepted by custom or practice as full-
19 time employment; and

20 (c) is provided with employee health benefits under a health
21 benefits plan authorized pursuant to State or federal law; and

22 (3) the person working as an independent contractor for the
23 business shall not be included in the business's Statewide workforce
24 total if that person is simultaneously receiving a State economic
25 incentive benefit for job creation or retention under any other
26 program.

27 A business with at least 15 persons working as independent
28 contractors for the business who meet the conditions established
29 pursuant to paragraphs (1) and (2) of this subsection may claim
30 each of those persons as 0.80 percent of the business's full-time
31 employees for the purposes of meeting the minimum Statewide
32 workforce total required under the program. Persons working as
33 independent contractors for the business shall be considered full-
34 time employees solely for the purposes of being counted towards
35 the minimum number of eligible positions required under the
36 program. Compliance period obligations of those persons following
37 the receipt of an economic incentive benefit shall not disqualify
38 inclusion of those persons as part of the business's Statewide
39 workforce total. The inclusion of persons working as independent
40 contractors for the business as part of the business's Statewide
41 workforce total may be applied starting on January 1, 2017 for all
42 previously awarded and future tax credits awarded under the
43 program established pursuant to section 3 of P.L.2011, c.149
44 (C.34:1B-244).

45 The business shall provide to the authority an annual report that
46 identifies the number of persons working as independent contractors
47 for the business and their contractual or partnering relationship with
48 the business.

1 Full-time employee shall also not include any person who at the
2 time of project application works in New Jersey for consideration
3 for at least 35 hours per week, or who renders any other standard of
4 service generally accepted by custom or practice as full-time
5 employment but who prior to project application was not provided,
6 by the business, with employee health benefits under a health
7 benefits plan authorized pursuant to State or federal law.

8 "Garden State Growth Zone" or "growth zone" means the four
9 New Jersey cities with the lowest median family income based on
10 the 2009 American Community Survey from the US Census, (Table
11 708. Household, Family, and Per Capita Income and Individuals,
12 and Families Below Poverty Level by City: 2009); or a municipality
13 which contains a Tourism District as established pursuant to section
14 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
15 Reinvestment Development Authority.

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

22 "Incentive agreement" means the contract between the business
23 and the authority, which sets forth the terms and conditions under
24 which the business shall be eligible to receive the incentives
25 authorized pursuant to the program.

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

30 "Major rail station" means a railroad station located within a
31 qualified incentive area which provides access to the public to a
32 minimum of six rail passenger service lines operated by the New
33 Jersey Transit Corporation.

34 "Mega project" means:

35 a. a qualified business facility located in a port district housing
36 a business in the logistics, manufacturing, energy, defense, or
37 maritime industries, either:

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

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

43 b. a qualified business facility located in an aviation district
44 housing a business in the aviation industry, in a Garden State
45 Growth Zone, or in a priority area housing the United States
46 headquarters and related facilities of an automobile manufacturer,
47 either:

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

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

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

10 d. a project located in an area designated in need of
11 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)
12 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
13 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
14 Ocean, or Salem counties having a capital investment in excess of
15 \$20,000,000, and at which more than 150 full-time employees of
16 the business are created or retained; or

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

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

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

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

35 "Moderate-income housing" means housing affordable,
36 according to United States Department of Housing and Urban
37 Development or other recognized standards for home ownership
38 and rental costs, and occupied or reserved for occupancy by
39 households with a gross household income equal to more than 50
40 percent but less than 80 percent of the median gross household
41 income for households of the same size within the housing region in
42 which the housing is located.

43 "Municipal Revitalization Index" means the 2007 index by the
44 Office for Planning Advocacy within the Department of State
45 measuring or ranking municipal distress.

46 "New full-time job" means an eligible position created by the
47 business at the qualified business facility that did not previously
48 exist in this State. For the purposes of determining a number of

1 new full-time jobs, the eligible positions of an affiliate shall be
2 considered eligible positions of the business.

3 "Other eligible area" means the portions of the qualified
4 incentive area that are not located within a distressed municipality,
5 or the priority area.

6 "Partnership" means an entity classified as a partnership for
7 federal income tax purposes.

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

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

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

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

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

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

31 c. are the proposed site of a disaster recovery project, a
32 qualified incubator facility, a highlands development credit
33 receiving area or redevelopment area, a tourism destination project,
34 or transit oriented development; or

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

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

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

46 "Qualified business facility" means any building, complex of
47 buildings or structural components of buildings, and all machinery
48 and equipment located within a qualified incentive area, used in

1 connection with the operation of a business that is not engaged in
2 final point of sale retail business at that location unless the building,
3 complex of buildings or structural components of buildings, and all
4 machinery and equipment located within a qualified incentive area,
5 are used in connection with the operation of:

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

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

13 "Qualified incentive area" means:

14 a. an aviation district;

15 b. a port district;

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

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

19 (a) Planning Area 1 (Metropolitan);

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

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

22 (2) located within a smart growth area and planning area
23 designated in a master plan adopted by the New Jersey
24 Meadowlands Commission pursuant to subsection (i) of section 6 of
25 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
26 adopted by the New Jersey Meadowlands Commission pursuant to
27 section 20 of P.L.1968, c.404 (C.13:17-21);

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

33 (4) located within a regional growth area, rural development
34 area zoned for industrial use as of the effective date of P.L.2016,
35 c.75, town, village, or a military and federal installation area
36 designated in the comprehensive management plan prepared and
37 adopted by the Pinelands Commission pursuant to the "Pinelands
38 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

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

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

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

45 (8) located only within the following portions of the areas
46 designated pursuant to the "State Planning Act," P.L.1985, c.398
47 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
48 Planning Area 4B (Rural/Environmentally Sensitive) or Planning

1 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
2 Planning Area), Planning Area 4B (Rural/Environmentally
3 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
4 located within:

5 (a) a designated center under the State Development and
6 Redevelopment Plan;

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

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

15 (d) any area on which a structure exists or previously existed
16 including any desired expansion of the footprint of the existing or
17 previously existing structure provided the expansion otherwise
18 complies with all applicable federal, State, county, and local
19 permits and approvals;

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

23 (f) any area on which an existing tourism destination project is
24 located.

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

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

36 "Retained full-time job" means an eligible position that currently
37 exists in New Jersey and is filled by a full-time employee but
38 which, because of a potential relocation by the business, is at risk of
39 being lost to another state or country, or eliminated. For the
40 purposes of determining a number of retained full-time jobs, the
41 eligible positions of an affiliate shall be considered eligible
42 positions of the business. For the purposes of the certifications and
43 annual reports required in the incentive agreement pursuant to
44 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the
45 extent an eligible position that was the basis of the award no longer
46 exists, a business shall include as a retained full-time job a new
47 eligible position that is filled by a full-time employee provided that
48 the position is included in the order of date of hire and is not the

1 basis for any other incentive award. For a project located in a
2 Garden State Growth Zone which qualified for the "Municipal
3 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
4 (C.52:27BBB-1 et al.), retained full-time job shall include any
5 employee previously employed in New Jersey and transferred to the
6 new location in the Garden State Growth Zone which qualified for
7 the "Municipal Rehabilitation and Economic Recovery Act,"
8 P.L.2002, c.43 (C.52:27BBB-1 et al.).

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

11 "SDA municipality" means a municipality in which an SDA
12 district is situate.

13 "Targeted industry" means any industry identified from time to
14 time by the authority including initially, a transportation,
15 manufacturing, defense, energy, logistics, life sciences, technology,
16 health, and finance business, but excluding a primarily warehouse
17 or distribution business.

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

23 "Tourism destination project" means a qualified non-gaming
24 business facility that will be among the most visited privately
25 owned or operated tourism or recreation sites in the State, and
26 which is located within the qualified incentive area and has been
27 determined by the authority to be in an area appropriate for
28 development and in need of economic development incentive
29 assistance, including a non-gaming business within an established
30 Tourism District with a significant impact on the economic viability
31 of that District.

32 "Transit oriented development" means a qualified business
33 facility located within a 1/2-mile radius, or one-mile radius for
34 projects located in a Garden State Growth Zone, surrounding the
35 mid-point of a New Jersey Transit Corporation, Port Authority
36 Transit Corporation, or Port Authority Trans-Hudson Corporation
37 rail, bus, or ferry station platform area, including all light rail
38 stations.

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

43 "Urban transit hub municipality" means a municipality: a. which
44 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
45 seq.), or which has continued to be a qualified municipality
46 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent
47 or more of the value of real property was exempt from local
48 property taxation during tax year 2006. The percentage of exempt

1 property shall be calculated by dividing the total exempt value by
2 the sum of the net valuation which is taxable and that which is tax
3 exempt.

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

5
6 2. This act shall take effect immediately.

7
8
9 STATEMENT

10
11 This bill allows a business to include certain persons employed
12 as independent contractors to be deemed full-time employees under
13 the criteria to receive tax credits for job creation and retention
14 activity under the Grow New Jersey Assistance Program (program)
15 if the business is otherwise qualified to receive tax credits under the
16 program.

17 Under the bill, a person working as an independent contractor for
18 the business (person) is considered a full-time employee if the
19 business demonstrates to the New Jersey Economic Development
20 Authority (authority) that:

21 1) the person provides critical capabilities to the business in
22 engineering, software development, technology services, or
23 advanced manufacturing supply chain disciplines under a
24 contractual or partnering relationship for a term of no less than
25 three years;

26 2) the person (a) works at least 80 percent of the person's work
27 time at a qualified business facility, (b) works for at least 35 hours a
28 week, or renders any other standard service generally accepted by
29 custom or practice as full-time employment, and (c) is provided
30 with employee health benefits under a health benefits plan
31 authorized pursuant to State or federal law; and

32 3) those persons are not to be included in the business's
33 Statewide workforce total if those persons are simultaneously
34 receiving a State economic incentive benefit for job creation or
35 retention under any other program.

36 The bill provides that a business with at least 15 persons may
37 claim each of those persons as 0.80 percent of the business's full-
38 time employees for the purposes of meeting the minimum Statewide
39 workforce total required under the program. The bill further
40 provides that those persons are to be considered full-time
41 employees solely for the purposes of being counted towards the
42 minimum number of eligible positions required under the program.
43 The inclusion of those persons as part of the business's Statewide
44 workforce total may be applied starting on January 1, 2017 for all
45 previously awarded and future tax credits awarded under the
46 program.