

# ASSEMBLY, No. 1971

## STATE OF NEW JERSEY 218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

**Sponsored by:**

**Assemblywoman SHAVONDA E. SUMTER**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

**Assemblymen Prieto, Schaer and Assemblywoman Handlin**

**SYNOPSIS**

Authorizes creation of urban enterprise zones in Garfield, Harrison, Keansburg, and two joint urban enterprise zones, one in Cliffside Park and Fairview, and one in Buena Vista Township and Buena Borough.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning urban enterprise zones and amending P.L.1983  
2 c.303 and P.L.1995, c.382.

3

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

6

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

9 3. As used in this act:

10 a. "Enterprise zone" or "zone" means an urban enterprise zone  
11 designated by the authority pursuant to this act;

12 b. "Authority" means the New Jersey Urban Enterprise Zone  
13 Authority created by this act;

14 c. "Qualified business" means any entity authorized to do  
15 business in the State of New Jersey which, at the time of  
16 designation as an enterprise zone or a UEZ-impacted business  
17 district, is engaged in the active conduct of a trade or business in  
18 that zone or district; or an entity which, after that designation but  
19 during the designation period, becomes newly engaged in the active  
20 conduct of a trade or business in that zone or district and has at least  
21 25% of its full-time employees employed at a business location in  
22 the zone or district, meeting one or more of the following criteria:

23 (1) Residents within the zone, the district, within another zone  
24 or within a qualifying municipality; or

25 (2) Unemployed for at least six months prior to being hired and  
26 residing in New Jersey, and recipients of New Jersey public  
27 assistance programs for at least six months prior to being hired, or  
28 either of the aforesaid; or

29 (3) Determined to be low income individuals pursuant to the  
30 Workforce Investment Act of 1998, Pub.L.105-220  
31 (29 U.S.C. s.2811);

32 d. "Qualifying municipality" means any municipality in which  
33 there was, in the last full calendar year immediately preceding the  
34 year in which application for enterprise zone designation is  
35 submitted pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73),  
36 an annual average of at least 2,000 unemployed persons, and in  
37 which the municipal average annual unemployment rate for that  
38 year exceeded the State average annual unemployment rate; except  
39 that any municipality which qualifies for State aid pursuant to  
40 P.L.1978, c.14 (C.52:27D-178 et seq.) shall qualify if its municipal  
41 average annual unemployment rate for that year exceeded the State  
42 average annual unemployment rate. The annual average of  
43 unemployed persons and the average annual unemployment rates  
44 shall be estimated for the relevant calendar year by the Office of  
45 Labor Planning and Analysis of the State Department of Labor and

**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 Workforce Development. In addition to those municipalities that  
2 qualify pursuant to the criteria set forth above, the following  
3 municipalities shall also be deemed to be qualifying municipalities  
4 pursuant to the following criteria: (1) that municipality accorded  
5 priority designation pursuant to subsection e. of section 7 of  
6 P.L.1983, c.303 (C.52:27H-66) [ , ] ; (2) those municipalities set  
7 forth in paragraph (7), paragraph (8) of section 3 of P.L.1995, c.382  
8 (C.52:27H-66.1), and paragraph (9) of section 3 of P.L.1995, c.382  
9 as amended by section 3 of P.L.2004, c.75 (C.52:27H-66.1)  
10 [ , and ] ; (3) the municipalities in which the three additional  
11 enterprise zones, including the joint enterprise zone, are to be  
12 designated pursuant to criteria according priority consideration for  
13 designation of the zones pursuant to section 12 of P.L.2001, c.347  
14 (C.52:27H-66.7) [shall be deemed qualifying municipalities] ; and  
15 (4) the municipalities in which the five additional enterprise zones,  
16 of which two are joint enterprise zones, are to be designated  
17 pursuant to criteria according priority consideration for designation  
18 of the zones pursuant to paragraphs (10), (11), (12), (13) and (14) of  
19 section 3 of P.L.1995, c.382 as amended by section 3 of  
20 P.L. , c. (C. ) (pending before the Legislature as this bill);

21 e. "Public assistance" means income maintenance funds  
22 administered by the Department of Human Services or by a county  
23 welfare agency;

24 f. "Zone development corporation" means a nonprofit  
25 corporation or association created or designated by the governing  
26 body of a qualifying municipality to formulate and propose a  
27 preliminary zone development plan pursuant to section 9 of  
28 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer  
29 and implement the zone development plan;

30 g. "Zone development plan" means a plan adopted by the  
31 governing body of a qualifying municipality for the development of  
32 an enterprise zone therein, and for the direction and coordination of  
33 activities of the municipality, zone businesses and community  
34 organizations within the enterprise zone toward the economic  
35 betterment of the residents of the zone and the municipality;

36 h. "Zone neighborhood association" means a corporation or  
37 association of persons who either are residents of, or have their  
38 principal place of employment in, a municipality in which an  
39 enterprise zone has been designated pursuant to this act; which is  
40 organized under the provisions of Title 15 of the Revised Statutes  
41 or Title 15A of the New Jersey Statutes; and which has for its  
42 principal purpose the encouragement and support of community  
43 activities within, or on behalf of, the zone so as to (1) stimulate  
44 economic activity, (2) increase or preserve residential amenities, or  
45 (3) otherwise encourage community cooperation in achieving the  
46 goals of the zone development plan;

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

1 and

2 j. "UEZ-impacted business district" or "district" means an  
3 economically-distressed business district classified by the authority  
4 as having been negatively impacted by two or more adjacent urban  
5 enterprise zones in which 50% less sales tax is collected pursuant to  
6 section 21 of P.L.1983, c.303 (C.52:27H-80).

7 (cf: P.L.2004, c.75, s.1)

8

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

11 7. The authority shall designate enterprise zones from among  
12 those areas of qualifying municipalities determined to be eligible  
13 pursuant to P.L.1983, s.303. No more than **[32]** 37 enterprise zones  
14 shall be in effect at any one time. No more than one enterprise zone  
15 shall be designated in any one municipality. Except as otherwise  
16 provided by section 11 of P.L.2001, c.347 (C.52:27H-66.6), any  
17 designation granted shall be for a period of 20 years, beginning with  
18 the year in which a zone is eligible for an exemption to the extent of  
19 50% of the tax imposed under the "Sales and Use Tax Act,"  
20 P.L.1966, c.30 (C.54:32B-1 et seq.), and shall not be renewed at the  
21 end of that period. In designating enterprise zones the authority  
22 shall seek to avoid excessive geographic concentration of zones in  
23 any particular region of the State. At least six of the 10 additional  
24 enterprise zones authorized pursuant to section 3 of P.L.1993, c.367  
25 shall be located in counties in which enterprise zones have not  
26 previously been designated and shall be designated within 90 days  
27 of the date of the submittal of an application and zone development  
28 plan. The authority shall accept applications within 90 days of the  
29 effective date of P.L.1993, c.367. Notwithstanding the provisions of  
30 P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the six  
31 additional enterprise zones to be designated by the authority  
32 pursuant to the criteria for priority consideration in this section shall  
33 be entitled to an exemption to the extent of 50% of the tax imposed  
34 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et  
35 seq.). The following criteria shall be utilized in according priority  
36 consideration for designation of these zones by the authority:

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

45 b. Two zones shall be located in a county of the second class  
46 with a population greater than 445,000 and less than 455,000  
47 according to the latest federal decennial census, one of which shall  
48 be located in the qualifying municipality in that county with the

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

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

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

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

25 (2) the two municipalities submit a joint application and zone  
26 development plan; and

27 (3) each of the municipalities has a population greater than  
28 16,000 and less than 30,000 and a population density of more than  
29 5,000 persons per square mile, according to the latest federal  
30 decennial census; and

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

37 (cf: P.L.2004, c.75, s.2)

38

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

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

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

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

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

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

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

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

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

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

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

A1971 SUMTER

1 than 520,000 according to the latest federal decennial census; **[and]**  
2 (9) An additional zone shall be located within a qualifying  
3 municipality with a population greater than 48,000 and less than  
4 49,000 according to the latest federal decennial census in a county  
5 of the second class with a population of greater than 750,000  
6 according to the latest federal decennial census;  
7 (10) An additional joint zone shall be located within two  
8 qualifying municipalities which are adjacent to each other, one of  
9 which has a population greater than 13,200 and less than 13,500 in  
10 a county of the first class with a population greater than 850,000,  
11 according to the latest federal decennial census, and the other which  
12 has a population greater than 22,500 and less than 23,500 in a  
13 county of the first class with a population greater than 850,000,  
14 according to the latest federal decennial census;  
15 (11) An additional zone shall be located within a qualifying  
16 municipality with a population greater than 29,000 and less than  
17 30,000 in a county of the first class with a population greater than  
18 850,000, according to the latest federal decennial census;  
19 (12) An additional zone shall be located within a qualifying  
20 municipality with a population greater than 14,000 and less than  
21 15,000 in a county of the first class with a population less than  
22 680,000, according to the latest federal decennial census;  
23 (13) An additional zone shall be located within a qualifying  
24 municipality with a population greater than 10,500 and less than  
25 11,000 and a population density greater than 9,000 persons per  
26 square mile, in a county of the fifth class with a population greater  
27 than 600,000, according to the latest federal decennial census; and  
28 (14) An additional joint zone shall be located within two  
29 qualifying municipalities which are adjacent to each other, one of  
30 which has a population greater than 3,000 and less than 4,000 in a  
31 county of the fifth class with a population of less than 300,000,  
32 according to the latest federal decennial census, and the other which  
33 has a population greater than 7,400 and less than 7,600 in a county  
34 of the fifth class with a population greater than 300,000, according  
35 to the latest federal decennial census.

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

37

38 4. This act shall take effect immediately.

39

40

41

STATEMENT

42

43 This bill would authorize the creation of urban enterprise zones  
44 in the city of Garfield (Bergen County), the town of Harrison  
45 (Hudson County), the borough of Keansburg (Monmouth County),  
46 as well as joint urban enterprise zones in boroughs of Cliffside Park  
47 and Fairview (Bergen County) and Buena Borough and Buena Vista  
48 (Atlantic County), respectively.

**A1971 SUMTER**

1       The five urban enterprise zones authorized under this bill would  
2 establish a total of 37 zones created under the Urban Enterprise  
3 Zone program, which was first authorized in 1983.

4       The bill clarifies that Cliffside Park, Fairview, Garfield,  
5 Harrison, Keansburg, Buena Vista and Buena Borough meet the  
6 definition of a "qualifying municipality" in section 3 of P.L.1983,  
7 c.303 (C.52:27H-62) and establishes a joint urban enterprise zone  
8 for Cliffside Park and Fairview, and a separate joint enterprise zone  
9 for Buena Vista and Buena Borough.

10       Designation as an urban enterprise zone would be for a period of  
11 20 years, beginning with the year in which the zone is eligible for  
12 the sales and use tax exemption and is nonrenewable under existing  
13 law.

14       Since its original enactment in 1983, the act has been amended  
15 four times in order to expand the pool of municipalities authorized  
16 to designate a zone.