

**ASSEMBLY, No. 1782**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**

**Assemblywoman NANCY F. MUNOZ**

**District 21 (Morris, Somerset and Union)**

**SYNOPSIS**

Reduces number of manufacturing jobs required to qualify for NJEDA financing and incentive programs.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning eligibility for New Jersey Economic  
2 Development Authority financing and incentive programs, and  
3 amending various parts of statutory law.  
4

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

7  
8 1. Section 20 of P.L.2004, c.65 (C.34:1B-186) is amended to  
9 read as follows:

10 20. The New Jersey **【Commerce Commission】** Economic  
11 Development Authority shall establish and administer a program to  
12 approve the issuance of sales and use tax exemption certificates to  
13 qualifying businesses as specified in sections 19 through 22 of  
14 P.L.2004, c.65 (C.34:1B-185 through C.34:1B-188). The receipts  
15 from the certificate holder's purchase of eligible property located or  
16 placed at the business location covered by the project approval  
17 within the period established pursuant to the terms and conditions  
18 of the project approval for the approved business location shall be  
19 exempt from the tax imposed under the "Sales and Use Tax Act,"  
20 P.L.1966, c.30 (C.54:32B-1 et seq.).  
21 (cf: P.L.2007, c.253, s.17)  
22

23 2. Section 21 of P.L.2004, c.65 (C.34:1B-187) is amended to  
24 read as follows:

25 21. a. A business seeking to participate in the sales and use tax  
26 exemption certificate program established pursuant to sections 19  
27 through 22 of P.L.2004, c.65 (C.34:1B-185 through C.34:1B-188)  
28 shall submit a project application to the New Jersey **【Commerce**  
29 **Commission】** Economic Development Authority in such form as  
30 required by the New Jersey **【Commerce Commission】** Economic  
31 Development Authority.

32 b. The location for the project shall be situated in designated  
33 Planning Area 1 or 2, as defined in the State Development and  
34 Redevelopment Plan adopted by the State Planning Commission;  
35 provided however, that a business project involving the renovation  
36 or expansion of an existing facility that is not located in designated  
37 Planning Area 1 or 2 may be eligible to participate in the program,  
38 at the determination of the New Jersey **【Commerce Commission】**  
39 Economic Development Authority, if all other applicable criteria  
40 are satisfied.

41 A business located in an urban enterprise zone designated  
42 pursuant to the "New Jersey Urban Enterprise Zones Act,"  
43 P.L.1983, c.303 (C.52:27H-60 et al.) as of the effective date of **【this**  
44 **section】** Section 21 of P.L.2004, c.65 (C.34:1B-187) shall not be

**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 eligible to participate in this program if the relocation project is  
2 from a facility within the urban enterprise zone to a facility outside  
3 an urban enterprise zone; provided however, that if the relocation is  
4 to a facility already owned or leased by the same business and that  
5 business already employs at least the same number of persons as  
6 those being relocated from the urban enterprise zone, it may be  
7 eligible to apply.

8 c. To be eligible to apply for the sales and use tax exemption  
9 certificate program, a business shall have operated continuously in  
10 this State, in whole or in part, in its current form or as a predecessor  
11 entity, for at least 10 years prior to filing an application and shall  
12 satisfy at least one of the following criteria:

13 (1) the business has 1,000 or more full-time employees in the  
14 State and the project involves relocating 500 or more full-time  
15 employees into a new business location or locations;

16 (2) the business is a life sciences business or a manufacturing  
17 facility and the project is: constructing one or more new research  
18 and development facilities, constructing one or more new  
19 manufacturing facilities in this State, or relocating to a new  
20 headquarters in this State that will employ 125 or more full-time  
21 manufacturing employees or 250 or more full-time employees in  
22 any non-manufacturing position;

23 (3) the business is a life sciences business or a manufacturing  
24 business and the project is constructing a new, or substantially  
25 rehabilitating a vacant, property that will separately or collectively:

26 (a) be predominately a new research and development facility;

27 (b) be predominately a new manufacturing facility;

28 (c) house the headquarters of the business; or

29 (d) separately or collectively be a combination of subparagraphs  
30 (a), (b), and (c);

31 provided, that the new or substantially rehabilitated facility will  
32 house a minimum of 125 full-time manufacturing employees or 250  
33 full-time employees in any non-manufacturing position. For the  
34 purposes of this subparagraph, "predominantly" means a majority of  
35 the employees housed in the new facility are engaged in that  
36 activity, or a majority of the square footage of the new facility is  
37 used in that activity; or a majority of the total value of the  
38 investment made will be employed in that activity; or other  
39 measures of activity as may be determined by the New Jersey  
40 **【Commerce Commission】** Economic Development Authority that  
41 demonstrate that a critical concentration of research and  
42 development, manufacturing, or both, will occur at the new  
43 facility; or

44 (4) the business is, at the time of enactment of this section,  
45 currently receiving a structured finance special guarantee pursuant  
46 to N.J.A.C.19:31-2.1(c)3.ii.

47 (5) for the project.

1 d. For the purposes of determining a number of full-time  
2 employees pursuant to subsection c. of this section, the full-time  
3 employees of the members of a "controlled group of corporations"  
4 as defined pursuant to section 1563 of the federal Internal Revenue  
5 Code of 1986, 26 U.S.C. s.1563, shall be considered the employees  
6 of a single employer.

7 e. A project may be completed in up to two phases provided  
8 that it will be the national headquarters of a life sciences or  
9 manufacturing company, and will include a significant research and  
10 development facility, a significant manufacturing facility, or  
11 combination thereof if: (1) the first completed phase will house at  
12 least 100 full-time manufacturing employees or 200 full-time  
13 employees in any non-manufacturing position, and the second phase  
14 will house at least 50 additional manufacturing employees or 100  
15 additional employees in any non-manufacturing position; and (2)  
16 the project is pre-approved for phases and that all phases are  
17 completed within 30 months of project approval.

18 f. Upon approval of a project, the Executive Director of the  
19 New Jersey **【Commerce Commission】** Economic Development  
20 Authority shall notify the Director of the Division of Taxation in  
21 the Department of the Treasury of the terms and conditions of the  
22 project approval and the director shall issue a certificate of  
23 exemption pursuant to the terms and conditions of the project  
24 approval. In general, the sales and use tax exemption certificate  
25 provided by sections 19 through 22 of P.L.2004, c.65 (C.34:1B-185  
26 through C.34:1B-188) should not apply to purchases initiated by the  
27 business after the date that the temporary certificate of occupancy is  
28 issued, or in cases where no temporary certificate of occupancy is  
29 issued should not apply to purchases initiated by the business more  
30 than one year from the project commencement date; however, the  
31 duration of the certificate of exemption shall be pursuant to the  
32 terms and conditions of the project approval.

33 (cf: P.L.2007, c.253, s.18)

34

35 3. Section 22 of P.L.2004, c.65 (C.34:1B-188) is amended to  
36 read as follows:

37 22. The New Jersey **【Commerce Commission】** Economic  
38 Development Authority shall, after consultation with the Director of  
39 the Division of Taxation in the Department of the Treasury, adopt  
40 rules and regulations pursuant to the "Administrative Procedure  
41 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to govern the  
42 proper conduct and operation of the program consistent with the  
43 provisions of sections 19 through 22 of P.L.2004, c.65 (C.34:1B-  
44 185 through C.34:1B-188).

45 (cf: P.L.2007, c.253, s.19)

46

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

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

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

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

20       "Aviation district" means the area within a one-mile radius of the  
21 outermost boundary of the "Atlantic City International Airport,"  
22 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-  
23 24).

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

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

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

31       a partnership;

32       an S corporation;

33       a limited liability company; or

34       a non-profit corporation.

35       If the business or tenant is a cooperative or part of a cooperative,  
36 then the cooperative may qualify for credits by counting the full-  
37 time employees and capital investments of its member  
38 organizations, and the cooperative may distribute credits to its  
39 member organizations. If the business or tenant is a cooperative  
40 that leases to its member organizations, the lease shall be treated as  
41 a lease to an affiliate or affiliates.

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

45       "Capital investment" in a qualified business facility means  
46 expenses by a business or any affiliate of the business incurred after  
47 application for:

- 1 a. site preparation and construction, repair, renovation,  
2 improvement, equipping, or furnishing on real property or of a  
3 building, structure, facility, or improvement to real property;
- 4 b. obtaining and installing furnishings and machinery,  
5 apparatus, or equipment, including but not limited to material goods  
6 subject to bonus depreciation under sections 168 and 179 of the  
7 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the  
8 operation of a business on real property or in a building, structure,  
9 facility, or improvement to real property;
- 10 c. receiving Highlands Development Credits under the  
11 Highlands Transfer Development Rights Program authorized  
12 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or
- 13 d. any of the foregoing.

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

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

42 "College or university" means a county college, an independent  
43 institution of higher education, a public research university, or a  
44 State college.

45 "Commitment period" means the period of time that is 1.5 times  
46 the eligibility period.

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

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

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

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

30 "Doctoral university" means a university located within New  
31 Jersey that is classified as a doctoral university under the Carnegie  
32 Classification of Institutions of Higher Education's Basic  
33 Classification methodology on the effective date of P.L.2017, c.221.

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

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

45 "Full-time employee" means a person:

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

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

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

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

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

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

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

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

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

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



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

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

13 "Garden State Create Zone" means the campus of a doctoral  
14 university, and the area within a three-mile radius of the outermost  
15 boundary of the campus of a doctoral university, according to a map  
16 appearing in the doctoral university's official catalog or other  
17 official publication on the effective date of P.L.2017, c.221.

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

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

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

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

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

1 United States and the Constitution of the State of New Jersey, but  
2 does not include any educational institution dedicated primarily to  
3 the education or training of ministers, priests, rabbis or other  
4 professional persons in the field of religion.

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

9 "Mega project" means:

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

13 (1) having a capital investment in excess of \$20,000,000, and at  
14 which more than 125 full-time manufacturing employees or 250  
15 full-time employees in any non-manufacturing position of the  
16 business are created or retained; or

17 (2) at which more than 500 full-time manufacturing employees  
18 or 1,000 full-time employees in any non-manufacturing position of  
19 the business 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  
22 Growth Zone, or in a priority area housing the United States  
23 headquarters and related facilities of an automobile manufacturer,  
24 either:

25 (1) having a capital investment in excess of \$20,000,000, and at  
26 which more than 125 full-time manufacturing employees or 250  
27 full-time employees in any non-manufacturing position of the  
28 business are created or retained, or

29 (2) at which more than 500 full-time manufacturing employees  
30 or 1,000 full-time employees in any non-manufacturing position of  
31 the business are created or retained;

32 c. a qualified business facility located in an urban transit hub  
33 housing a business of any kind, having a capital investment in  
34 excess of \$50,000,000, and at which more than 125 full-time  
35 manufacturing employees or 250 full-time employees in any non-  
36 manufacturing position of the business are created or retained;

37 d. a project located in an area designated in need of  
38 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)  
39 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within  
40 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
41 Ocean, or Salem counties having a capital investment in excess of  
42 \$20,000,000, and at which more than 150 full-time employees of  
43 the business are created or retained; or

44 e. a qualified business facility primarily used by a business  
45 principally engaged in research, development, or manufacture of a  
46 drug or device, as defined in R.S.24:1-1, or primarily used by a  
47 business licensed to conduct a clinical laboratory and business

1 facility pursuant to the "New Jersey Clinical Laboratory  
2 Improvement Act," P.L.1975, c.166 (C.45:9-42.26 et seq.), either:

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

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

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

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

23 "Municipal Revitalization Index" means the 2007 index by the  
24 Office for Planning Advocacy within the Department of State  
25 measuring or ranking municipal distress.

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

31 "Other eligible area" means the portions of the qualified  
32 incentive area that are not located within a distressed municipality,  
33 or the priority area.

34 "Partnership" means an entity classified as a partnership for  
35 federal income tax purposes.

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

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

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

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

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

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

12 c. are the proposed site of a disaster recovery project, a  
13 qualified incubator facility, a highlands development credit  
14 receiving area or redevelopment area, a tourism destination project,  
15 or transit oriented development; or

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

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

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

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

29 "Qualified business facility" means any building, complex of  
30 buildings or structural components of buildings, and all machinery  
31 and equipment located within a qualified incentive area, used in  
32 connection with the operation of a business that is not engaged in  
33 final point of sale retail business at that location unless the building,  
34 complex of buildings or structural components of buildings, and all  
35 machinery and equipment located within a qualified incentive area,  
36 are used in connection with the operation of:

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

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

44 "Qualified incentive area" means:

45 a. an aviation district;

46 b. a port district;

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

- 1 d. an area (1) designated pursuant to the "State Planning Act,"  
2 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
- 3 (a) Planning Area 1 (Metropolitan);
  - 4 (b) Planning Area 2 (Suburban); or
  - 5 (c) Planning Area 3 (Fringe Planning Area);
- 6 (2) located within a smart growth area and planning area  
7 designated in a master plan adopted by the New Jersey  
8 Meadowlands Commission pursuant to subsection (i) of section 6 of  
9 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan  
10 adopted by the New Jersey Meadowlands Commission pursuant to  
11 section 20 of P.L.1968, c.404 (C.13:17-21);
- 12 (3) located within any land owned by the New Jersey Sports and  
13 Exposition Authority, established pursuant to P.L.1971, c.137  
14 (C.5:10-1 et seq.), within the boundaries of the Hackensack  
15 Meadowlands District as delineated in section 4 of P.L.1968, c.404  
16 (C.13:17-4);
- 17 (4) located within a regional growth area, rural development  
18 area zoned for industrial use as of the effective date of P.L.2016,  
19 c.75, town, village, or a military and federal installation area  
20 designated in the comprehensive management plan prepared and  
21 adopted by the Pinelands Commission pursuant to the "Pinelands  
22 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);
- 23 (5) located within the planning area of the Highlands Region as  
24 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands  
25 development credit receiving area or redevelopment area;
- 26 (6) located within a Garden State Growth Zone;
- 27 (7) located within land approved for closure under any federal  
28 Commission on Base Realignment and Closure action; or
- 29 (8) located only within the following portions of the areas  
30 designated pursuant to the "State Planning Act," P.L.1985, c.398  
31 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),  
32 Planning Area 4B (Rural/Environmentally Sensitive) or Planning  
33 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural  
34 Planning Area), Planning Area 4B (Rural/Environmentally  
35 Sensitive) or Planning Area 5 (Environmentally Sensitive) is  
36 located within:
- 37 (a) a designated center under the State Development and  
38 Redevelopment Plan;
  - 39 (b) a designated growth center in an endorsed plan until the  
40 State Planning Commission revises and readopts New Jersey's State  
41 Strategic Plan and adopts regulations to revise this definition as it  
42 pertains to Statewide planning areas;
  - 43 (c) any area determined to be in need of redevelopment pursuant  
44 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and  
45 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of  
46 P.L.1992, c.79 (C.40A:12A-14);
  - 47 (d) any area on which a structure exists or previously existed  
48 including any desired expansion of the footprint of the existing or

1 previously existing structure provided the expansion otherwise  
2 complies with all applicable federal, State, county, and local  
3 permits and approvals;

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

7 (f) any area on which an existing tourism destination project is  
8 located.

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

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

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

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

43 "SDA municipality" means a municipality in which an SDA  
44 district is situate.

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

47 "Targeted industry" means any industry identified from time to  
48 time by the authority including initially, a transportation,

1 manufacturing, defense, energy, logistics, life sciences, technology,  
2 health, and finance business, but excluding a primarily warehouse  
3 or distribution business.

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

9 "Tourism destination project" means a qualified non-gaming  
10 business facility that will be among the most visited privately  
11 owned or operated tourism or recreation sites in the State, and  
12 which is located within the qualified incentive area and has been  
13 determined by the authority to be in an area appropriate for  
14 development and in need of economic development incentive  
15 assistance, including a non-gaming business within an established  
16 Tourism District with a significant impact on the economic viability  
17 of that District.

18 "Transit oriented development" means a qualified business  
19 facility located within a 1/2-mile radius, or one-mile radius for  
20 projects located in a Garden State Growth Zone, surrounding the  
21 mid-point of a New Jersey Transit Corporation, Port Authority  
22 Transit Corporation, or Port Authority Trans-Hudson Corporation  
23 rail, bus, or ferry station platform area, including all light rail  
24 stations.

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

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

38 (cf: P.L.2017, c.221, s.1)

39

40 5. Section 3 of P.L.2011, c.149 (C.34:1B-244) is amended to  
41 read as follows:

42 3. a. The Grow New Jersey Assistance Program is hereby  
43 established as a program under the jurisdiction of the New Jersey  
44 Economic Development Authority and shall be administered by the  
45 authority. The purpose of the program is to encourage economic  
46 development and job creation and to preserve jobs that currently  
47 exist in New Jersey but which are in danger of being relocated  
48 outside of the State. To implement this purpose, the program may

1 provide tax credits to eligible businesses for an eligibility period not  
2 to exceed 10 years.

3 To be eligible for any tax credits pursuant to P.L.2011, c.149  
4 (C.34:1B-242 et al.), a business's chief executive officer or  
5 equivalent officer shall demonstrate to the authority, at the time of  
6 application, that:

7 (1) the business, expressly including its landlord or seller, will  
8 make, acquire, or lease a capital investment equal to, or greater  
9 than, the applicable amount set forth in subsection b. of this section  
10 at a qualified business facility at which it will:

11 (a) retain full-time jobs in an amount equal to or greater than the  
12 applicable number set forth in subsection c. of this section;

13 (b) create new full-time jobs in an amount equal to or greater  
14 than the applicable number set forth in subsection c. of this section;  
15 or

16 (c) in combination, retain full-time jobs and create new full-time  
17 jobs in an amount equal to or greater than the applicable number set  
18 forth in subsection c. of this section;

19 (2) the qualified business facility shall be constructed in  
20 accordance with the minimum environmental and sustainability  
21 standards;

22 (3) the capital investment resultant from the award of tax credits  
23 and the resultant retention and creation of full-time jobs will yield a  
24 net positive benefit to the State equaling at least 110 percent of the  
25 requested tax credit allocation amount, which determination is  
26 calculated prior to taking into account the value of the requested tax  
27 credit and shall be based on the benefits generated during the first  
28 20 years following the completion of the project, except that:

29 (a) for a mega project or a project located in a Garden State  
30 Growth Zone, the determination shall be based on the benefits  
31 generated during a period of up to 30 years following the  
32 completion of the project, as determined by the authority, and

33 (b) for a project located in a Garden State Growth Zone which  
34 qualified for the "Municipal Rehabilitation and Economic Recovery  
35 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), the net positive benefit  
36 determination shall be based on the benefits generated during a  
37 period of up to 35 years following completion of the project, as  
38 determined by the authority, and shall equal at least 100 percent of  
39 the requested tax credit allocation amount and may utilize the value  
40 of those property taxes subject to the provisions of section 24 of  
41 P.L.2013 c.161 (C.52:27D-489s), or the value of those property  
42 taxes that would have been assessed on the new construction,  
43 improvements, or substantial rehabilitation of structures on real  
44 property if the structures were not exempt because they are on real  
45 property owned by a public entity, and incremental sales and excise  
46 taxes that are derived from activities within the area and which are  
47 rebated or retained by the municipality pursuant to the "New Jersey



1 Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et  
2 seq.) or any other law providing for such rebate or retention; and

3 (4) except as provided in subsection f. of this section, the award  
4 of tax credits will be a material factor in the business's decision to  
5 create or retain the minimum number of new or retained full-time  
6 jobs for eligibility under the program.

7 With respect to the provisions of paragraph (3) of this  
8 subsection, in the case of a project located in a Garden State  
9 Growth Zone, the authority, in its discretion, may award bonuses in  
10 its net positive benefit calculation.

11 b. For all projects approved after the effective date of  
12 P.L.2013, c.161, the minimum capital investment required to be  
13 eligible under this program shall be as follows:

14 (1) for the rehabilitation, improvement, fit-out, or retrofit of an  
15 existing industrial, warehousing, logistics, or research and  
16 development premises for continued similar use by the business in  
17 at least 51 percent of the gross leasable area of the premises, a  
18 minimum investment of \$20 per square foot of gross leasable area;

19 (2) for the new construction of an industrial, warehousing,  
20 logistics, or research and development premises for similar use by  
21 the business in at least 51 percent of the gross leasable area of the  
22 premises, a minimum investment of \$60 per square foot of gross  
23 leasable area;

24 (3) for the rehabilitation, improvement, fit-out, or retrofit of an  
25 existing premises that does not qualify pursuant to paragraph (1) or  
26 (2) of this subsection, a minimum investment of \$40 per square foot  
27 of gross leasable area; and

28 (4) for the new construction of a premises that does not qualify  
29 pursuant to paragraph (1) or (2) of this subsection, a minimum  
30 investment of \$120 per square foot of gross leasable area.

31 The minimum capital investment required by this subsection  
32 shall be reduced by one-third for projects located in a Garden State  
33 Growth Zone or projects located within Atlantic, Burlington,  
34 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem  
35 counties.

36 c. The minimum number of new or retained full-time jobs  
37 required to be eligible under this program shall be as follows:

38 (1) for a business that is a technology startup company or a  
39 manufacturing company, a minimum of five new or 13 retained full  
40 time manufacturing jobs or 10 new or 25 retained full-time non-  
41 manufacturing jobs;

42 (2) for a business engaged primarily in a targeted industry other  
43 than a technology startup company or a manufacturing company, a  
44 minimum of 25 new or 35 retained full-time jobs; and

45 (3) for any other business, a minimum of 35 new or 50 retained  
46 full-time jobs.

47 The minimum number of new or retained full-time jobs required  
48 by this subsection shall be reduced by one-quarter for projects

1 located in a Garden State Growth Zone or projects located within  
2 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
3 Ocean, or Salem counties.

4 d. To assist the authority in determining whether a proposed  
5 capital investment will yield a net positive benefit, the business's  
6 chief executive officer, or equivalent officer, shall submit a  
7 certification to the authority indicating: (1) that any existing full-  
8 time jobs are at risk of leaving the State or being eliminated; (2)  
9 that any projected creation or retention, as applicable, of new full-  
10 time jobs would not occur but for the provision of tax credits under  
11 the program; and (3) that the business's chief executive officer, or  
12 equivalent officer, has reviewed the information submitted to the  
13 authority and that the representations contained therein are accurate,  
14 provided however, that in satisfaction of the provisions of  
15 paragraphs (1) and (2) of this subsection, the certification with  
16 respect to a project in a Garden State Growth Zone that qualifies  
17 under the "Municipal Rehabilitation and Economic Recovery Act,"  
18 P.L.2002, c.43 (C.52:27BBB-1 et al.), or a project located in a  
19 Garden State Growth Zone which contains a Tourism District as  
20 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and  
21 regulated by the Casino Reinvestment Development Authority, shall  
22 indicate that the provision of tax credits under the program is a  
23 material factor in the business decision to make a capital investment  
24 and locate in a Garden State Growth Zone that qualifies under the  
25 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,  
26 c.43 (C.52:27BBB-1 et al.), or a Garden State Growth Zone which  
27 contains a Tourism District as established pursuant to section 5 of  
28 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
29 Reinvestment Development Authority. In the event that this  
30 certification by the business's chief executive officer, or equivalent  
31 officer, is found to be willfully false, the authority may revoke any  
32 award of tax credits in their entirety, which revocation shall be in  
33 addition to any other criminal or civil penalties that the business  
34 and the officer may be subject to. When considering an application  
35 involving intra-State job transfers, the authority shall require the  
36 business to submit the following information as part of its  
37 application: a full economic analysis of all locations under  
38 consideration by the business; all lease agreements, ownership  
39 documents, or substantially similar documentation for the business's  
40 current in-State locations; and all lease agreements, ownership  
41 documents, or substantially similar documentation for the potential  
42 out-of-State location alternatives, to the extent they exist. Based on  
43 this information, and any other information deemed relevant by the  
44 authority, the authority shall independently verify and confirm, by  
45 way of making a factual finding by separate vote of the authority's  
46 board, the business's assertion that the jobs are actually at risk of  
47 leaving the State, and as to the date or dates at which the authority  
48 expects that those jobs would actually leave the State, or, with

1 respect to projects located in a Garden State Growth Zone that  
2 qualifies under the "Municipal Rehabilitation and Economic  
3 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or projects  
4 located in a Garden State Growth Zone which contains a Tourism  
5 District as established pursuant to section 5 of P.L.2011, c.18  
6 (C.5:12-219) and regulated by the Casino Reinvestment  
7 Development Authority, the business's assertion that the provision  
8 of tax credits under the program is a material factor in the business's  
9 decision to make a capital investment and locate in a Garden State  
10 Growth Zone that qualifies under the "Municipal Rehabilitation and  
11 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or  
12 in a Garden State Growth Zone which contains a Tourism District  
13 as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219)  
14 and regulated by the Casino Reinvestment Development Authority,  
15 before a business may be awarded any tax credits under this section.

16 e. A project that consists solely of point-of-final-purchase  
17 retail facilities shall not be eligible for a grant of tax credits. If a  
18 project consists of both point-of-final-purchase retail facilities and  
19 non-retail facilities, only the portion of the project consisting of  
20 non-retail facilities shall be eligible for a grant of tax credits. For a  
21 qualified business facility that is a mixed-use project that includes  
22 retail facilities and that is located in a Garden State Growth Zone or  
23 the Atlantic City Tourism District as established pursuant to section  
24 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
25 Reinvestment Development Authority, retail facilities in an amount  
26 up to 7.5 percent of the mixed-use project may be included in the  
27 mixed-use project application for a grant of tax credits along with  
28 the non-retail facilities, and that application may include in the  
29 aggregate the pro-rata number of full-time employees employed by  
30 any number of tenants or other occupants of the included retail  
31 facilities. If a warehouse facility is part of a point-of-final-purchase  
32 retail facility and supplies only that facility, the warehouse facility  
33 shall not be eligible for a grant of tax credits. For the purposes of  
34 this section, a retail facility of at least 150,000 square feet, of which  
35 at least 50 percent is occupied by a full-service supermarket or  
36 grocery store, located in a Garden State Growth Zone which  
37 qualified under the "Municipal Rehabilitation and Economic  
38 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or a tourism  
39 destination project in the Atlantic City Tourism District as  
40 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219), or  
41 catalog distribution centers shall not be considered point-of-final-  
42 purchase retail facilities.

43 f. The authority may determine as eligible for tax credits under  
44 the program any business that is required to respond to a request for  
45 proposals and to fulfill a contract with the federal government  
46 although the business's chief executive officer or equivalent officer  
47 has not demonstrated to the authority that the award of tax credits  
48 will be a material factor in the business's decision to retain the

1 minimum number of retained full-time jobs, as otherwise required  
2 by this section. The authority may, in its discretion, consider the  
3 economic benefit of the retained jobs servicing the contract in  
4 conducting a net benefit analysis required by paragraph (4) of  
5 subsection a. of this section. For the purposes of this subsection,  
6 "retained full-time jobs" includes jobs that are at risk of being  
7 eliminated. Applications to the authority for eligibility under the  
8 program pursuant to the criteria set forth in this subsection shall be  
9 completed by December 31, 2013. Submission of a proposal to the  
10 federal government prior to authority approval shall not disqualify a  
11 business from the program.

12 g. Nothing shall preclude a business from applying for tax  
13 credits under the program for more than one project pursuant to one  
14 or more applications.

15 (cf: P.L.2014, c.63, s.3)

16

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

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

1 incentives provided under this section, and the developer may apply  
2 for tax credits available based on the number of jobs provided by  
3 the business or businesses and the total capital investment of the  
4 business or businesses and the developer.

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

7 (1) (a) for a qualified business facility located within an urban  
8 transit hub municipality, located within a Garden State Growth  
9 Zone, or which is a mega project, \$5,000 per year;

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

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

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

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

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

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

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

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

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

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

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

1 employs full-time positions at the project with an average salary in  
2 excess of the average salary for the Garden State Growth Zone, an  
3 increase of \$250 per year during the commitment period for each 35  
4 percent by which the project's average salary levels exceeds the  
5 county or Garden State Growth Zone average salary, with a  
6 maximum increase of \$1,500 per year;

7 (7) for a business with large numbers of new full-time jobs and  
8 retained full-time jobs during the commitment period, the increases  
9 shall be in accordance with the following schedule:

10 (a) if the number of new full-time manufacturing jobs and  
11 retained full-time manufacturing jobs is between 126 and 200, or  
12 the number of new full-time non-manufacturing jobs and retained  
13 full-time non-manufacturing jobs is between 251 and 400, \$500 per  
14 year;

15 (b) if the number of new full-time manufacturing jobs and  
16 retained full-time manufacturing jobs is between 201 and 300, or  
17 the number of new full-time non-manufacturing jobs and retained  
18 full-time non-manufacturing jobs is between 401 and 600, \$750 per  
19 year;

20 (c) if the number of new full-time manufacturing jobs and  
21 retained full-time manufacturing jobs is between 301 and 400, or  
22 the number of new full-time non-manufacturing jobs and retained  
23 full-time non-manufacturing jobs is between 601 and 800, \$1000  
24 per year;

25 (d) if the number of new full-time manufacturing jobs and  
26 retained full-time manufacturing jobs is between 401 and 500, or  
27 the number of new full-time non-manufacturing jobs and retained  
28 full-time non-manufacturing jobs is between 801 and 1,000, \$1,250  
29 per year;

30 (e) if the number of new full-time manufacturing jobs and  
31 retained full-time manufacturing jobs is in excess of 501, or the  
32 number of new full-time non-manufacturing jobs and retained full-  
33 time non-manufacturing jobs is in excess of 1,000, \$1,500 per year;

34 (8) for a business in a targeted industry, an increase of \$500 per  
35 year;

36 (9) for a qualified business facility exceeding the Leadership in  
37 Energy and Environmental Design's "Silver" rating standards or  
38 completes substantial environmental remediation, an additional  
39 increase of \$250 per year;

40 (10) for a mega project or a project located within a Garden State  
41 Growth Zone at which the capital investment in industrial premises  
42 for industrial use by the business exceeds the minimum capital  
43 investment required for eligibility pursuant to subsection b. of  
44 section 3 of P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000  
45 per year for each additional amount of investment that exceeds the  
46 minimum amount by 20 percent, with a maximum increase of  
47 \$5,000 per year;

1 (11) for a project in which a business retains at least **【400】 200**  
2 jobs and is located within the municipality in which it was located  
3 immediately prior to the filing of the application hereunder and is  
4 the United States headquarters of an automobile manufacturer, an  
5 increase of \$1,500 per year;

6 (12) for a project located in a municipality in Atlantic,  
7 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,  
8 and Salem counties with a 2007 Municipality Revitalization Index  
9 greater than 465, an increase of \$1,000 per year;

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

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

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

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

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

29 (18) for an eligible business in a targeted industry at a qualified  
30 business facility on the campus of a college or university other than  
31 a doctoral university, or at a qualified business facility within a  
32 three-mile radius of the outermost boundary of the campus of a  
33 college or university other than a doctoral university, which facility  
34 is used by the business to conduct a collaborative research  
35 relationship with the college or university, an increase of \$1,000 per  
36 year. The boundary of the campus of a college or university shall  
37 be based upon a map appearing in the college's or university's  
38 official catalog or other official publication on the effective date of  
39 P.L.2017, c.221.

40 d. The gross amount of the tax credit for an eligible business  
41 for each new or retained full-time job shall be the sum of the base  
42 amount as set forth pursuant to subsection b. of this section and the  
43 various additional bonus amounts for which the business is eligible  
44 pursuant to subsection c. of this section, subject to the following  
45 limitations:

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

1 (2) for a qualified business facility located within an urban  
2 transit hub municipality or a Garden State Create Zone, the gross  
3 amount for each new or retained full-time job shall not exceed  
4 \$12,000 per year;

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

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

11 (5) for a qualified business facility in other eligible areas, the  
12 gross amount for each new or retained full-time job shall not exceed  
13 \$6,000 per year; and

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

16 Notwithstanding anything to the contrary set forth herein and in  
17 the provisions of subsections a. through f. of this section, but  
18 subject to the provisions of paragraph (1) of subsection f. of this  
19 section, for 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.), which  
22 creates 35 or more full-time jobs new to the municipality, the total  
23 tax credit shall be:

24 (a) for a project which creates 18 or more full-time  
25 manufacturing jobs or 35 or more full-time non-manufacturing jobs  
26 new to the municipality and makes a capital investment of at least  
27 \$5,000,000, the total tax credit amount per full-time job shall be the  
28 greater of: (i) the total tax credit amount for a qualifying project in  
29 a Garden State Growth Zone as calculated pursuant to subsections  
30 a. through f. of this section; or (ii) the total capital investment of the  
31 project divided by the total number of full-time jobs at that project  
32 but not greater than \$2,000,000 per year over the grant term of ten  
33 years;

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

44 (c) for a project which creates a combination of 50 or more full-  
45 time manufacturing jobs or 100 or more full-time non-  
46 manufacturing jobs new to the municipality and makes a capital  
47 investment of at least \$15,000,000, the total tax credit amount per  
48 full-time job shall be the greater of: (i) the total tax credit amount



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

6 (d) for a project which creates a combination of 75 or more full-  
7 time manufacturing jobs or 150 or more full-time non-  
8 manufacturing jobs new to the municipality and makes a capital  
9 investment of at least \$20,000,000, the total tax credit amount per  
10 full-time job shall be the greater of: (i) the total tax credit amount  
11 for a qualifying project in a Garden State Growth Zone as  
12 calculated pursuant to subsections a. through f. of this section; or  
13 (ii) the total capital investment of the project divided by the total  
14 number of full-time jobs at that project but not greater than  
15 \$5,000,000 per year over the grant term of ten years; or

16 (e) for a project which creates a combination of 125 or more  
17 full-time manufacturing jobs or 250 or more full-time non-  
18 manufacturing jobs new to the municipality and makes a capital  
19 investment of at least \$30,000,000, the total tax credit amount per  
20 full-time job shall be the greater of: (i) the total tax credit amount  
21 for a qualifying project in a Garden State Growth Zone as  
22 calculated pursuant to subsections a. through f. of this section; or  
23 (ii) the total capital investment of the project divided by the total  
24 number of full-time jobs as defined herein at that project divided by  
25 the ten-year grant term.

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

47 f. Notwithstanding the provisions of subsections a. through e.  
48 of this section, for each application approved by the authority's

1 board, the amount of tax credits available to be applied by the  
2 business annually shall not exceed:

3 (1) \$35,000,000 and provides a net benefit to the State as  
4 provided herein with respect to a qualified business facility in a  
5 Garden State Growth Zone which qualifies under the "Municipal  
6 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
7 (C.52:27BBB-1 et al.), or which contains a Tourism District as  
8 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and  
9 regulated by the Casino Reinvestment Development Authority;

10 (2) \$30,000,000 and provides a net benefit to the State as  
11 provided herein with respect to a mega project or a qualified  
12 business facility in a Garden State Growth Zone;

13 (3) \$10,000,000 and provides a net benefit to the State as  
14 provided herein with respect to a qualified business facility in an  
15 urban transit hub municipality or a Garden State Create Zone;

16 (4) \$8,000,000 and provides a net benefit to the State as  
17 provided herein with respect to a qualified business facility in a  
18 distressed municipality;

19 (5) \$4,000,000 and provides a net benefit to the State as  
20 provided herein with respect to a qualified business facility in other  
21 priority areas, but not more than 90 percent of the withholdings of  
22 the business from the qualified business facility; and

23 (6) \$2,500,000 and provides a net benefit to the State as  
24 provided herein with respect to a qualified business facility in other  
25 eligible areas, but not more than 90 percent of the withholdings of  
26 the business from the qualified business facility.

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

1 authority, the authority shall independently verify and confirm the  
2 amount necessary to complete the project.

3 (cf: P.L.2017, c.221, s.2)

4

5 7. Section 23 of P.L.2004, c.65 (C.52:27H-87.1) is amended to  
6 read as follows:

7 23. a. Retail sales of energy and utility service to:

8 (1) a qualified business that employs at least **【250】** 188 people  
9 within an enterprise zone, at least **【50%】** 33 percent of whom are  
10 directly employed in a manufacturing process, for the exclusive use  
11 or consumption of such business within an enterprise zone, and

12 (2) a group of two or more persons: (a) each of which is a  
13 qualified business that are all located within a single redevelopment  
14 area adopted pursuant to the "Local Redevelopment and Housing  
15 Law," P.L.1992, c.79 (C.40A:12A-1 et al.); (b) that collectively  
16 employ at least **【250】** 188 people within an enterprise zone, at least  
17 **【50%】** 33 percent of whom are directly employed in a  
18 manufacturing process; (c) are each engaged in a vertically  
19 integrated business, evidenced by the manufacture and distribution  
20 of a product or family of products that, when taken together, are  
21 primarily used, packaged and sold as a single product; and (d)  
22 collectively use the energy and utility service for the exclusive use  
23 or consumption of each of the persons that comprise a group within  
24 an enterprise zone; are exempt from the taxes imposed under the  
25 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

26 A qualified business will continue to be subject to applicable  
27 Board of Public Utilities tariff regulations except that its bills from  
28 utility companies and third party suppliers for energy and utility  
29 service shall not include charges for sales and use tax.

30 b. A business that meets the requirements of subsection a. of  
31 this section shall not be allowed the exemption granted pursuant to  
32 this section until it has complied with such requirements for  
33 obtaining the exemption as may be provided pursuant to P.L.1983,  
34 c.303 (C.52:27H-60 et al.) and P.L.1966, c.30 (C.54:32B-1 et seq.).

35 The Executive Director of the New Jersey **【Commerce**  
36 **Commission】** Economic Development Authority shall provide  
37 prompt notice to the President of the Board of Public Utilities and  
38 to the Director of the Division of Taxation in the Department of the  
39 Treasury, of a qualified business that has qualified for the  
40 exemption under this subsection, and shall provide the president  
41 and the director an annual list of all businesses that qualify.

42 c. (1) Retail sales of energy and utility service to a business  
43 facility located within a county that is designated for the **【50%】** 50  
44 percent tax exemption under section 1 of P.L.1993, c.373  
45 (C.54:32B-8.45) are exempt from the taxes imposed under the  
46 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.);  
47 provided that the business certifies that it employs at least **【50】** 38

1 people at that facility, at least ~~【50%】~~ 33 percent of whom are  
2 directly employed in a manufacturing process, and provided that the  
3 energy and utility services are consumed exclusively at that facility.

4 (2) A business facility that meets the requirements of paragraph  
5 (1) of this subsection may file an application for the energy and  
6 utility service sales tax exemption with the New Jersey ~~【Commerce~~  
7 ~~Commission】~~ Economic Development Authority, and the  
8 commission shall promulgate regulations and forms for that  
9 purpose. The New Jersey ~~【Commerce Commission】~~ Economic  
10 Development Authority shall process an application submitted  
11 under this paragraph within 20 business days of receipt thereof. An  
12 exemption shall commence for a business upon notice of approval  
13 of its application and shall expire for any year in which the business  
14 fails to meet the requirements of paragraph (1) of this subsection.  
15 Upon approval, the Executive Director of the New Jersey  
16 ~~【Commerce Commission】~~ Economic Development Authority shall  
17 provide prompt notice to the applicant and also shall provide  
18 prompt notice to the President of the Board of Public Utilities and  
19 to the Director of the Division of Taxation in the Department of the  
20 Treasury. The Executive Director of the New Jersey ~~【Commerce~~  
21 ~~Commission】~~ Economic Development Authority also shall provide  
22 the president and the director with an annual list of all businesses  
23 that have been approved under this subsection.

24 (cf: P.L.2007, c.253, s.41)

25  
26 8. This act shall take effect immediately

27  
28  
29 STATEMENT

30  
31 This bill reduces by 50 percent, the number of manufacturing  
32 jobs required to be eligible for New Jersey Economic Development  
33 Authority (EDA) financing and incentive programs.

34 The sales and use tax exemption program permits certain  
35 companies to obtain a sales tax exemption certificate for the  
36 purchase of items to construct or rehabilitate a new business  
37 location. Under the bill, a life science or manufacturing company  
38 relocating 125 full-time manufacturing jobs or 250 full-time non-  
39 manufacturing jobs may be eligible for the exemption. The  
40 program currently requires the relocation of 250 full-time  
41 employees regardless of whether the job is a manufacturing job or  
42 not.

43 The GROW NJ program provides tax credits to eligible  
44 businesses based upon defined job creation and capital investment  
45 criteria. Under the bill, the number of full-time jobs that must be  
46 created or retained to qualify for the GROW program is reduced by  
47 50 percent for manufacturing jobs, but remains the same for non-

1 manufacturing jobs. The definition of a mega project is altered so  
2 that the number of jobs that must be created to qualify as a mega  
3 project is reduced by 50 percent for manufacturing jobs, but  
4 remains the same for non-manufacturing jobs. The alternate benefit  
5 calculation for a GROW project in a Garden State Growth Zone  
6 which qualifies for the "Municipal Rehabilitation and Economic  
7 Recovery Act," divides the total capital investment by the number  
8 of jobs to be created, with the number of full-time manufacturing  
9 jobs used in this calculation being reduced by 50 percent for each  
10 investment and job creation category used to make the calculation.

11 The Urban Enterprise Zones (UEZ) manufacturers energy sales  
12 tax exemption allows UEZ certified manufacturers an exemption  
13 from the sales and use tax on electricity and natural gas and its  
14 transmission consumed at the UEZ certified location. Under the  
15 bill, the employment requirement for a business is reduced from  
16 250 full-time employees, with at least 50 percent being involved in  
17 the manufacturing process to 188 full-time employees with at least  
18 33 percent being involved in the manufacturing process.