

**ASSEMBLY, No. 3119**

---

**STATE OF NEW JERSEY**

**219th LEGISLATURE**

---

INTRODUCED FEBRUARY 24, 2020

**Sponsored by:**

**Assemblyman WAYNE P. DEANGELO**

**District 14 (Mercer and Middlesex)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Allows corporation business tax credits as incentives for redevelopment of distressed shopping centers.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/5/2020)**

1 AN ACT establishing tax credits for redevelopment of certain retail  
2 properties and supplementing P.L.1974, c.80 (C.34:1B-1 et seq.)  
3 and P.L.1945, c.162 (C.54:10A-1 et seq.).  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. As used in P.L. , c. (C. ) (pending before the  
9 Legislature as this bill):

10 "Authority" means the New Jersey Economic Development  
11 Authority established pursuant to section 4 of P.L.1974, c.80  
12 (C.34:1B-4).

13 "Developer" means the legal or beneficial owner or owners of a  
14 lot or of any land in this State, occupied by a distressed shopping  
15 center.

16 "Distressed shopping center" means a privately owned and  
17 operated commercial development, developed, owned and managed  
18 as a unit, consisting of a building or series of buildings on a  
19 common site, having at least 35,000 square feet of rental space for  
20 lease to at least three retail stores or service establishments, and an  
21 adjacent parking area to which the public is invited. Provided  
22 further, that the shopping center shall have met these requirements  
23 for a period of at least 10 years prior to the year for which the  
24 developer of the shopping center is first deemed eligible by the  
25 authority, pursuant to section 2 of P.L. , c. (C. ) (pending  
26 before the Legislature as this bill), to receive the credit allowed  
27 under section 3 of P.L. , c. (C. ) (pending before the  
28 Legislature as this bill) and shall have had for the year prior to the  
29 year for which the first credit is allowed an average rate of vacancy  
30 during that year of at least 35 percent of the total retail square  
31 footage available for lease during that year.

32 "Retail investment" means expenses of at least \$5,000 incurred  
33 to make improvements to an existing distressed shopping center,  
34 provided that such improvements are necessary, as determined  
35 according to standards established by the authority, to attract retail  
36 tenants to lease vacant properties and that the lease of such vacant  
37 properties are a benefit to the surrounding community.  
38

39 2. a. The authority shall establish a corporation business tax  
40 credit program to certify developers that make retail investments for  
41 improvements to distressed shopping centers as eligible to receive a  
42 credit against the tax imposed pursuant to section 5 of P.L.1945,  
43 c.162 (C.54:10A-5).

44 b. The authority, in cooperation with the Division of Taxation  
45 in the Department of the Treasury, shall review and approve  
46 applications by developers.

47 c. Taxpayers seeking to obtain a credit allowed pursuant to  
48 section 3 of P.L. , c. (C. ) (pending before the Legislature

1 as this bill) shall submit an application in a form as required by the  
2 authority. An application shall include information the authority  
3 determines is necessary to approve the credit.

4  
5 3. A taxpayer that is a developer and owner of a distressed  
6 shopping center, as certified by the New Jersey Economic  
7 Development Authority pursuant to section 2 of  
8 P.L. , c. (C. ) (pending before the Legislature as this  
9 bill), located in this State shall be allowed a credit against the tax  
10 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) not  
11 in excess of 50 percent of the amount of tax owed, up to \$15,000, in  
12 the distressed shopping center during the privilege period for which  
13 the credit is claimed, and such credit may be carried over, if  
14 necessary, to the 10 privilege periods after the credit is first  
15 allowed.

16  
17 4. The authority may adopt such rules and regulations pursuant  
18 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
19 1 et seq.) as may be necessary to effectuate the purposes of P.L. ,  
20 c. (C. ) (pending before the Legislature as this bill).

21  
22 5. This act shall take effect on the first day of the fourth month  
23 following enactment, but the authority may take such anticipatory  
24 administrative action in advance thereof as shall be necessary for  
25 the implementation of this act, and section 3 of this act shall apply  
26 to privilege periods commencing after enactment.

#### 27 28 29 STATEMENT 30

31 This bill directs the New Jersey Economic Development  
32 Authority (authority) to establish a program to certify taxpayers that  
33 make retail investments to redevelop partially or completely vacant  
34 shopping centers in New Jersey as eligible to receive a corporation  
35 business tax credit of up to \$15,000, but not exceeding the amount  
36 of 50 percent of corporation business tax owed by the taxpayer.

37 The bill defines a retail investment as expenses of at least \$5,000  
38 incurred to make improvements to existing distressed shopping  
39 centers provided that such improvements are necessary, as  
40 determined according to standards established by the authority, to  
41 attract retail tenants to lease vacant properties and that the lease of  
42 such vacant properties are a benefit to the community. The bill  
43 defines distressed shopping centers as shopping centers of at least  
44 35,000 square feet of retail rental space, with at least three retail  
45 establishments that have been at their location for at least 10 years  
46 and shall have had, for the year prior to the year for which the  
47 shopping center's developer is first deemed eligible by the authority

**A3119 DEANGELO, VERRELLI**

4

- 1 to receive a credit, an average rate of vacancy during that year of at
- 2 least 35 percent of the total retail square footage available for lease
- 3 during that year.