

SENATE, No. 1146

STATE OF NEW JERSEY

INTRODUCED MAY 16, 1996

By Senator SCOTT

1 AN ACT concerning the designation of an additional urban enterprise
2 zone and amending and supplementing P.L.1983, c.303.

3

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

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7 1. Section 3 of P.L.1983, c.303 (C.52:27H-62) is amended to read
8 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 business
15 in the State of New Jersey which, at the time of designation as an
16 enterprise zone, is engaged in the active conduct of a trade or business
17 in that zone; or an entity which, after that designation but during the
18 designation period, becomes newly engaged in the active conduct of
19 a trade or business in that zone and has at least 25% of its full-time
20 employees employed at a business location in the zone, meeting one or
21 more of the following criteria:

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

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

28 (3) Determined to be economically disadvantaged pursuant to the
29 Jobs Training Partnership Act, Pub.L.97-300 (29 U.S.C.1501 et seq.);

30 d. "Qualifying municipality" means any municipality in which there
31 was, in the last full calendar year immediately preceding the year in
32 which application for enterprise zone designation is submitted pursuant
33 to section 14 of P.L.1983, c.303 (C.52:27H-73), an annual average of
34 at least 2,000 unemployed persons, and in which the municipal average

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 annual unemployment rate for that year exceeded the State average
2 annual unemployment rate; except that any municipality which
3 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
4 seq.) shall qualify if its municipal average annual unemployment rate
5 for that year exceeded the State average annual unemployment rate.
6 The annual average of unemployed persons and the average annual
7 unemployment rates shall be estimated for the relevant calendar year
8 by the Office of Labor Statistics, Division of Planning and Research of
9 the State Department of Labor. In addition to those municipalities
10 that qualify pursuant to the criteria set forth above, that municipality
11 accorded priority designation pursuant to subsection e. of section 7 of
12 P.L.1983, c.303 (C.52:27H-66) [and], that municipality set forth in
13 paragraph (7) of section 3 of P.L.1995, c.382 (C.52:27H-66.1), and
14 that municipality designated pursuant to section 3 of P.L. , c.
15 (C.) (pending before the Legislature as this bill) shall be deemed
16 qualifying municipalities;

17 e. "Public assistance" means income maintenance funds
18 administered by the Department of Human Services or by a county
19 welfare agency;

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

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

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

43 i. "Enterprise zone assistance fund" or "assistance fund" means the
44 fund created by section 29 of P.L.1983, c.303 (C.52:27H-88).
45 (cf: P.L.1995, c.382, s.2)

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

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

25 a. One zone shall be located in a county of the second class with
26 a population greater than 595,000 and less than 675,000 according to
27 the latest federal decennial census and shall be located in the qualifying
28 municipality in that county with the highest annual average number of
29 unemployed persons and the highest average annual unemployment
30 rate for the 1992 calendar year according to the estimate by the State
31 Department of Labor;

32 b. Two zones shall be located in a county of the second class with
33 a population greater than 445,000 and less than 455,000 according to
34 the latest federal decennial census, one of which shall be located in the
35 qualifying municipality in that county with the highest annual average
36 number of unemployed persons and the highest average annual
37 unemployment rate for the 1992 calendar year according to the
38 estimate by the State Department of Labor, and one of which shall be
39 located in the qualifying municipality in that county with the second
40 highest annual average number of unemployed persons and the second
41 highest average annual unemployment rate for the 1992 calendar year
42 according to the estimate by the State Department of Labor;

43 c. One zone shall be located in a county of the third class with a
44 population greater than 84,000 and less than 92,000 according to the
45 latest federal decennial census and shall be located in the qualifying
46 municipality in that county with the highest annual average number of

1 unemployed persons and the highest average annual unemployment
2 rate for the 1992 calendar year according to the estimate by the State
3 Department of Labor;

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

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

10 (2) the two municipalities submit a joint application and zone
11 development plan; and

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

16 e. One zone shall be located within a municipality having a
17 population greater than 38,000 and less than 46,000 according to the
18 latest federal decennial census if the municipality is located within a
19 county of the fifth class with a population greater than 340,000 and
20 less than 440,000 according to the latest federal decennial census.

21 (cf: P.L.1995, c.382, s.1)

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23 3. (New section) The additional zone authorized pursuant to
24 P.L. , c. (C.) (pending before the Legislature as this bill)
25 shall be designated within 90 days of the date of the submittal of an
26 application and zone development plan. The authority shall accept
27 applications within 90 days of the effective date of P.L. , c.
28 (C.) (pending before the Legislature as this bill) for that zone
29 that fulfills the criteria set forth in this section. Notwithstanding the
30 provisions of P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary,
31 the additional enterprise zone to be designated by the authority
32 pursuant to the criteria for priority consideration set forth in this
33 section shall be entitled to an exemption to the extent of 50% of the
34 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
35 (C.54:32B-1 et seq.). In order to be accorded priority consideration
36 for designation as an enterprise zone pursuant to P.L. , c.
37 (C.) (pending before the Legislature as this bill), the zone shall
38 be located in a qualifying municipality with a population greater than
39 34,000 and less than 35,700 persons according to the latest federal
40 decennial census in a county of the first class with a population of over
41 778,000 and a population density greater than 6,000 persons per
42 square mile persons according to the latest federal decennial census.

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45 4. This act shall take effect on the first day of the third month
46 following enactment, but the State Treasurer and the Commissioner of

1 Commerce and Economic Development may take such anticipatory
2 actions as may be necessary for the timely implementation of this act
3 upon the effective date thereof.

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STATEMENT

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8 This bill requires the New Jersey Urban Enterprise Zone Authority
9 to designate an additional enterprise zone, and also would provide that
10 the additional zone would be located in a qualifying municipality with
11 a population of over 34,000 and under 35,700 persons according to
12 the latest federal decennial census in a county of the first class with a
13 population of over 778,000 and a population density of over 6,000
14 persons per square mile according to the 1990 federal decennial
15 census.

16 Although the municipality is not currently defined as "qualifying"
17 under existing law, the bill amends the definition of "qualifying"
18 municipality to include the municipality being designated under this
19 bill.

20 The bill further provides that notwithstanding the provisions of
21 P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the additional
22 enterprise zone to be designated by the authority under this bill shall
23 be entitled to an exemption to the extent of 50 percent of the tax
24 imposed under the "Sales and Use Tax Act," P.L.1966, c.30
25 (C.54:32B-1 et seq.).

26 This bill would bring the total number of designated enterprise
27 zones authorized under law up to 28. According to the most recent
28 census, the municipality newly authorized under this bill is Belleville
29 Township.

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Authorizes designation of additional urban enterprise zone.