

[First Reprint]

ASSEMBLY, No. 5580

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 5, 2021

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

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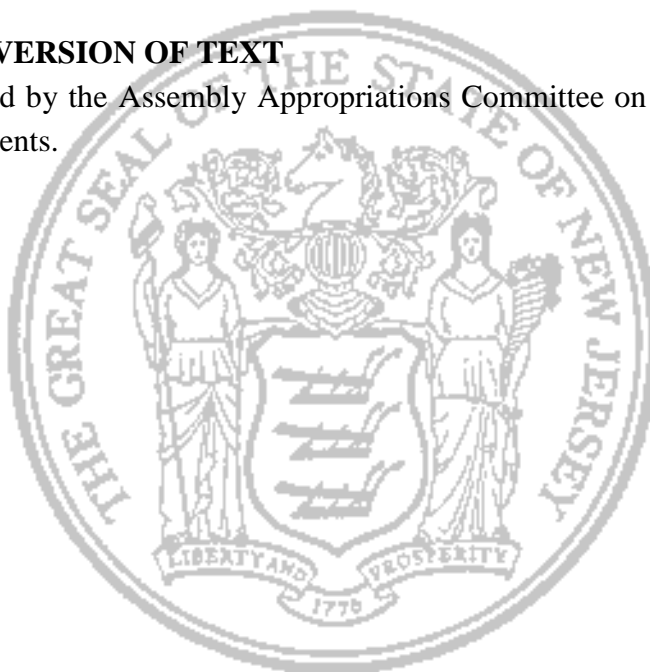
Assemblyman Armato, Assemblywoman Jimenez, Assemblymen Mukherji and Verrelli

SYNOPSIS

Restores and revises Urban Enterprise Zone program.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 16, 2021, with amendments.



(Sponsorship Updated As Of: 6/1/2021)

1 AN ACT concerning urban enterprise zones, amending P.L.2001,
 2 c.347 and P.L.1989, c.207, amending and supplementing
 3 P.L.1983, c.303, and repealing various parts of the statutory law.

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

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

10 3. As used in **[this act]** P.L.1983, c.303 (C.52:27H-60 et seq.):

11 a. "Enterprise zone" or "zone" means an urban enterprise zone
 12 designated by the authority pursuant to **[this act]** P.L.1983, c.303
 13 (C.52:27H-60 et seq.);

14 b. "Authority" or "UEZ Authority" means the New Jersey Urban
 15 Enterprise Zone Authority created by **[this act]** P.L.1983, c.303
 16 (C.52:27H-60 et seq.);

17 c. "Qualified business" means any entity authorized to do
 18 business in the State of New Jersey which, at the time of designation
 19 as an enterprise zone or a UEZ-impacted business district, is engaged
 20 in the active conduct of a trade or business in that zone or district; or
 21 an entity which, after that designation but during the designation
 22 period, becomes newly engaged in the active conduct of a trade or
 23 business in that zone or district and has at least **[25%]** 25 percent of
 24 its full-time employees employed at a business location in ¹**[the zone**
 25 **or district, [meeting] which zone or district meets the criteria set forth**
 26 **in]** an eligible block group as defined under¹ section 12 of P.L. , c.
 27 (C.) (pending before the Legislature as this bill), ¹**[or is an**
 28 industrial business located in an industrial hub,]¹ and which
 29 employees meet one or more of the following criteria:

30 (1) Residents within the zone, the district, within another zone or
 31 within a qualifying municipality; or

32 (2) Unemployed for at least six months prior to being hired and
 33 residing in New Jersey, and recipients of New Jersey public assistance
 34 programs for at least six months prior to being hired, or either of the
 35 aforesaid; or

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

39 Approval as a qualified business shall be conditional upon meeting
 40 all outstanding tax obligations, and may be withdrawn by the authority
 41 if a business is continually delinquent in meeting its tax obligations;

42 d. "Qualifying municipality" means any municipality **[in which**
 43 **there was, in the last full calendar year immediately preceding the year**
 44 **in which application for enterprise zone designation is submitted**
 45 **pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73), an annual**

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹**Assembly AAP committee amendments adopted June 16, 2021.**

1 average of at least 2,000 unemployed persons, and in which the
2 municipal average annual unemployment rate for that year exceeded
3 the State average annual unemployment rate; except that any
4 municipality which qualifies for State aid pursuant to P.L.1978, c.14
5 (C.52:27D-178 et seq.) shall qualify if its municipal average annual
6 unemployment rate for that year exceeded the State average annual
7 unemployment rate. The annual average of unemployed persons and
8 the average annual unemployment rates shall be estimated for the
9 relevant calendar year by the Office of Labor Planning and Analysis of
10 the State Department of Labor and Workforce Development. In
11 addition to those municipalities that qualify pursuant to the criteria set
12 forth above, that municipality accorded priority designation pursuant
13 to subsection e. of section 7 of P.L.1983, c.303 (C.52:27H-66), those
14 municipalities set forth in paragraph (7), paragraph (8) of section 3 of
15 P.L.1995, c.382 (C.52:27H-66.1), and paragraph (9) of section 3 of
16 P.L.1995, c.382 as amended by section 3 of P.L.2004, c.75 (C.52:27H-
17 66.1), and the municipalities in which the three additional enterprise
18 zones, including the joint enterprise zone, are to be designated
19 pursuant to criteria according priority consideration for designation of
20 the zones pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7)
21 shall be deemed qualifying municipalities] 'I;

22 (1)]¹ that was previously designated as a qualifying municipality
23 prior to the effective date of P.L. , c. (pending before the
24 Legislature as this bill) 'I; or

25 (2) that is among the top 20 percent of the most distressed New
26 Jersey municipalities according to the most recent Municipal
27 Revitalization Index, and;

28 (a) in which the share of parcels accounted for by commercial and
29 industrial property exceeds the Statewide average of commercial and
30 industrial parcels according to the most recently released Property
31 Value Classification prepared by the Department of the Community
32 Affairs, and

33 (b) which has an unemployment rate that exceeds the most recent
34 annual Statewide unemployment rate]¹;

35 e. "Public assistance" means income maintenance funds
36 administered by the Department of Human Services or by a county
37 welfare agency;

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

44 g. "Zone development plan" means a plan adopted by the
45 governing body of a qualifying municipality for the development of an
46 enterprise zone therein, and for the direction and coordination of
47 activities of the municipality, zone businesses and community

1 organizations within the enterprise zone toward the economic
2 betterment of the residents of the zone and the municipality;

3 h. "Zone neighborhood association" means a corporation or
4 association of persons who either are residents of, or have their
5 principal place of employment in, a municipality in which an
6 enterprise zone has been designated pursuant to **[this act]** P.L.1983,
7 c.303 (C.52:27H-60 et seq.); which is organized under the provisions
8 of Title 15 of the Revised Statutes or Title 15A of the New Jersey
9 Statutes; and which has for its principal purpose the encouragement
10 and support of community activities within, or on behalf of, the zone
11 so as to (1) stimulate economic activity, (2) increase or preserve
12 residential amenities, or (3) otherwise encourage community
13 cooperation in achieving the goals of the zone development plan;

14 i. "Enterprise zone assistance fund" or "assistance fund" means
15 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
16 **[and]**

17 j. "UEZ-impacted business district" or "district" means an
18 economically-distressed business district classified by the authority as
19 having been negatively impacted by two or more adjacent urban
20 enterprise zones in which **[50%]** 50 percent less sales tax is collected
21 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);

22 k. "Block group" means statistical divisions of census tracts, that
23 are generally defined by the United States Census Bureau to contain
24 between 600 and 3,000 people and are used to present data and control
25 block numbering;

26 l. "Municipal Revitalization Index" means the index developed,
27 maintained, and updated from time to time, by the Department of
28 Community Affairs ranking New Jersey's municipalities according to
29 separate indicators that measure diverse aspects of social, economic,
30 physical, and fiscal conditions in each locality;

31 m. "Qualified assistance fund expense" means any reasonable
32 expense related to:

33 (1) a construction project improving, altering, or repairing the real
34 property of a qualified business located in an enterprise zone;

35 (2) full or part time economic and community development
36 positions in the municipality, other governmental, or not-for-profit
37 organization, or marketing;

38 (3) loans, grants, and guarantees to businesses;

39 (4) payroll expenses ¹, personnel, services,¹ and equipment
40 purchases primarily for the provision of law enforcement, fire
41 protection, or emergency medical services within commercial and
42 transportation corridors ¹located exclusively in an enterprise zone¹;

43 (5) planning and other professional services related to economic
44 and community development;

45 (6) cleaning and maintenance of commercial and transportation
46 corridors;

1 (7) the improvement of public infrastructure in a commercial or
2 transportation corridor;

3 (8) the improvement of public infrastructure related to a
4 commercial, industrial, mixed use, or multi-family residential
5 property; ¹or¹

6 (9) employment and training programs ¹; or

7 (10) events meant to support and draw activity into the enterprise
8 zone, including fairs, festivals, and concerts¹.

9 n. “UEZ coordinator” means an individual designated by a
10 qualified municipality or zone development corporation as the
11 individual in charge of the activities related to the Urban Enterprise
12 Zone program in that municipality;

13 o. “UZ-2 certification” means the UEZ Authority’s certification
14 of a qualified business, pursuant to section 21 of P.L.1983, c.303
15 (C.52:27H-80), allowing the qualified business an exemption to the
16 extent of 50 percent of the tax imposed under the "Sales and Use Tax
17 Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales transaction
18 physically occurs within an enterprise zone. The qualified business
19 may deliver merchandise to the purchaser at a location outside an
20 enterprise zone provided the sales transaction was physically made
21 within the enterprise zone. The regular tax rate shall be charged for
22 mail order, telephone, internet, and similar sales transactions delivered
23 within the State;

24 p. “UZ-4 certification” means the UEZ Authority’s certification
25 of a qualified business, pursuant to section ¹12¹ 8¹ of P.L. , c.
26 (C.) (pending before the Legislature as this bill), allowing a
27 contractor of the qualified business to make tax-free purchases of
28 materials, supplies, and services for the exclusive use of erecting a
29 structure or building on, or ¹substantially¹ improving, altering, or
30 repairing, the real property of a qualified business located in an
31 enterprise zone at the address indicated on the qualified business’s
32 application for certification to the UEZ Authority;

33 q. “UZ-5 certification” means the UEZ Authority’s certification
34 of a qualified business, ¹12¹ pursuant to section 12 of P.L. , c. (C.)
35 (pending before the Legislature as this bill)] as defined under section
36 20 of P.L.1983, c.303 (C.52:27H-79)¹, allowing the qualified business
37 to make tax-free purchases of office and business equipment and
38 supplies, furnishings, trade fixtures, repair, or construction materials
39 and all other tangible personal property (other than motor vehicles and
40 motor vehicle parts and supplies) for the exclusive use or consumption
41 on the premises of the qualified business within an enterprise zone at
42 an address indicated on the qualified business’s application for
43 certification to the UEZ Authority. The exemption may be used only
44 for personal property controlled by the qualified business. This
45 exemption shall also apply to delivery charges and charges for services
46 performed for a qualified business at its zone location, including
47 repair, janitorial, and maintenance services;

1 r. “Economic Distress Index” means a standardized score
 2 developed and maintained by the Department of Community Affairs
 3 that equally incorporates the block group unemployment rate and
 4 median household income according to the most recent five-year
 5 estimate by the United States Census Bureau;

6 s. ¹“Major job center” means a block group with an Economic
 7 Distress Index score greater than or equal to the 50th percentile and in
 8 which the jobs per square mile meets or exceeds the State average
 9 according to the most recent estimate by the United States Census
 10 Bureau;

11 t. “Industrial hub” means a block group with 100 or more persons
 12 employed by industrial businesses;

13 u. “Industrial business” means a business with a North American
 14 Industry Classification System code of 11 (Agriculture, Forestry,
 15 Fishing and Hunting), 21 (Mining), 22 (Utilities), 23 (Construction),
 16 31-33 (Manufacturing), 42 (Wholesale Trade), or 48-49
 17 (Transportation and Warehousing);

18 v. ¹“Commercial corridor” means the land area with frontage on
 19 a State, county, local, or rail thoroughfare in an enterprise zone which
 20 is predominantly commercial or industrial; and

21 ¹【w.】 t. ¹ “Transportation corridor” means a broad geographical
 22 band that follows a general directional flow or connects major sources
 23 of trips. It may contain a number of streets and highways and transit
 24 lines or routes.

25 (cf: P.L.2006, c.34, s.3)

26
 27 2. Section 4 of P.L.1983, c.303 (C.52:27H-63) is amended to
 28 read as follows:

29 4. a. There is created the New Jersey Urban Enterprise Zone
 30 Authority, which shall consist of:

31 (1) The **【Executive Director】** chief executive officer of the New
 32 Jersey Economic Development Authority **【**, who shall be the chair
 33 of the authority**】**;

34 (2) The Commissioner of the Department of Community
 35 Affairs, who shall be the chair of the UEZ Authority;

36 (3) The Commissioner of the Department of Labor and
 37 Workforce Development;

38 (4) The State Treasurer; **【and】**

39 (5) The chief executive officer of the New Jersey
 40 Redevelopment Authority; and

41 (6) **【Five】** Four public members not holding any other office,
 42 position or employment in the State Government, nor any local
 43 elective office, who shall be appointed by the Governor with the
 44 advice and consent of the Senate, and who shall be qualified for
 45 their appointments by training and experience in the areas of local
 46 government finance, economic development and redevelopment, or
 47 volunteer civic service and community organization. No more than

1 **【three】** two public members shall be of the same political party. At
2 least one public member of the authority shall reside within an
3 enterprise zone; however, the provisions of this section shall apply
4 only to members appointed or reappointed after the effective date of
5 P.L.2001, c.347 (C.52:27H-66.2 et al.).

6 b. **【The public members of the authority shall serve for terms**
7 **of five years, except that of the members first appointed, one shall**
8 **serve for a term of one year, one shall serve for a term of two years,**
9 **one shall serve for a term of three years, one shall serve for a term**
10 **of four years, and one shall serve for a term of five years.**
11 **Vacancies in the public membership shall be filled in the manner of**
12 **the original appointments but for the unexpired terms.】** (Deleted
13 by amendment, P.L. , c.) (pending before the Legislature as
14 this bill)

15 c. An ex officio member of the authority may, from time to
16 time, designate in writing to the authority an official within his
17 respective department to attend and represent the department at the
18 meetings of the authority from which the ex officio member is
19 absent, and that designated representative shall be entitled to vote
20 and otherwise act for the ex officio member at those meetings.

21 d. A true copy of the minutes of every meeting of the authority
22 shall be forthwith delivered by and under the certification of the
23 secretary thereof to the Governor. No action taken at such meeting
24 by the authority shall have force or effect until 10 days, Saturdays,
25 Sundays, and public holidays excepted, after the copy of the
26 minutes shall have been so delivered, unless during such 10-day
27 period the Governor shall approve the same, in which case such
28 action shall become effective upon such approval. If, in that 10-day
29 period, the Governor returns such copy of the minutes with veto of
30 any action taken by the authority or any member thereof at such
31 meeting, such action shall be null and void and of no effect.

32 e. The UEZ Authority, reconstituted pursuant to P.L. ,
33 c. (C.) (pending before the Legislature as this bill), shall hold
34 an initial meeting on the first business day of the third month
35 following the date of enactment of P.L. , c. (C.) (pending
36 before the Legislature as this bill). The public members of the UEZ
37 Authority shall serve for terms of five years, except that of the
38 members first appointed to the reconstituted UEZ Authority
39 pursuant to P.L. , c. (C.) (pending before the Legislature as
40 this bill), one shall serve for a term of two years, one shall serve for
41 a term of three years, one shall serve for a term of four years, and
42 one shall serve for a term of five years. Vacancies in the public
43 membership shall be filled in the manner of the original
44 appointments but for the unexpired terms.

45 (cf: P.L.2008, c.27, s.29)

46
47 3. Section 3 of P.L.2001, c.347 (C.52:27H-66.2) is amended to
48 read as follows:

3. The authority shall designate a classification known as a "UEZ-impacted business district" for a municipality which can demonstrate to the authority that its business district is economically distressed and is being negatively impacted by the presence of two or more adjacent enterprise zones in which ~~【50%】~~ 50 percent less sales tax is collected pursuant to section 21 of P.L. 1983, c. 303 (C.52:27H-80). Following the effective date of P.L. , c. (pending before the Legislature as this bill), the UEZ Authority shall not designate a business district as a UEZ-impacted business district. Any designation as a UEZ-impacted business district existing on the effective date of P.L. , c. (pending before the Legislature as this bill) shall expire on the first day of the third year next following the effective date of P.L. , c. (pending before the Legislature as this bill) ¹【or upon certification of the UEZ-impacted business district as an enterprise zone, whichever occurs first】¹.

(cf: P.L.2001, c.347, s.3)

4. Section 9 of P.L.1983, c.303 (C.52:27H-68) is amended to read as follows:

9. a. ¹【Before】 Prior to the effective date of P.L. , c. (pending before the Legislature as this bill, ¹【applying】 the governing body of a qualifying municipality may apply for designation 【of】 as an enterprise zone, the municipal governing body shall cause a preliminary zone development plan to be formulated, either by a zone development corporation or by the governing body, with the assistance of those officers and agencies of the municipality as the governing body may see fit. 【The】 For a municipality with a zone development plan that was approved more than five years prior to the effective date of P.L. , c. (pending before the Legislature as this bill), the governing body of the municipality shall submit an updated preliminary zone development plan pursuant to this section. In formulating ¹【a】 an updated¹ preliminary zone development plan pursuant to this section, a zone development corporation or the governing body of the municipality shall consult with representatives of diverse Statewide or regional business organizations that represent the interests of minority businesses, as defined in section 2 of P.L.1986, c. 195 (C.52:27H-21.18), which organizations shall have no less than 30 days to review a proposed preliminary zone development plan and submit comments to the zone development corporation or governing body. Each preliminary zone development plan shall 【set forth the boundaries of the proposed enterprise zone,】 ¹set forth the boundaries of the enterprise zone and¹ include findings of fact concerning the economic and social conditions existing in the ¹【area proposed for an】¹ enterprise zone, and the municipality's policy and intentions for addressing these conditions, and may include proposals respecting:

1 **【a.】** (1) Utilizing the powers conferred on the municipality by
2 law for the purpose of stimulating investment in and economic
3 development of the ¹**【proposed】**¹ zone;

4 **【b.】** (2) Utilizing State assistance through the provisions of **【this**
5 **act】** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to **【exemptions**
6 **from, and credits against,】** State **【taxes】** tax benefits and enterprise
7 zone assistance funds;

8 **【c.】** (3) Securing the involvement in, and commitment to, zone
9 economic development by private entities, including zone
10 neighborhood associations, voluntary community organizations
11 supported by residents and businesses in the zone;

12 **【d.】** (4) Utilizing the powers conferred by law to revise
13 municipal planning and zoning ordinances and other land use
14 regulations as they pertain to the zone, in order to enhance the
15 attraction of the zone to prospective developers;

16 **【e.】** (5) Increasing the availability and efficiency of support
17 services, public and private, generally used by and necessary to the
18 efficient functioning of commercial and industrial facilities in the area,
19 and the extent to which the increase or improvement is to be provided
20 and financed by the municipal government or by other entities.

21 b. (1) The governing body of a municipality may request from
22 the UEZ Authority an amount not to exceed 10 percent of the
23 municipality's zone assistance fund allocation or \$125,000, whichever
24 is greater, to fund, in whole or in part, the costs associated with
25 formulating a preliminary zone development plan, which amount the
26 governing body may use to pay employees, or to retain a consultant, to
27 formulate the plan. Prior to soliciting a consultant to formulate the
28 plan with these funds, the governing body of a municipality shall
29 submit to the UEZ Authority the proposed solicitation.

30 (2) The UEZ Authority shall review the proposed solicitation and
31 may provide recommended modifications to the proposed solicitation.
32 The governing body of a municipality or a zone development
33 corporation may incur expenses related to the preparation of the
34 preliminary zone development plan for potential reimbursement at a
35 later time by the UEZ Authority ¹from the municipality zone
36 assistance fund account¹, provided the authority determines the
37 expenses are reasonable. The governing body of a municipality or a
38 zone development corporation shall complete a preliminary zone
39 development plan with assistance from the UEZ Authority, as needed,
40 in accordance with a timeline established by the authority pursuant to
41 rules, regulations, or guidelines adopted by the authority.

42 (3) Within 14 days of receipt, unless the authority finds material
43 deficiencies in a preliminary zone development plan, the authority
44 shall approve and certify the preliminary zone development plan as the
45 zone development plan. The zone development plan shall be the plan
46 according to which the Urban Enterprise Zone program shall be
47 administered in that zone, and certification of the plan shall

1 ¹["constitute the authority's designation or re-designation of the
2 municipality as an enterprise zone]" enable the municipality to access
3 assistance from the enterprise zone assistance fund described in
4 section 10 of P.L. , c. (C.) (pending before the Legislature as
5 this bill)¹. Should the authority find deficiencies with a preliminary
6 zone development plan, it shall provide a corrective action plan to the
7 municipality.

8 ¹[(4) Notwithstanding the provisions of subsection g. of section 5
9 of P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary,
10 approval by the authority of the zone development plan for an
11 enterprise zone coterminous with the borders of a municipality shall
12 not be considered sufficient for the determination that the area is in
13 need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
14 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
15 exemptions within the enterprise zone district pursuant to the
16 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the adoption
17 of a tax abatement and exemption ordinance pursuant to the provisions
18 of P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however, the
19 authority's certification of a final eligible block group within an
20 enterprise zone pursuant to section 12 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), shall be considered sufficient for
22 the determination that an area within a final eligible block group is in
23 need of redevelopment for the purpose of granting tax exemptions
24 within the eligible block group pursuant to the provisions of P.L.1991,
25 c.431 (C.40A:20-1 et seq.) and the adoption of a tax abatement and
26 exemption ordinance pursuant to the provisions of P.L.1991, c.441
27 (C.40A:21-1 et seq.).]"¹

28 c. If no zone development plan is in place, upon petition of the
29 zone development corporation or governing body of the municipality,
30 the UEZ Authority may grant a distribution from that municipality's
31 zone assistance fund account for an eligible project that responds to an
32 impact of a public health emergency or state of emergency declared by
33 the Governor. ¹A zone development corporation or governing body of
34 a municipality without a zone development plan in place, which can
35 demonstrate to the UEZ Authority an actionable and feasible plan to
36 carry out a project eligible for zone assistance funds, and which can
37 demonstrate a reliance on zone assistance funding, may petition the
38 authority for a distribution from that municipality's zone assistance
39 fund account prior to the authority's approval of an updated
40 preliminary zone development plan.¹

41 d. No zone development plan shall remain in force once it has
42 been certified by the UEZ Authority for more than five years. The
43 governing body of a municipality or zone development corporation
44 shall follow the process enumerated in subsections a. and b. of this
45 section to ensure a zone development plan remains current to protect
46 against lapse of enterprise zone designation.

1 e. Notwithstanding the provisions of this section to the contrary, a
 2 qualified business in an enterprise zone having such qualified status
 3 immediately preceding the effective date of P.L. , c. (pending
 4 before the Legislature as this bill), and which is qualified under P.L.
 5 , c. (pending before the Legislature as this bill), shall remain eligible
 6 for the exemptions from the tax imposed under the "Sales and Use Tax
 7 Act," P.L.1966, c.30 (C.54:32B-1 et seq.), pursuant to sections 20 and
 8 21 of P.L.1983, c.303 (C.52:27H-79 and C.52:27H-80), and shall be
 9 eligible for the exemption under section 8 of P.L. , c. (C.)
 10 (pending before the Legislature as this bill) even if the municipality in
 11 which the business is located fails to submit a zone development plan
 12 in accordance with this section; provided, however, a municipality
 13 failing to submit a zone development plan under this section shall not
 14 be eligible for loans, grants, and other assistance from the UEZ
 15 Authority, ¹and shall not be allowed a distribution from that
 16 municipality's zone assistance fund,¹ except as provided for in
 17 subsection c. of this section, until a revised zone development plan is
 18 submitted and approved by the UEZ Authority.
 19 (cf: P.L.1983, c.539, s.1)

20
 21 5. Section 10 of P.L.1983, c.303 (C.52:27H-69) is amended to
 22 read as follows:

23 10. **¹[a.]** An area defined by a continuous border within one
 24 qualifying municipality **【**or within two or more contiguous qualifying
 25 municipalities and two noncontiguous areas each having a continuous
 26 border within two noncontiguous qualifying municipalities**】** shall be
 27 eligible for designation as a zone if:

28 **¹[a.] ¹[(1)] a.** It has been designated an "area in need of
 29 rehabilitation" pursuant to Article VIII, Section I, paragraph 6 of the
 30 Constitution of the State of New Jersey **【**and P.L.1977, c.12 (C.54:4-
 31 3.95 et seq.)**】**; or is qualified for that designation in the judgment of
 32 the authority; and

33 **¹[b.] ¹[(2)] b.** It meets the criteria established by the authority
 34 pursuant to **【**this act**】** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to
 35 the incidence of poverty, unemployment and general economic
 36 distress.

37 **¹[b. In addition to areas eligible for designation as a zone pursuant**
 38 **¹to subsection a. of this section, an area shall be eligible for designation**
 39 **¹as an enterprise zone if the municipality in which the area is located is**
 40 **¹among the top 20 percent of the most distressed New Jersey**
 41 **¹municipalities, according to the most recent Municipal Revitalization**
 42 **¹Index, and:**

43 **¹(1) the share of parcels accounted for by commercial and industrial**
 44 **¹property within the municipality exceeds the Statewide average of**
 45 **¹commercial and industrial parcels according to the most recently**
 46 **¹released Property Value Classification prepared by the Department of**
 47 **¹the Community Affairs, and**

1 (2) the municipality has an unemployment rate that exceeds the
2 most recent annual Statewide unemployment rate.

3 c. If a county does not contain an area that qualifies to be
4 designated as an enterprise zone, the UEZ Authority may, upon
5 application, designate as an enterprise zone the area within the county
6 which is in the most distressed municipality in the county according to
7 the most recent Municipal Revitalization Index.

8 d. In the case of a qualifying municipality with a population
9 exceeding 5,000, designation as a zone shall be contingent upon such
10 municipality appointing a full-time economic development officer,
11 who may also serve as the UEZ Coordinator, or establishing a zone
12 development corporation.】¹

13 (cf: P.L.1993, c.367, s.5)

14
15 6. Section 13 of P.L.1983, c.303 (C.52:27H-72) is amended to
16 read as follows:

17 13. a. In designating eligible areas as enterprise zones, the
18 authority shall **【accord preference to】** approve zone development
19 plans which:

20 (1) Have **【the greatest】** potential for success in stimulating
21 primarily new economic activity in the area;

22 (2) Are designed to address **【the greatest degree of】** urban
23 distress, as measured by existing levels of unemployment, poverty, and
24 property tax arrearages;

25 (3) Demonstrate **【the most】** substantial and reliable commitments
26 of resources by zone businesses, zone neighborhood associations,
27 voluntary community organizations and other private entities to the
28 economic success of the zone;

29 (4) Demonstrate **【the most】** substantial effort and commitment by
30 the municipality to encourage economic activity in the area and to
31 remove disincentives for job creation compatible with the fiscal
32 condition of the municipality.

33 b. In addition to the considerations set forth in subsection a. of this
34 section, the authority in evaluating a zone development plan for
35 designation purposes shall consider:

36 (1) The likelihood of attracting federal assistance to projects in the
37 eligible area, and of obtaining federal designation of the area as an
38 enterprise zone for federal tax purposes;

39 (2) The adverse or beneficial effects of an enterprise zone located
40 at the proposed area upon economic development activities or projects
41 of State or other public agencies which are in operation, or are
42 approved for operation, in the qualifying municipality;

43 (3) The degree of commitment made by public and private entities
44 to utilize minority contractors and assure equal opportunities for
45 employment in connection with any construction or reconstruction to
46 be undertaken in the eligible area;

1 (4) The impact of the zone development plan upon the social,
2 natural and historic environment of the eligible area;

3 (5) The degree to which the implementation of the plan involves
4 the relocation of residents from the eligible area, and the adequacy of
5 commitments and provisions with respect thereto.

6 c. A designated zone that is operative on the effective date of
7 P.L. , c. (pending before the Legislature as this bill) shall remain a
8 designated zone until the end of the 10th State fiscal year next
9 following the effective date of P.L. , c. (pending before the
10 Legislature as this bill). ¹The authority shall not designate new
11 enterprise zones following the effective date of P.L. , c. (pending
12 before the Legislature as this bill).¹

13 ¹[d. (1) On the first day of the ninth State fiscal year next
14 following the effective date of P.L. , c. (pending before the
15 Legislature as this bill), the UEZ Authority shall determine which
16 zones are within municipalities that are among the top 20 percent of
17 the most distressed New Jersey municipalities, according to the most
18 recent Municipal Revitalization Index, and whether:

19 (a) the share of parcels accounted for by commercial and industrial
20 property within each municipality exceeds the Statewide average of
21 commercial and industrial parcels according to the most recently
22 released Property Value Classification prepared by the Department of
23 the Community Affairs, and

24 (b) each municipality has an unemployment rate that exceeds the
25 most recent annual Statewide unemployment rate.

26 (2) (a) A zone located within a municipality that does not meet
27 the criteria set forth in paragraph (1) of this subsection shall be
28 ineligible for designation as an enterprise zone at the close of the 10th
29 State fiscal year after the effective date of P.L. , c. (pending before
30 the Legislature as this bill).

31 (b) A zone located within a municipality that meets the criteria set
32 forth in paragraph (1) of this subsection shall be designated an
33 enterprise zone for an additional 10 years.

34 e. (1) Notwithstanding the provisions of section 10 of P.L.1983,
35 c.303 (C.52:27H-69), section 2 of P.L.1985, c.391 (C.52:27H-69.1), or
36 any other law or regulation to the contrary, boundaries of each zone
37 shall be coterminous with borders of an eligible municipality
38 beginning on the effective date of P.L. , c. (pending before the
39 Legislature as this bill).

40 (2) Notwithstanding the provisions of subsection g. of section 5 of
41 P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary, the
42 extension of the boundaries of a zone to be coterminous with the
43 borders of a municipality pursuant to this subsection shall not be
44 considered sufficient for the determination that the area is in need of
45 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
46 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
47 exemptions within the enterprise zone district pursuant to the
48 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the adoption

1 of a tax abatement and exemption ordinance pursuant to the provisions
 2 of P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however,
 3 certification of a final eligible block group within an enterprise zone
 4 certified pursuant to section 12 of P.L. , c. (C.) (pending before
 5 the Legislature as this bill) shall be considered sufficient for the
 6 determination that an area within a final eligible block group is in need
 7 of redevelopment for the purpose of granting tax exemptions within
 8 the eligible block group pursuant to the provisions of P.L.1991, c.431
 9 (C.40A:20-1 et seq.) and the adoption of a tax abatement and
 10 exemption ordinance pursuant to the provisions of P.L.1991, c.441
 11 (C.40A:21-1 et seq.).

12 f. Following the effective date of P.L. , c. (pending before the
 13 Legislature as this bill), the UEZ Authority may designate enterprise
 14 zones from among qualifying municipalities determined to be eligible
 15 notwithstanding the limitation on the number of eligible zones set forth
 16 in section 7 of P.L.1983, c.303 (C.52:27H-66), section 3 of P.L.1995,
 17 c.382 (C.52:27H-66.1), and section 12 of P.L.2001, c.347 (C.52:27H-
 18 66.7).】¹
 19 (cf: P.L.1983, c.303, s.13)

21 7. Section 20 of P.L.1983, c.303 (C.52:27H-79) is amended to
 22 read as follows:

23 20. a. ¹**【Receipts】** Except as provided in subsection b. of section
 24 11 of P.L. , c. (C.) (pending before the Legislature as this bill),
 25 receipts¹ from ¹the first \$100,000 of¹ retail sales of tangible personal
 26 property (except motor vehicles and energy) and sales of services
 27 (except telecommunications services and utility services) to a qualified
 28 business for the exclusive use or consumption of such business within
 29 an enterprise zone are exempt from the taxes imposed under the "Sales
 30 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) ¹; provided,
 31 however, a supermarket or grocery store located in a food desert
 32 community, as defined in section 37 of P.L.2020, c.156 (C.34:1B-
 33 305) shall be eligible for such tax exemption, notwithstanding the limit
 34 imposed pursuant to this subsection¹.

35 b. (Deleted by amendment, P.L.2011, c.28)

36 c. As used in this section:

37 "Qualified business" includes a person who is certified as a
 38 qualified business by the authority **【**on or before the date a claim for
 39 refund is made and filed with the Director of the Division of Taxation
 40 in the Department of the Treasury pursuant to subsection e. of this
 41 section**】** and provided a UZ-5 certification by the authority ¹**【**pursuant
 42 to subsection d. or f. of section 12 of P.L. , c. (C.) (pending
 43 before the Legislature as this bill)**】** . A person who is certified as a
 44 qualified business may apply to the authority for a UZ-5 certification
 45 provided the person owns or leases and regularly operates a place of
 46 business located in an eligible block group, as defined in subsection a.
 47 of section 12 of P.L. , c. (C.) (pending before the Legislature

as this bill). The Department of the Treasury shall provide to a qualified business a certificate evidencing its UZ-5 certification, which certificate shall indicate the location at which the sales tax exemption provided for in this section is available¹.

d. (Deleted by amendment, P.L.2011, c.28)

e. **[(1) Notwithstanding the provisions of section 20 of P.L.1966, c.30 (C.54:32B-20) and the provisions of R.S.54:49-14, the Director of the Division of Taxation in the Department of the Treasury shall refund to a person who is a qualified business the amount of any sales tax or any use tax paid by the person in connection with that person's purchase of tangible personal property or services that is exempt, pursuant to subsection a. of this section, from the taxes imposed by P.L.1966, c.30 (C.54:32B-1 et seq.) if the person who is a qualified business makes and files a claim for refund with the director within one year of the date the payment of tax for purchase is made.**

(2) A person who is a qualified business shall make and file a claim for refund on such forms, and accompanied by auditable receipts and such other documentation, as the director may prescribe.]
 (Deleted by amendment, P.L. , c.) (pending before the Legislature as this bill)

(cf: P.L.2011, c.28, s.1)

8. (New section) a. Receipts from ¹the first \$100,000 of¹ retail sales of materials, supplies, and services for the exclusive use of erecting structures or buildings on, or improving, altering or repairing the real property of a qualified business, or a contractor hired by the qualified business to make such improvements, alterations, or repairs, are exempt from the taxes imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) ¹; provided, however, receipts from retail sales of materials, supplies, and services for the exclusive use of erecting new structures or buildings on, or substantially improving, altering or repairing the real property of a qualified business shall be eligible for such tax exemption notwithstanding the limit imposed pursuant to this subsection¹.

b. As used in this section:

"Qualified business" includes a person who is certified as a qualified business by the authority and provided a UZ-4 certification by the authority ¹**[(pursuant to subsection d. or f. of section 12 of P.L. , c. (C.) (pending before the Legislature as this bill) on or before the date a claim for refund is made and filed with the Director of the Division of Taxation in the Department of the Treasury pursuant to subsection b. of this section]** . A person who is certified as a qualified business may apply to the authority for a UZ-4 certification provided that the person owns or leases and regularly operates a place of business located in an eligible block group, as defined in subsection a. of section 12 of P.L. , c. (C.) (pending before the Legislature as this bill). The Department of the Treasury shall provide

1 to a qualified business a certificate evidencing its UZ-4 certification,
 2 which certificate shall indicate the location at which the sales tax
 3 exemption provided for in this section is available¹.

4 ¹“Substantially improving, altering, or repairing” means any
 5 reconstruction, rehabilitation, addition, or other improvement to a
 6 structure, of which the total cost equals to or exceeds 50 percent of the
 7 market value of the structure before the start of construction of the
 8 improvement. The UEZ Authority may, from time to time, alter this
 9 definition through regulation to respond to changing market
 10 conditions.¹

11
 12 9. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
 13 read as follows:

14 21. Receipts of retail sales, except retail sales of motor vehicles, of
 15 alcoholic beverages as defined in the "Alcoholic Beverage Tax Law,"
 16 R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette Tax Act,"
 17 P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing machinery,
 18 equipment or apparatus, and of energy, made by a **【certified】** seller
 19 located in an eligible block group ¹**【or on an adjacent parcel】**¹, as
 20 defined in subsection a. of section 12 of P.L. , c. (C.) (pending
 21 before the Legislature as this bill) and provided a UZ-2 certification by
 22 the authority from a place of business owned or leased and regularly
 23 operated by the seller for the purpose of making retail sales, and
 24 located in a designated enterprise zone established pursuant to the
 25 "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
 26 (C.52:27H-60 et ¹**【al.】** seq.¹), or a UEZ-impacted business district
 27 established prior to the effective date of P.L. , c. (pending before
 28 the Legislature as this bill) pursuant to section 3 of P.L.2001, c.347
 29 (C.52:27H-66.2), are exempt to the extent of **【50%】** 50 percent of the
 30 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
 31 (C.54:32B-1 et seq.).

32 Any seller, which is a qualified business having a place of business
 33 located in a designated enterprise zone or in a designated UEZ-
 34 impacted business district, may apply to the **【Director of the Division**
 35 **of Taxation in the Department of the Treasury】** UEZ Authority for a
 36 UZ-2 certification pursuant to this section provided the seller is located
 37 in an eligible block group ¹**【or on an adjacent parcel】**¹, as defined in
 38 subsection a. of section 12 of P.L. , c. (C.) (pending before the
 39 Legislature as this bill). The **【director】** UEZ Authority shall certify a
 40 seller if the **【director】** UEZ Authority shall find that the seller owns or
 41 leases and regularly operates a place of business located in the
 42 designated enterprise zone or in the designated UEZ-impacted
 43 business district for the purpose of making retail sales, that items are
 44 regularly exhibited and offered for retail sale at that location, and that
 45 the place of business is not utilized primarily for the purpose of
 46 catalogue or mail order sales. The certification under this section shall
 47 remain in effect during the time the business retains its status as a

1 qualified business meeting the eligibility criteria of section 27 of
2 P.L.1983, c.303 (C.52:27H-86). However, the **【director】 UEZ**
3 Authority may at any time revoke a certification granted pursuant to
4 this section if the **【director】 UEZ Authority** shall determine that the
5 seller no longer complies with the provisions of this section. The
6 Department of the Treasury shall provide to a qualified business a
7 certificate evidencing its UZ-2 certification, which certificate shall
8 indicate the location at which the sales tax exemption provided for in
9 this section is available.

10 Notwithstanding the provisions of **【this act】** P.L.1983, c.303
11 (C.52:27H-60 et seq.) to the contrary, except as may otherwise be
12 provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the authority
13 may, in its discretion, determine if the provisions of this section shall
14 apply to any enterprise zone designated after the effective date of
15 P.L.1985, c.142 (C.52:27H-66 et al.); provided, however, that the
16 authority may make such a determination only where the authority
17 finds that the award of an exemption of 50 percent of the tax imposed
18 under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et
19 seq.) will not have any adverse economic impact upon any other urban
20 enterprise zone.

21 **【Notwithstanding any other provisions of law to the contrary,**
22 **except as provided in subsection b. of section 6 of P.L.1996, c.124**
23 **(C.13:1E-116.6), after first depositing 10 percent of the gross amount**
24 **of all revenues received from the taxation of retail sales made by**
25 **certified sellers from business locations in designated enterprise zones**
26 **to which this exemption shall apply into the account created in the**
27 **name of the authority in the enterprise zone assistance fund pursuant to**
28 **section 29 of P.L.1983, c.303 (C.52:27H-88), the remaining 90 percent**
29 **shall be deposited immediately upon collection by the Department of**
30 **the Treasury, as follows:**

31 a. In the first five-year period during which the State shall have
32 collected reduced rate revenues within an enterprise zone, all such
33 revenues shall be deposited in the enterprise zone assistance fund
34 created pursuant to section 29 of P.L.1983, c.303 (C.52:27H-88);

35 b. In the second five-year period during which the State shall
36 have collected reduced rate revenues within an enterprise zone, 66
37 2/3% of all those revenues shall be deposited in the enterprise zone
38 assistance fund, and 33 1/3% shall be deposited in the General Fund;

39 c. In the third five-year period during which the State shall have
40 collected reduced rate revenues within an enterprise zone, 33 1/3% of
41 all those revenues shall be deposited in the enterprise zone assistance
42 fund, and 66 2/3% shall be deposited in the General Fund;

43 d. In the final five-year period during which the State shall have
44 collected reduced rate revenues within an enterprise zone, but not to
45 exceed the life of the enterprise zone, all those revenues shall be
46 deposited in the General Fund.

47 Commencing on the effective date of P.L.1993, c.144, all revenues
48 in any enterprise zone to which the provisions of this section have

1 been extended prior to the enactment of P.L.1993, c.144 shall be
2 deposited into the enterprise zone assistance fund until there shall have
3 been deposited all revenues into that fund for a total of five full years,
4 as set forth in subsection a. of this section. The State Treasurer then
5 shall proceed to deposit funds into the enterprise zone assistance fund
6 according to the schedule set forth in subsections b. through d. of this
7 section, beginning at the point where the enterprise zone was located
8 on that schedule on the effective date of P.L.1993, c.144. No
9 enterprise zone shall receive the deposit benefit granted by any one
10 subsection of this section for more than five cumulative years.

11 The revenues required to be deposited in the enterprise zone
12 assistance fund under this section shall be used for the purposes of that
13 fund and for the uses prescribed in section 29 of P.L.1983, c.303
14 (C.52:27H-88), subject to annual appropriations being made for those
15 purposes and uses.】

16 (cf: P.L.2011, c.49, s.15)

17

18 10. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended to
19 read as follows:

20 29. a. (1) There is created an enterprise zone assistance fund to
21 be held by the State Treasurer, which shall be the repository for all
22 moneys required to be deposited therein under section 【21 of
23 P.L.1983, c.303 (C.52:27H-80) or moneys appropriated annually to the
24 fund】 11 of P.L. , c. (C.) (pending before the Legislature as
25 this bill). All moneys deposited in the fund shall be held and disbursed
26 in the amounts necessary to fulfill the purposes of this section and
27 subject to the requirements hereinafter prescribed. The State Treasurer
28 may invest and reinvest any moneys in the fund, or any portion
29 thereof, to strengthen capital structures, leverage additional debt
30 capital, and increase lending and investing in economically
31 disadvantaged communities, and in any other manner that advances the
32 goals of the Urban Enterprise Zone program, including, but not limited
33 to legal obligations of the United States or of the State or of any
34 political subdivision thereof or government-sponsored enterprises.
35 Any income from, interest on, or increment to moneys so invested or
36 reinvested shall be included in the fund.

37 Notwithstanding the provisions of section 11 of P.L. , c.
38 (C.) (pending before the Legislature as this bill) or any other
39 provision of law to the contrary, the amount to be deposited in the
40 enterprise zone assistance fund shall be as follows:

41 (a) In the first five State fiscal years next following the effective
42 date of P.L. , c. (pending before the Legislature as this bill), 100
43 percent of the amount determined pursuant to '【paragraph (1) of
44 subsection b. of】' section 11 of P.L. , c. (C.) (pending before
45 the Legislature as this bill) shall be deposited in the enterprise zone
46 assistance fund;

1 (b) In the sixth State fiscal year next following the effective date of
2 P.L. , c. (pending before the Legislature as this bill), 95 percent of
3 the amount determined pursuant to '¶paragraph (1) of subsection b.
4 of]' section 11 of P.L. , c. (C.) (pending before the
5 Legislature as this bill) shall be deposited in the enterprise zone
6 assistance fund and five percent of such amount shall be deposited in
7 the General Fund;

8 (c) In the seventh State fiscal year next following the effective date
9 of P.L. , c. (pending before the Legislature as this bill), 90 percent
10 of the amount determined pursuant to '¶paragraph (1) of subsection b.
11 of]' section 11 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) shall be deposited in the enterprise zone
13 assistance fund and 10 percent of such amount shall be deposited in
14 the General Fund;

15 (d) In the eighth State fiscal year next following the effective date
16 of P.L. , c. (pending before the Legislature as this bill), 85 percent
17 of the amount determined pursuant to '¶paragraph (1) of subsection b.
18 of]' section 11 of P.L. , c. (C.) (pending before the
19 Legislature as this bill) shall be deposited in the enterprise zone
20 assistance fund and 15 percent of such amount shall be deposited in
21 the General Fund;

22 (e) In the ninth State fiscal year next following the effective date
23 of P.L. , c. (pending before the Legislature as this bill), 80 percent
24 of the amount determined pursuant to '¶paragraph (1) of subsection b.
25 of]' section 11 of P.L. , c. (C.) (pending before the Legislature
26 as this bill) shall be deposited in the enterprise zone assistance fund
27 and 20 percent of such amount shall be deposited in the General Fund;
28 'and'

29 (f) In the 10th State fiscal year next following the effective date of
30 P.L. , c. (pending before the Legislature as this bill), 75 percent of
31 the amount determined pursuant to '¶paragraph (1) of subsection b.
32 of]' section 11 of P.L. , c. (C.) (pending before the
33 Legislature as this bill) shall be deposited in the enterprise zone
34 assistance fund and 25 percent of such amount shall be deposited in
35 the General Fund '¶;

36 (g) In the 11th State fiscal year next following the effective date of
37 P.L. , c. (pending before the Legislature as this bill), 70 percent of
38 the amount determined pursuant to paragraph (1) of subsection b. of
39 section 11 of P.L. , c. (C.) (pending before the Legislature as
40 this bill) shall be deposited in the enterprise zone assistance fund and
41 30 percent of such amount shall be deposited in the General Fund;

42 (h) In the 12th State fiscal year next following the effective date of
43 P.L. , c. (pending before the Legislature as this bill), 65 percent of
44 the amount determined pursuant to paragraph (1) of subsection b. of
45 section 11 of P.L. , c. (C.) (pending before the Legislature as
46 this bill) shall be deposited in the enterprise zone assistance fund and
47 35 percent of such amount shall be deposited in the General Fund;

1 (i) In the 13th State fiscal year next following the effective date of
2 P.L. , c. (pending before the Legislature as this bill), 60 percent of
3 the amount determined pursuant to paragraph (1) of subsection b. of
4 section 11 of P.L. , c. (C.) (pending before the Legislature as
5 this bill) shall be deposited in the enterprise zone assistance fund and
6 40 percent of such amount shall be deposited in the General Fund;

7 (j) In the 14th State fiscal year next following the effective date of
8 P.L. , c. (pending before the Legislature as this bill), 55 percent of
9 the amount determined pursuant to paragraph (1) of subsection b. of
10 section 11 of P.L. , c. (C.) (pending before the Legislature as
11 this bill) shall be deposited in the enterprise zone assistance fund and
12 45 percent of such shall be deposited in the General Fund;

13 (k) In the 15th State fiscal year next following the effective date of
14 P.L. , c. (pending before the Legislature as this bill), 50 percent of
15 the amount determined pursuant to paragraph (1) of subsection b. of
16 section 11 of P.L. , c. (C.) (pending before the Legislature as
17 this bill) shall be deposited in the enterprise zone assistance fund and
18 50 percent of such amount shall be deposited in the General Fund;

19 (l) In the 16th State fiscal year next following the effective date of
20 P.L. , c. (pending before the Legislature as this bill), 40 percent of
21 the amount determined pursuant to paragraph (1) of subsection b. of
22 section 11 of P.L. , c. (C.) (pending before the Legislature as
23 this bill) shall be deposited in the enterprise zone assistance fund and
24 60 percent of such amount shall be deposited in the General Fund;

25 (m) In the 17th State fiscal year next following the effective date of
26 P.L. , c. (pending before the Legislature as this bill), 30 percent of
27 the amount determined pursuant to paragraph (1) of subsection b. of
28 section 11 of P.L. , c. (C.) (pending before the Legislature as
29 this bill) shall be deposited in the enterprise zone assistance fund and
30 70 percent of such amount shall be deposited in the General Fund;

31 (n) In the 18th State fiscal year next following the effective date of
32 P.L. , c. (pending before the Legislature as this bill), 20 percent of
33 the amount determined pursuant to paragraph (1) of subsection b. of
34 section 11 of P.L. , c. (C.) (pending before the Legislature as
35 this bill) shall be deposited in the enterprise zone assistance fund and
36 80 percent of such amount shall be deposited in the General Fund;

37 (o) In the 19th State fiscal year next following the effective date of
38 P.L. , c. (pending before the Legislature as this bill), 10 percent of
39 the amount determined pursuant to paragraph (1) of subsection b. of
40 section 11 of P.L. , c. (C.) (pending before the Legislature as
41 this bill) shall be deposited in the enterprise zone assistance fund and
42 90 percent of such amount shall be deposited in the General Fund; and

43 (p) In the 20th State fiscal year next following the effective date of
44 P.L. , c. (pending before the Legislature as this bill), and each
45 State fiscal year thereafter, 100 percent of the amount determined
46 pursuant to paragraph (1) of subsection b. of section 11 of P.L. , c.
47 (C.) (pending before the Legislature as this bill) shall be
48 deposited in the General Fund】¹.

1 (2) The State Treasurer shall maintain separate accounts for each
2 enterprise zone designated under P.L.1983, c.303 (C.52:27H-60 et
3 seq.) that is in good standing with the UEZ Authority in accordance
4 with rules adopted by the UEZ Authority, and one in the authority's
5 name for the administration of the Urban Enterprise Zone program,
6 and for providing grants, ¹including planning grants,¹ investments,
7 loans or other guaranties related to qualified assistance fund expenses.
8 The State Treasurer shall credit to each account an amount of the
9 moneys deposited in the fund **equal to the amount of revenues**
10 **collected from the taxation of retail sales made in the zone and**
11 **appropriated to the enterprise zone assistance fund, or that amount of**
12 **moneys appropriated to the fund and required to be credited to the**
13 **enterprise zone account of the qualifying municipality pursuant to**
14 **section 21 of P.L.1983, c.303 (C.52:27H-80)]** determined by a
15 formula that applies weight to a zone municipality's number of
16 commercial and industrial parcels as recorded by the municipal tax
17 assessor, its Municipal Revitalization Index Distress Score, and the
18 average number of unemployed persons in the municipality according
19 to data provided by the New Jersey Department of Labor and
20 Workforce Development. When funds are received by a qualifying
21 municipality pursuant to this subsection, the funds shall be placed in a
22 new trust or, for a qualifying municipality that has a trust for an
23 enterprise zone on the effective date of P.L. , c. (pending before the
24 Legislature as this bill), in the existing trust. The Division of Local
25 Government Services in the Department of Community Affairs shall
26 promulgate regulations, policies, or procedures as necessary to
27 implement the provisions of this section.

28 (3) ¹From the amounts allocated to the zone assistance fund in
29 each State fiscal year pursuant to section 11 of P.L. , c. (C.)
30 (pending before the Legislature as this bill), there shall be deposited
31 annually to the account in the authority's name, \$2,500,000 beginning
32 in State Fiscal Year 2022, for the administration of the Urban
33 Enterprise Zone program, and for providing grants, investments, loans,
34 or other guaranties related to qualified assistance fund expenses. This
35 amount shall be adjusted annually by the percentage change in the 12-
36 month Consumer Price Index from June 30 to July 1.

37 (4)¹ The State Treasurer shall promulgate the rules and regulations
38 necessary to govern the administration of the fund for the purposes of
39 this section, which shall include, but not be limited to, regulations
40 requiring the establishment of separate bank accounts for funds
41 credited to the enterprise zone account of each municipality from the
42 enterprise zone assistance fund, commonly known as "first generation
43 funds," and funds generated from the repayments of loans to
44 individuals and businesses from the enterprise zone account of each
45 municipality and the proceeds from the sale of properties and
46 equipment acquired through the enterprise zone program, commonly
47 known as "second generation funds," and the review, compilation, and

1 monitoring of second generation fund quarterly reports submitted by
2 each enterprise zone.

3 Any individual, including an individual who is not directly
4 employed by a municipality, with the authority to administer, allocate
5 or approve the use of zone assistance funds is subject to the "Local
6 Government Ethics Law," P.L.1991, c.29 (C.40A:9-22.1 et seq.),
7 unless the individual is a State employee or a special State officer.

8 b. The enterprise zone assistance fund shall be used for the
9 purpose of assisting qualifying municipalities in which enterprise
10 zones are designated in undertaking economic development projects in
11 designated enterprise zones by funding qualified assistance fund
12 expenses. However, a municipality shall not appropriate or expend
13 more than 25 percent of the amount annually credited to its enterprise
14 zone assistance fund for public safety purposes, as described pursuant
15 to paragraph (4) of subsection m. of section 3 of P.L.1983, c.303
16 (C.52:27H-62) ¹or more than 10 percent of the amount annually
17 credited to its enterprise zone assistance fund for administrative
18 expenses¹.

19 c. The governing body of a qualifying municipality in which an
20 enterprise zone is designated and the zone development corporation
21 created or designated by the municipality for that enterprise zone may,
22 by resolution jointly adopted after public hearing, propose to undertake
23 an economic development project in the enterprise zone, and to fund
24 that project from moneys deposited in the enterprise zone assistance
25 fund and credited to the account maintained by the State Treasurer for
26 the enterprise zone.

27 The proposal so adopted shall set forth a plan for the project and
28 shall include:

29 (1) A description of the proposed project;

30 (2) An estimate of the total project costs, and an estimate of the
31 amounts of funding necessary annually from the enterprise zone
32 account;

33 (3) A statement of any other revenue sources to be used to finance
34 the project;

35 (4) A statement of the time necessary to complete the project;

36 (5) A statement of the manner in which the proposed project
37 furthers the municipality's policy and intentions for addressing
38 economic development in the enterprise zone as set forth in the zone
39 development plan approved by the authority; and

40 (6) A description of the financial and programmatic controls and
41 reporting mechanisms to be used to guarantee that the funds will be
42 spent in accordance with the plan and that the project will accomplish
43 its purpose.

44 As used in this section, "project" means an activity **【funded by the**
45 **zone assistance fund through the qualified municipality and**
46 **implemented by the zone development corporation,】** that satisfies the
47 requirements of a qualified assistance fund expense, as that term is
48 defined in subsection m. of section 3 of P.L.1983, c.303 (C.52:27H-

1 62), and which will lead to the creation of new jobs and increased
2 economic activity within the zone **】, such as: the establishment of**
3 revolving loan programs for qualified businesses in the zone to
4 encourage private investment and job creation, and marketing,
5 advertising and special event activities that will lead to increased
6 economic activity or encourage private investment and job creation in
7 the zone, but not including the expenditures therefor which are
8 required to be reported pursuant to "The New Jersey Campaign
9 Contributions and Expenditures Reporting Act," P.L.1973, c.83
10 (C.19:44A-1 et al.) and the costs associated therewith including the
11 costs of economic analyses**】.**

12 d. **【Upon adoption by the governing body of the qualifying**
13 municipality and by the zone development corporation, the proposal
14 shall be sent to the authority for its evaluation and approval. The
15 authority shall approve the proposal if it shall find that the proposed
16 project furthers the policy and intentions of the zone development plan
17 approved by the authority, and that the estimated annual payments for
18 the project from the enterprise zone account to which the proposal
19 pertains are not likely to result in a deficit in that account.**】** (Deleted
20 by amendment, P.L. , c.) (pending before the Legislature as this
21 bill)

22 e. **【If the authority shall approve the proposal, it shall annually,**
23 upon its receipt of a written statement from the governing body of the
24 qualifying municipality and the zone development corporation, certify
25 to the State Treasurer the amount to be paid in that year from the
26 enterprise zone account in the enterprise zone assistance fund with
27 respect to each approved project. The authority may at any time
28 revoke its approval of a project if it finds that the annual payments
29 made from the enterprise zone assistance fund are not being used as
30 required by this section.**】** (Deleted by amendment, P.L. , c.)
31 (pending before the Legislature as this bill)

32 f. **【Upon certification by the authority of the annual amount to be**
33 paid to a qualifying zone with respect to any project, the State
34 Treasurer shall pay in each year to the qualifying municipality from
35 the amounts deposited in the enterprise zone assistance fund the
36 amount so certified, within the limits of the amounts credited to the
37 enterprise zone account of the qualifying municipality.**】** (Deleted by
38 amendment, P.L. , c.) (pending before the Legislature as this bill)

39 g. **【An amount not to exceed one-third of the amount deposited in**
40 the account created in the name of the authority in the enterprise zone
41 assistance fund shall be used by the authority for the coordination and
42 administration of the program throughout the State, including but not
43 limited to costs for personnel, operating expenses and marketing. The
44 balance of the remaining amount shall be distributed to qualifying
45 municipalities in proportion to each municipality's contribution to the
46 enterprise zone assistance fund for the coordination and administration
47 of the program within the municipality, including but not limited to

costs for personnel, operating expenses and marketing.】 (Deleted by amendment, P.L. , c.) (pending before the Legislature as this bill)

h. At the end of a State fiscal year, if a municipality has not encumbered a portion of its allocation, such amount may be carried forward to the next State fiscal year and the State fiscal year thereafter. If at the end of the third State fiscal year any of those unencumbered funds remain, then the funds shall be transferred to the UEZ Authority's account in the enterprise zone assistance fund.

i. At the end of a State fiscal year, if a municipality has not expended or otherwise committed a portion of its encumbered funds, then such amount may be carried forward to the next three succeeding State fiscal years. If at the end of the third State fiscal year any unexpended funds remain, then the funds shall be transferred to the UEZ Authority's account in the enterprise zone assistance fund.

j. At the end of a State fiscal year, the Department of Community Affairs shall review an enterprise zone's expenditures of funds received from the zone assistance fund. If the department finds that an enterprise zone expended such funds in a manner inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 et seq.) and P.L. , c. (pending before the Legislature as this bill), then the enterprise zone shall repay such funds to the department through the forfeiture of future zone assistance fund disbursements. The department shall withhold future funding from the enterprise zone until the enterprise zone enters into and complies with a corrective action plan developed by the department.

¹k. If in a State fiscal year the amount allocated to the enterprise zone assistance fund is less than the amount required to be allocated pursuant to section 11 of P.L. , c. (C.) (pending before the Legislature as this bill) and paragraph (1) of subsection a. of this section, the Legislature shall appropriate to the enterprise zone assistance fund the amount that was not allocated in such State fiscal year in a succeeding State fiscal year along with the funds required to be allocated in that State fiscal year.¹

(cf: P.L.2018, c.19, s.4)

11. (New section) a. ¹【There is created an Urban Enterprise Zone Fund to be held by the State Treasurer, which shall be the repository for all moneys appropriated annually to the fund beginning in State Fiscal Year 2022 and thereafter. All moneys deposited in the fund shall be held and disbursed in the amounts necessary to fulfill the purposes of this section and subject to the requirements hereinafter prescribed. The State Treasurer, in consultation with the UEZ Authority, may invest and reinvest any moneys in the fund, or any portion thereof, in legal obligations of the United States or of the State or of any political subdivision thereof to strengthen capital structures, leverage additional debt capital, and increase lending and investing in economically disadvantaged communities, and in any other manner that advances the goals of the UEZ program. Any income from,

1 interest on, or increment to moneys so invested or reinvested shall be
2 included in the fund.

3 b. The State Treasurer, in consultation with the UEZ Authority,
4 shall determine the gross amount of revenues generated from the
5 reduced sales tax collected within zones deposited in the assistance
6 fund along with the aggregate amount, expressed in dollars, of the
7 incentives provided under P.L.1983, c.303 (C.52:27H-60 et seq.) in the
8 12-month period beginning January 1, 2019 and ending December 31,
9 2019. This amount¹ The combined State tax expenditures in State
10 Fiscal Year 2022 for the Urban Enterprise Zone Special Sales Tax
11 Rate and Urban Enterprise Zone Exempt Business Purchases, as
12 expressed in the Fiscal Year 2022 State of New Jersey Tax
13 Expenditure Report,¹ shall be the “¹UEZ” ZAF¹ base fund amount
14 ¹.¹”

15 ¹[and beginning in] In¹ State Fiscal Year ¹[2022] 2022 shall be adjusted
16 annually based on the percentage change in the 12-month Consumer
17 Price Index from June 30 to July 1 of each year¹ 2023, the amount
18 appropriated to the enterprise zone assistance fund shall be determined
19 as follows: The State Treasurer, in consultation with the UEZ
20 Authority, shall determine the combined State tax expenditures for the
21 Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise
22 Zone Exempt Business Purchases in the six-month period beginning
23 January 1, 2022 and ending June 30, 2022. The combined State tax
24 expenditures for the Urban Enterprise Zone Special Sales Tax Rate
25 and Urban Enterprise Zone Exempt Business Purchases for the six-
26 month period beginning January 1, 2022 and ending June 30, 2022,
27 shall be multiplied by two and then subtracted from the ZAF base fund
28 amount. The difference shall be the State Fiscal Year 2023
29 appropriation to the enterprise zone assistance fund¹.

30 Beginning in State Fiscal Year ¹[2022] 2024¹, and in each State
31 fiscal year thereafter, the ¹UEZ base fund amount determined
32 pursuant to this subsection shall be appropriated to the Urban
33 Enterprise Zone Fund and allocated as follows:

34 (1) Subject to the provisions of subsection a. of section 29 of
35 P.L.1983, c.303 (C.52:27H-88), 20 percent shall be allocated to the
36 enterprise zone assistance fund for deposit into separate accounts in
37 accordance with section 29 of P.L.1983, c.303 (C.52:27H-88);

38 (2) Five percent shall be allocated to the enterprise zone
39 assistance fund for use by the UEZ Authority to provide loans, grants,
40 investments, and other assistance to qualified businesses, diverse
41 Statewide or regional business organizations that represent the
42 interests of minority businesses, as defined in section 2 of P.L.1986,
43 c.195 (C.52:27H-21.18), and qualified municipalities, and some
44 amount shall be allocated to the UEZ Authority for administration of
45 the Urban Enterprise Zone program, provided the amount allocated to
46 the UEZ Authority for administrative expenses shall not exceed
47 \$2,500,000 in State Fiscal Year 2022 and, for each State fiscal year

1 thereafter, shall not exceed \$2,500,000 as adjusted by the percentage
2 change in the 12-month Consumer Price Index from June 30 to July 1;

3 (3) Thirty percent, plus such additional funds as shall be
4 determined in accordance with subsection a. of section 29 of P.L.1983,
5 c.303 (C.52:27H-88), shall be allocated to the General Fund; and

6 (4) No more than 45 percent shall be allocated to the combined
7 cost of qualified businesses with a UZ-2, UZ-4, or UZ-5 certification,
8 and the energy sales tax exemption. If less than 45 percent is needed
9 to meet the combined cost of the benefits claimed by qualified
10 businesses with a UZ-2, UZ-4, or UZ-5 certification, and the energy
11 sales tax exemption:

12 (a) 50 percent of the incremental amount dedicated under this
13 subsection shall be allocated to the enterprise zone assistance fund,
14 with 20 percent of this amount allocated for the UEZ Authority's use
15 and 80 percent allocated to separate accounts in the enterprise zone
16 assistance fund for each enterprise zone designated under P.L.1983,
17 c.303 (C.52:27H-60 et seq.); and

18 (b) 50 percent of the increment dedicated under this paragraph
19 shall be deposited in the General Fund.

20 Should more than 45 percent be needed for the combined allocated
21 cost in any current State fiscal year, the UEZ Authority shall reset the
22 Economic Distress Index percentile that governs business qualification
23 at the beginning of the State fiscal year to such number that is
24 projected to allow the allocation to remain at or under 45 percent】
25 amount appropriated to the enterprise zone assistance fund shall be
26 determined as follows: After January 1 but prior to June 30, the State
27 Treasurer, in consultation with the UEZ Authority, shall develop a
28 methodology to compare the combined State tax expenditures for the
29 Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise
30 Zone Exempt Business Purchases in the prior State fiscal year with the
31 ZAF base fund amount to calculate the savings achieved by P.L. , c.
32 (pending before the Legislature as this bill). The savings determined
33 shall be the amount appropriated to the enterprise zone assistance fund
34 for the State fiscal year.

35 b. Notwithstanding the provisions of subsection a. of this section,
36 for State Fiscal Year 2023 and thereafter, the amount appropriated to
37 the enterprise zone assistance fund shall not exceed \$82,500,000, and
38 in Fiscal Year 2024, and in each year thereafter, \$82,500,000 as
39 adjusted annually based on the percentage change in the 12-month
40 Consumer Price Index from June 30 to July 1 of each year, and shall
41 be no less than \$60,000,000. If the application of the formulas set
42 forth in subsection a. of this section will result in an appropriation to
43 the enterprise zone assistance fund that is less than \$60,000,000 in any
44 State fiscal year, then the State Treasurer, in consultation with the
45 UEZ Authority, shall impose a limit on the receipts from retail sales
46 of tangible personal property and sales of services to a qualified
47 business that are exempt from the sales and use tax pursuant to section
48 20 of P.L.1983, c.303 (C.52:27H-79); provided, however, that no less

1 than the receipts from the first \$50,000 of retail sales of tangible
2 personal property and sales of services to a qualified business shall be
3 exempt from the sales and use tax in accordance with section 20 of
4 P.L.1983, c.303 (C.52:27H-79)¹.

5
6 12. (New section) a. As used in this section:

7 “Eligible block group” means a block group that ¹meets or
8 exceeds the 50th percentile of the most recent Economic Distress
9 Index; and ¹is located in an enterprise zone on the effective date of
10 P.L. , c. (pending before the Legislature as this bill).¹

11 ¹“Adjacent parcel” means a parcel of real property located within
12 the same municipality as an eligible block group, and which parcel
13 shares a border with an eligible block group, including but not limited
14 to sharing a property line with an eligible block group or bordering on
15 a public street with an eligible block group.¹

16 b. The UEZ Authority shall notify each qualified municipality of
17 each eligible block group within the municipality no later than 14 days
18 after the effective date of P.L. , c. (pending before the Legislature
19 as this bill). The UEZ Authority shall then certify the final eligible
20 block groups ¹and adjacent parcels¹ to each municipality and shall
21 post a link to a list of eligible block groups ¹and adjacent parcels¹
22 on the UEZ Authority’s Internet homepage on the Department of
23 Community Affair’s Internet website.

24 c. A qualified business shall be located in an eligible block group
25 ¹or on an adjacent parcel or be an industrial business in an industrial
26 hub¹. The certification of a qualified business that ¹is not located in
27 an eligible block group or on an adjacent parcel shall expire on
28 January 1, 2022 unless the business is located in a major job center or
29 is an industrial business located in an industrial hub ¹was certified as a
30 qualified business on the effective date of P.L. , c. (pending before
31 the Legislature as this bill) shall expire at the end of the 10th State
32 fiscal year following the effective date of P.L. , c. (pending before
33 the Legislature as this bill). However, the UEZ Authority may at any
34 time revoke a certification if the UEZ Authority shall determine that
35 the seller no longer complies with the provisions of P.L.1983, c.303
36 (C.52:27H-60 et seq.)¹.

37 d. The certification of a qualified business located in an eligible
38 block group ¹or on an adjacent parcel ¹after the effective date of
39 P.L. , c. (pending before the Legislature as this bill)¹ shall expire at
40 the end of the 10th State fiscal year following the State fiscal year in
41 which the business was first certified as a qualified business ¹unless
42 the business is located in a major job center or is an industrial business
43 in an industrial hub. The certification for a business that has been
44 certified for more than 10 State fiscal years prior to the effective date
45 of P.L. , c. (pending before the Legislature as this bill) shall expire
46 on January 1, 2022 unless the business is located in a major job center

1 or is an industrial business in an industrial hub¹. A business whose
2 certification has expired shall not be eligible to seek a new
3 certification.

4 ¹[e. A business which satisfied the criteria for designation as a
5 qualified business immediately preceding the effective date of P.L. ,
6 c. (pending before the Legislature as this bill), which business is
7 carrying out a qualified construction project, or which can demonstrate
8 to the UEZ Authority an actionable and feasible plan to carry out a
9 qualified construction project within one year of the effective date of
10 P.L. , c. (pending before the Legislature as this bill), and which can
11 demonstrate its reliance on the UZ-4 benefit, UZ-5 benefit, or both,
12 may apply to the UEZ Authority for a UZ-4 certification, a UZ-5
13 certification, or both, and the certification shall continue until
14 completion of the qualified construction project. The Department of
15 the Treasury shall provide to a qualified business a certificate
16 evidencing its UZ-4 certification or UZ-5 certification which
17 certificate shall indicate the location at which the sales tax exemption
18 provided for in section 20 of P.L.1983, c.303 (C.52:27H-79) or section
19 8 of P.L. , c. (C.) is available.

20 f. The UEZ Authority may, upon application by the local UEZ
21 Coordinator or governing body of a qualifying municipality, issue a
22 UZ-4 certification to a qualified business undertaking a qualified
23 construction project in an enterprise zone, although the business is not
24 located within an eligible block group or on an adjacent parcel. The
25 UEZ Authority may grant this benefit to no more than eight qualified
26 construction projects, beyond those eligible under subsection d. of this
27 section, at any given time. A UZ-4 certification issued under this
28 subsection shall continue until completion of the qualified construction
29 project.

30 g. The UEZ Authority may, upon application by the local UEZ
31 Coordinator or the governing body of a qualified municipality, issue a
32 UZ-4 certification, a UZ-5 certification, or both, to a qualified business
33 located within an enterprise zone, although the business is not located
34 within an eligible block group or on an adjacent parcel. The UEZ
35 Authority may grant this benefit to no more than 24 qualified
36 businesses, beyond those eligible under subsection e. of this section, at
37 any given time. Each UZ-4 certification or UZ-5 certification issued
38 under this subsection shall remain active so long as the business in
39 receipt of the benefit remains qualified.]¹

40
41 13. (New section) On or before June 30 of each year next
42 following the effective date of P.L. , c. (pending before the
43 Legislature as this bill), the State Treasurer shall provide to the
44 UEZ Authority an annual report of the aggregate amount, expressed
45 in dollars, of the incentives provided under P.L.1983, c.303
46 (C.52:27H-60 et seq.) to all qualified businesses and municipalities.
47 The report shall include aggregate data on gross revenues, retail
48 sales taxes collected, and shall also include information on the

1 address, municipality, and industry of each business. All data from
2 participating businesses shall be collected through an online
3 application and consumer access portal, where possible.

4
5 14. (New section) The UEZ Authority shall conduct an annual
6 review that determines the number of participating businesses,
7 unemployment rate, median household income, and number of jobs
8 in each enterprise zone to assess the program's progress. The
9 review shall also include the total tax expenditures by zone and
10 total zone assistance funds expended as the requisite data becomes
11 available from the annual report from the Department of the
12 Treasury required pursuant to section 13 of P.L. , c. (C.)
13 (pending before the Legislature as this bill). The UEZ Authority
14 shall review the status of any projects that were approved by
15 participating enterprise zones, overall enterprise zone performance,
16 and adherence to the zone development plans. Each review shall
17 include a detailed listing of deliverables by each enterprise zone and
18 the State that are to be implemented and subsequently evaluated in
19 the future.

20
21 15. (New section) The UEZ Authority and the Department of
22 Labor and Workforce and Development shall enter into a
23 memorandum of understanding to assist in substantial and
24 comprehensive data gathering and information sharing between the
25 two agencies to further the UEZ Authority's ability to evaluate
26 enterprise zone performance and compliance, and to initiate
27 enforcement actions.

28
29 16. (New section) Following the effective date of P.L. ,
30 c. (pending before the Legislature as this bill), no new
31 applications for the enterprise zone employee tax credit, pursuant to
32 section 19 of P.L.1983, c.303 (C.52:27H-78), or for the corporation
33 business tax exemption, pursuant to section 17 of P.L.1983, c.303
34 (C.52:27H-76), shall be accepted.

35
36 17. Section 7 of P.L.1989, c.207 (C.54:4-3.145) is amended to
37 read as follows:

38 7. a. Each approved abatement shall be evidenced by a
39 financial agreement between the qualified municipality and the
40 applicant. The agreement shall be prepared by the applicant and
41 shall contain the representations that are required by the enabling
42 ordinance. The agreement shall provide for the applicant to
43 annually pay to the municipality an amount in lieu of real property
44 taxes, to be computed according to either subsection b. or c. of this
45 section, as provided for in the enabling ordinance.

46 b. Payments in lieu of taxes may be computed as two percent
47 of the cost of the improvements or conversion alterations, as
48 appropriate for five years following such completion and in the

1 sixth and all subsequent tax years following completion, 100% of
2 the equalized taxes otherwise due; or

3 c. Payments in lieu of taxes may be computed in the discretion
4 of the qualified municipality as a portion of the real property taxes
5 otherwise due, [according to the following schedule:

6 (1) In the first tax year following completion, no payment in lieu
7 of taxes otherwise due;

8 (2) In the second tax year following completion, an amount not
9 less than 20% of taxes otherwise due;

10 (3) In the third tax year following completion, an amount not
11 less than 40% of taxes otherwise due;

12 (4) In the fourth tax year following completion, an amount not
13 less than 60% of taxes otherwise due;

14 (5) In the fifth tax year following completion, an amount not
15 less than 80% of taxes otherwise due;

16 (6) In] provided that in the sixth and all subsequent tax years
17 following completion, payments in lieu of taxes shall equal 100% of
18 the equalized taxes otherwise due.

19 d. For the purposes of this section, the amount of "taxes
20 otherwise due" (not to be confused with "equalized taxes otherwise
21 due") shall be determined by including the appropriate percentage
22 of the assessed valuation of the abated structure, improvement or
23 conversion alteration, as the case may be, on the assessment list of
24 the municipality as taxable property, and levying taxes thereon in
25 the same manner as other taxes are levied pursuant to chapter 4 of
26 Title 54 of the Revised Statutes; provided, however, that no value
27 for a property subject to the provisions of this act shall be included
28 in the calculation of the "net valuation on which county taxes are
29 apportioned" until the first tax year for which a municipal-wide
30 revaluation is implemented.

31 (cf: P.L.1991, c.469, s.2)

32
33 18. The following sections of law are repealed:

34 Section 4 of P.L.2001, c.347 (C.52:27H-66.3);

35 Section 6 of P.L.2001, c.347 (C.52:27H-66.5);

36 Section 11 of P.L.2001, c.347 (C.52:27H-66.6);

37 Section 16 of P.L.1983, c.303 (C.52:27H-75); and

38 Section 9 of P.L.1988, c.93 (C.52:27H-80.2).

39
40 19. This act shall take effect immediately.