

§8 –
C.52:27H-79.1
§§11-16 -
C.52:27H-98 to
52:27H-103
§18 - Repealer
§19 - Approp.
§20 - Note

P.L. 2021, CHAPTER 197, *approved August 17, 2021*
Assembly, No. 5580 (*Third Reprint*)

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, ²**[and]**² repealing various parts of the statutory
4 law ², and making an appropriation².

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

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

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

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

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

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

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

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:

¹Assembly AAP committee amendments adopted June 16, 2021.

²Assembly floor amendments adopted June 21, 2021.

³Senate floor amendments adopted June 24, 2021.

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

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

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

11 d. "Qualifying municipality" means any municipality [in which
12 there was, in the last full calendar year immediately preceding the year
13 in which application for enterprise zone designation is submitted
14 pursuant to section 14 of P.L.1983, c.303 (C.52:27H-73), an annual
15 average of at least 2,000 unemployed persons, and in which the
16 municipal average annual unemployment rate for that year exceeded
17 the State average annual unemployment rate; except that any
18 municipality which qualifies for State aid pursuant to P.L.1978, c.14
19 (C.52:27D-178 et seq.) shall qualify if its municipal average annual
20 unemployment rate for that year exceeded the State average annual
21 unemployment rate. The annual average of unemployed persons and
22 the average annual unemployment rates shall be estimated for the
23 relevant calendar year by the Office of Labor Planning and Analysis of
24 the State Department of Labor and Workforce Development. In
25 addition to those municipalities that qualify pursuant to the criteria set
26 forth above, that municipality accorded priority designation pursuant
27 to subsection e. of section 7 of P.L.1983, c.303 (C.52:27H-66), those
28 municipalities set forth in paragraph (7), paragraph (8) of section 3 of
29 P.L.1995, c.382 (C.52:27H-66.1), and paragraph (9) of section 3 of
30 P.L.1995, c.382 as amended by section 3 of P.L.2004, c.75 (C.52:27H-
31 66.1), and the municipalities in which the three additional enterprise
32 zones, including the joint enterprise zone, are to be designated
33 pursuant to criteria according priority consideration for designation of
34 the zones pursuant to section 12 of P.L.2001, c.347 (C.52:27H-66.7)
35 shall be deemed qualifying municipalities] 'I';

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

39 (2) that is among the top 20 percent of the most distressed New
40 Jersey municipalities according to the most recent Municipal
41 Revitalization Index, and:

42 (a) in which the share of parcels accounted for by commercial and
43 industrial property exceeds the Statewide average of commercial and
44 industrial parcels according to the most recently released Property
45 Value Classification prepared by the Department of the Community
46 Affairs, and

1 (b) which has an unemployment rate that exceeds the most recent
2 annual Statewide unemployment rate】¹;

3 e. "Public assistance" means income maintenance funds
4 administered by the Department of Human Services or by a county
5 welfare agency;

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

12 g. "Zone development plan" means a plan adopted by the
13 governing body of a qualifying municipality for the development of an
14 enterprise zone therein, and for the direction and coordination of
15 activities of the municipality, zone businesses and community
16 organizations within the enterprise zone toward the economic
17 betterment of the residents of the zone and the municipality;

18 h. "Zone neighborhood association" means a corporation or
19 association of persons who either are residents of, or have their
20 principal place of employment in, a municipality in which an
21 enterprise zone has been designated pursuant to **【this act】** P.L.1983,
22 c.303 (C.52:27H-60 et seq.); which is organized under the provisions
23 of Title 15 of the Revised Statutes or Title 15A of the New Jersey
24 Statutes; and which has for its principal purpose the encouragement
25 and support of community activities within, or on behalf of, the zone
26 so as to (1) stimulate economic activity, (2) increase or preserve
27 residential amenities, or (3) otherwise encourage community
28 cooperation in achieving the goals of the zone development plan;

29 i. "Enterprise zone assistance fund" or "assistance fund" means
30 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
31 **【and】**

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

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

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

46 m. "Qualified assistance fund expense" means any reasonable
47 expense related to:

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

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

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

(4) payroll expenses¹, personnel, services,¹ and equipment purchases primarily for the provision of law enforcement, fire protection, or emergency medical services within commercial and transportation corridors¹ located exclusively in an enterprise zone¹;

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

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

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

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

(9) employment and training programs¹; or

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

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

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

p. "UZ-4 certification" means the UEZ Authority's certification of a qualified business, pursuant to section ¹[12] 8¹ of P.L. ____, c. (C. __) (pending before the Legislature as this bill), allowing a contractor of the qualified business to make tax-free purchases of materials, supplies, and services for the exclusive use of erecting a structure or building on, or ¹substantially¹ improving, altering, or repairing, the real property of a qualified business located in an enterprise zone at the address indicated on the qualified business's application for certification to the UEZ Authority;

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

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

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

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

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

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

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

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

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

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

- 1 (1) The **【Executive Director】** chief executive officer of the New
2 Jersey Economic Development Authority **【**, who shall be the chair
3 of the authority**】**;
- 4 (2) The Commissioner of the Department of Community
5 Affairs, who shall be the chair of the UEZ Authority;
- 6 (3) The Commissioner of the Department of Labor and
7 Workforce Development;
- 8 (4) The State Treasurer; **【and】**
- 9 (5) The chief executive officer of the New Jersey
10 Redevelopment Authority; and
- 11 (6) **【Five】** Four public members not holding any other office,
12 position or employment in the State Government, nor any local
13 elective office, who shall be appointed by the Governor with the
14 advice and consent of the Senate, and who shall be qualified for
15 their appointments by training and experience in the areas of local
16 government finance, economic development and redevelopment, or
17 volunteer civic service and community organization. No more than
18 **【three】** two public members shall be of the same political party. At
19 least one public member of the authority shall reside within an
20 enterprise zone; however, the provisions of this section shall apply
21 only to members appointed or reappointed after the effective date of
22 P.L.2001, c.347 (C.52:27H-66.2 et al.).
- 23 b. **【The public members of the authority shall serve for terms**
24 **of five years, except that of the members first appointed, one shall**
25 **serve for a term of one year, one shall serve for a term of two years,**
26 **one shall serve for a term of three years, one shall serve for a term**
27 **of four years, and one shall serve for a term of five years.**
28 **Vacancies in the public membership shall be filled in the manner of**
29 **the original appointments but for the unexpired terms.】** (Deleted
30 by amendment, P.L. , c.) (pending before the Legislature as
31 this bill)
- 32 c. An ex officio member of the authority may, from time to
33 time, designate in writing to the authority an official within his
34 respective department to attend and represent the department at the
35 meetings of the authority from which the ex officio member is
36 absent, and that designated representative shall be entitled to vote
37 and otherwise act for the ex officio member at those meetings.
- 38 d. A true copy of the minutes of every meeting of the authority
39 shall be forthwith delivered by and under the certification of the
40 secretary thereof to the Governor. No action taken at such meeting
41 by the authority shall have force or effect until 10 days, Saturdays,
42 Sundays, and public holidays excepted, after the copy of the
43 minutes shall have been so delivered, unless during such 10-day
44 period the Governor shall approve the same, in which case such
45 action shall become effective upon such approval. If, in that 10-day
46 period, the Governor returns such copy of the minutes with veto of

any action taken by the authority or any member thereof at such meeting, such action shall be null and void and of no effect.

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

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

3. Section 3 of P.L.2001, c.347 (C.52:27H-66.2) is amended to 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) ¹or upon certification of the UEZ-impacted business district as an enterprise zone, whichever occurs first¹.

(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

1 of P.L. , c. (pending before the Legislature as this bill), the
 2 governing body of the municipality shall submit an updated
 3 preliminary zone development plan pursuant to this section. In
 4 formulating **'[a] an updated'** preliminary zone development plan
 5 pursuant to this section, a zone development corporation or the
 6 governing body of the municipality shall consult with representatives
 7 of diverse Statewide or regional business organizations that represent
 8 the interests of minority businesses, as defined in section 2 of
 9 P.L.1986, c. 195 (C.52:27H-21.18), which organizations shall have no
 10 less than 30 days to review a proposed preliminary zone development
 11 plan and submit comments to the zone development corporation or
 12 governing body. Each preliminary zone development plan shall **[set**
 13 forth the boundaries of the proposed enterprise zone,] **'set forth the**
 14 boundaries of the enterprise zone and**'** include findings of fact
 15 concerning the economic and social conditions existing in the **'[area**
 16 proposed for an**']'** enterprise zone, and the municipality's policy and
 17 intentions for addressing these conditions, and may include proposals
 18 respecting:

19 **[a.]** (1) Utilizing the powers conferred on the municipality by
 20 law for the purpose of stimulating investment in and economic
 21 development of the **'[proposed]'** zone;

22 **[b.]** (2) Utilizing State assistance through the provisions of **[this**
 23 act**]** P.L.1983, c.303 (C.52:27H-60 et seq.) relating to **[exemptions**
 24 from, and credits against,] State **[taxes]** tax benefits and enterprise
 25 zone assistance funds;

26 **[c.]** (3) Securing the involvement in, and commitment to, zone
 27 economic development by private entities, including zone
 28 neighborhood associations, voluntary community organizations
 29 supported by residents and businesses in the zone;

30 **[d.]** (4) Utilizing the powers conferred by law to revise
 31 municipal planning and zoning ordinances and other land use
 32 regulations as they pertain to the zone, in order to enhance the
 33 attraction of the zone to prospective developers;

34 **[e.]** (5) Increasing the availability and efficiency of support
 35 services, public and private, generally used by and necessary to the
 36 efficient functioning of commercial and industrial facilities in the area,
 37 and the extent to which the increase or improvement is to be provided
 38 and financed by the municipal government or by other entities.

39 b. (1) The governing body of a municipality may request from
 40 the UEZ Authority an amount not to exceed 10 percent of the
 41 municipality's zone assistance fund allocation or \$125,000, whichever
 42 is greater, to fund, in whole or in part, the costs associated with
 43 formulating a preliminary zone development plan, which amount the
 44 governing body may use to pay employees, or to retain a consultant, to
 45 formulate the plan. Prior to soliciting a consultant to formulate the
 46 plan with these funds, the governing body of a municipality shall
 47 submit to the UEZ Authority the proposed solicitation.

1 (2) The UEZ Authority shall review the proposed solicitation and
2 may provide recommended modifications to the proposed solicitation.
3 The governing body of a municipality or a zone development
4 corporation may incur expenses related to the preparation of the
5 preliminary zone development plan for potential reimbursement at a
6 later time by the UEZ Authority ¹from the municipality zone
7 assistance fund account¹, provided the authority determines the
8 expenses are reasonable. The governing body of a municipality or a
9 zone development corporation shall complete a preliminary zone
10 development plan with assistance from the UEZ Authority, as needed,
11 in accordance with a timeline established by the authority pursuant to
12 rules, regulations, or guidelines adopted by the authority.

13 (3) Within 14 days of receipt, unless the authority finds material
14 deficiencies in a preliminary zone development plan, the authority
15 shall approve and certify the preliminary zone development plan as the
16 zone development plan. The zone development plan shall be the plan
17 according to which the Urban Enterprise Zone program shall be
18 administered in that zone, and certification of the plan shall
19 ¹constitute the authority's designation or re-designation of the
20 municipality as an enterprise zone enable the municipality to access
21 assistance from the enterprise zone assistance fund described in
22 section 10 of P.L. , c. (C.) (pending before the Legislature as
23 this bill)¹. Should the authority find deficiencies with a preliminary
24 zone development plan, it shall provide a corrective action plan to the
25 municipality.

26 ¹[(4) Notwithstanding the provisions of subsection g. of section 5
27 of P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary,
28 approval by the authority of the zone development plan for an
29 enterprise zone coterminous with the borders of a municipality shall
30 not be considered sufficient for the determination that the area is in
31 need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
32 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax
33 exemptions within the enterprise zone district pursuant to the
34 provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the adoption
35 of a tax abatement and exemption ordinance pursuant to the provisions
36 of P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however, the
37 authority's certification of a final eligible block group within an
38 enterprise zone pursuant to section 12 of P.L. , c. (C.) (pending
39 before the Legislature as this bill), shall be considered sufficient for
40 the determination that an area within a final eligible block group is in
41 need of redevelopment for the purpose of granting tax exemptions
42 within the eligible block group pursuant to the provisions of P.L.1991,
43 c.431 (C.40A:20-1 et seq.) and the adoption of a tax abatement and
44 exemption ordinance pursuant to the provisions of P.L.1991, c.441
45 (C.40A:21-1 et seq.).]¹

46 c. If no zone development plan is in place, upon petition of the
47 zone development corporation or governing body of the municipality,

1 the UEZ Authority may grant a distribution from that municipality's
 2 zone assistance fund account for an eligible project that responds to an
 3 impact of a public health emergency or state of emergency declared by
 4 the Governor. ¹A zone development corporation or governing body of
 5 a municipality without a zone development plan in place, which can
 6 demonstrate to the UEZ Authority an actionable and feasible plan to
 7 carry out a project eligible for zone assistance funds, and which can
 8 demonstrate a reliance on zone assistance funding, may petition the
 9 authority for a distribution from that municipality's zone assistance
 10 fund account prior to the authority's approval of an updated
 11 preliminary zone development plan.¹

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

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

36 (cf: P.L.1983, c.539, s.1)

37

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

40 10. ¹**[a.]** An area defined by a continuous border within one
 41 qualifying municipality **[**or within two or more contiguous qualifying
 42 municipalities and two noncontiguous areas each having a continuous
 43 border within two noncontiguous qualifying municipalities**]** shall be
 44 eligible for designation as a zone if:

45 **[a.] ¹[(1)] a.** It has been designated an "area in need of
 46 rehabilitation" pursuant to Article VIII, Section I, paragraph 6 of the
 47 Constitution of the State of New Jersey **[**and P.L.1977, c.12 (C.54:4-

3.95 et seq.)]; or is qualified for that designation in the judgment of the authority; and

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

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

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

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

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

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

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

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

13. a. In designating eligible areas as enterprise zones, the authority shall **[accord preference to]** approve zone development plans which:

(1) Have **[the greatest]** potential for success in stimulating primarily new economic activity in the area;

(2) Are designed to address **[the greatest degree of]** urban distress, as measured by existing levels of unemployment, poverty, and property tax arrearages;

(3) Demonstrate **[the most]** substantial and reliable commitments of resources by zone businesses, zone neighborhood associations, voluntary community organizations and other private entities to the economic success of the zone;

(4) Demonstrate **[the most]** substantial effort and commitment by the municipality to encourage economic activity in the area and to

1 remove disincentives for job creation compatible with the fiscal
2 condition of the municipality.

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

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

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

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

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

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

22 c. A designated zone that is operative on the effective date of
23 P.L. , c. (pending before the Legislature as this bill) shall remain a
24 designated zone until the end of the 10th State fiscal year next
25 following the effective date of P.L. , c. (pending before the
26 Legislature as this bill). ¹The authority shall not designate new
27 enterprise zones following the effective date of P.L. , c. (pending
28 before the Legislature as this bill).¹

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

35 (a) the share of parcels accounted for by commercial and industrial
36 property within each municipality exceeds the Statewide average of
37 commercial and industrial parcels according to the most recently
38 released Property Value Classification prepared by the Department of
39 the Community Affairs, and

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

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

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

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

(2) Notwithstanding the provisions of subsection g. of section 5 of P.L.1992, c.79 (C.40A:12A-5) or any other law to the contrary, the extension of the boundaries of a zone to be coterminous with the borders of a municipality pursuant to this subsection shall not be considered sufficient for the determination that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) or for the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.); provided, however, certification of a final eligible block group within an enterprise zone certified pursuant to section 12 of P.L. , c. (C.) (pending before the Legislature as this bill) shall be considered sufficient for the determination that an area within a final eligible block group is in need of redevelopment for the purpose of granting tax exemptions within the eligible block group pursuant to the provisions of P.L.1991, c.431 (C.40A:20-1 et seq.) and the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L.1991, c.441 (C.40A:21-1 et seq.).

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

(cf: P.L.1983, c.303, s.13)

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

20. a. ¹**【Receipts】** Except as provided in subsection b. of section 11 of P.L. , c. (C.) (pending before the Legislature as this bill), receipts¹ from ¹the first \$100,000 of¹ retail sales of tangible personal property (except motor vehicles and energy) and sales of services (except telecommunications services and utility services) to a qualified business for the exclusive use or consumption of such business within an enterprise zone 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,

1 however, a supermarket or grocery store located in a food desert
 2 community, as defined in section 37 of P.L.2020, c.156 (C.34:1B-
 3 305) shall be eligible for such tax exemption, notwithstanding the limit
 4 imposed pursuant to this subsection¹.

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

6 c. As used in this section:

7 "Qualified business" includes a person who is certified as a
 8 qualified business by the authority **【on or before the date a claim for**
 9 **refund is made and filed with the Director of the Division of Taxation**
 10 **in the Department of the Treasury pursuant to subsection e. of this**
 11 **section】 and provided a UZ-5 certification by the authority ¹【pursuant**
 12 **to subsection d. or f. of section 12 of P.L. , c. (C.) (pending**
 13 **before the Legislature as this bill)】 . A person who is certified as a**
 14 **qualified business may apply to the authority for a UZ-5 certification**
 15 **provided the person owns or leases and regularly operates a place of**
 16 **business located in an eligible block group, as defined in subsection a.**
 17 **of section 12 of P.L. , c. (C.) (pending before the Legislature**
 18 **as this bill). The Department of the Treasury shall provide to a**
 19 **qualified business a certificate evidencing its UZ-5 certification, which**
 20 **certificate shall indicate the location at which the sales tax exemption**
 21 **provided for in this section is available¹.**

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

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

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

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

39
 40 8. (New section) a. Receipts from ¹the first \$100,000 of¹ retail
 41 sales of materials, supplies, and services for the exclusive use of
 42 erecting structures or buildings on, or improving, altering or repairing
 43 the real property of a qualified business, or a contractor hired by the
 44 qualified business to make such improvements, alterations, or repairs,
 45 are exempt from the taxes imposed under the "Sales and Use Tax Act,"
 46 P.L.1966, c.30 (C.54:32B-1 et seq.) ¹; provided, however, receipts
 47 from retail sales of materials, supplies, and services for the exclusive

1 use of erecting new structures or buildings on, or substantially
 2 improving, altering or repairing the real property of a qualified
 3 business shall be eligible for such tax exemption notwithstanding the
 4 limit imposed pursuant to this subsection¹.

5 b. As used in this section:

6 "Qualified business" includes a person who is certified as a
 7 qualified business by the authority and provided a UZ-4 certification
 8 by the authority ¹【pursuant to subsection d. or f. of section 12 of
 9 P.L. , c. (C.) (pending before the Legislature as this bill) on or
 10 before the date a claim for refund is made and filed with the Director
 11 of the Division of Taxation in the Department of the Treasury pursuant
 12 to subsection b. of this section】 . A person who is certified as a
 13 qualified business may apply to the authority for a UZ-4 certification
 14 provided that the person owns or leases and regularly operates a place
 15 of business located in an eligible block group, as defined in subsection
 16 a. of section 12 of P.L. , c. (C.) (pending before the
 17 Legislature as this bill). The Department of the Treasury shall provide
 18 to a qualified business a certificate evidencing its UZ-4 certification,
 19 which certificate shall indicate the location at which the sales tax
 20 exemption provided for in this section is available¹.

21 ¹“Substantially improving, altering, or repairing” means any
 22 reconstruction, rehabilitation, addition, or other improvement to a
 23 structure, of which the total cost equals to or exceeds 50 percent of the
 24 market value of the structure before the start of construction of the
 25 improvement. The UEZ Authority may, from time to time, alter this
 26 definition through regulation to respond to changing market
 27 conditions.¹

28
 29 9. Section 21 of P.L.1983, c.303 (C.52:27H-80) is amended to
 30 read as follows:

31 21. Receipts of retail sales, except retail sales of motor vehicles, of
 32 alcoholic beverages as defined in the "Alcoholic Beverage Tax Law,"
 33 R.S.54:41-1 et seq., of cigarettes as defined in the "Cigarette Tax Act,"
 34 P.L.1948, c.65 (C.54:40A-1 et seq.), of manufacturing machinery,
 35 equipment or apparatus, and of energy, made by a **【certified】** seller
 36 located in an eligible block group ¹【or on an adjacent parcel】¹, as
 37 defined in subsection a. of section 12 of P.L. , c. (C.) (pending
 38 before the Legislature as this bill) and provided a UZ-2 certification by
 39 the authority from a place of business owned or leased and regularly
 40 operated by the seller for the purpose of making retail sales, and
 41 located in a designated enterprise zone established pursuant to the
 42 "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
 43 (C.52:27H-60 et ¹**【al.】** seq.¹), or a UEZ-impacted business district
 44 established prior to the effective date of P.L. , c. (pending before
 45 the Legislature as this bill) pursuant to section 3 of P.L.2001, c.347
 46 (C.52:27H-66.2), are exempt to the extent of **【50%】** 50 percent of the

1 tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30
2 (C.54:32B-1 et seq.).

3 Any seller, which is a qualified business having a place of business
4 located in a designated enterprise zone or in a designated UEZ-
5 impacted business district, may apply to the **Director of the Division**
6 **of Taxation in the Department of the Treasury** UEZ Authority for a
7 UZ-2 certification pursuant to this section provided the seller is located
8 in an eligible block group ¹or on an adjacent parcel¹, as defined in
9 subsection a. of section 12 of P.L. , c. (C.) (pending before the
10 Legislature as this bill). The **director** UEZ Authority shall certify a
11 seller if the **director** UEZ Authority shall find that the seller owns or
12 leases and regularly operates a place of business located in the
13 designated enterprise zone or in the designated UEZ-impacted
14 business district for the purpose of making retail sales, that items are
15 regularly exhibited and offered for retail sale at that location, and that
16 the place of business is not utilized primarily for the purpose of
17 catalogue or mail order sales. The certification under this section shall
18 remain in effect during the time the business retains its status as a
19 qualified business meeting the eligibility criteria of section 27 of
20 P.L.1983, c.303 (C.52:27H-86). However, the **director** UEZ
21 Authority may at any time revoke a certification granted pursuant to
22 this section if the **director** UEZ Authority shall determine that the
23 seller no longer complies with the provisions of this section. The
24 Department of the Treasury shall provide to a qualified business a
25 certificate evidencing its UZ-2 certification, which certificate shall
26 indicate the location at which the sales tax exemption provided for in
27 this section is available.

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

39 **Notwithstanding any other provisions of law to the contrary,**
40 except as provided in subsection b. of section 6 of P.L.1996, c.124
41 (C.13:1E-116.6), after first depositing 10 percent of the gross amount
42 of all revenues received from the taxation of retail sales made by
43 certified sellers from business locations in designated enterprise zones
44 to which this exemption shall apply into the account created in the
45 name of the authority in the enterprise zone assistance fund pursuant to
46 section 29 of P.L.1983, c.303 (C.52:27H-88), the remaining 90 percent

1 shall be deposited immediately upon collection by the Department of
2 the Treasury, as follows:

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

7 b. In the second five-year period during which the State shall
8 have collected reduced rate revenues within an enterprise zone, 66
9 2/3% of all those revenues shall be deposited in the enterprise zone
10 assistance fund, and 33 1/3% shall be deposited in the General Fund;

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

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

19 Commencing on the effective date of P.L.1993, c.144, all revenues
20 in any enterprise zone to which the provisions of this section have
21 been extended prior to the enactment of P.L.1993, c.144 shall be
22 deposited into the enterprise zone assistance fund until there shall have
23 been deposited all revenues into that fund for a total of five full years,
24 as set forth in subsection a. of this section. The State Treasurer then
25 shall proceed to deposit funds into the enterprise zone assistance fund
26 according to the schedule set forth in subsections b. through d. of this
27 section, beginning at the point where the enterprise zone was located
28 on that schedule on the effective date of P.L.1993, c.144. No
29 enterprise zone shall receive the deposit benefit granted by any one
30 subsection of this section for more than five cumulative years.

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

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

37
38 10. Section 29 of P.L.1983, c.303 (C.52:27H-88) is amended to
39 read as follows:

40 29. a. (1) There is created an enterprise zone assistance fund to
41 be held by the State Treasurer, which shall be the repository for all
42 moneys required to be deposited therein under section 【21 of
43 P.L.1983, c.303 (C.52:27H-80) or moneys appropriated annually to
44 the fund】 11 of P.L. , c. (C.) (pending before the
45 Legislature as this bill). All moneys deposited in the fund shall be
46 held and disbursed in the amounts necessary to fulfill the purposes
47 of this section and subject to the requirements hereinafter
48 prescribed. The State Treasurer may invest and reinvest any moneys

1 in the fund, or any portion thereof, to strengthen capital structures,
2 leverage additional debt capital, and increase lending and investing
3 in economically disadvantaged communities, and in any other
4 manner that advances the goals of the Urban Enterprise Zone
5 program, including, but not limited to legal obligations of the
6 United States or of the State or of any political subdivision thereof
7 or government-sponsored enterprises. Any income from, interest on,
8 or increment to moneys so invested or reinvested shall be included
9 in the fund.

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

14 (a) In the first five State fiscal years next following the effective
15 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 100
16 percent of the amount determined pursuant to ¹¶ paragraph (1) of
17 subsection b. of ¹ section 11 of P.L. _____, c. _____ (C. _____) (pending
18 before the Legislature as this bill) shall be deposited in the
19 enterprise zone assistance fund;

20 (b) In the sixth State fiscal year next following the effective date
21 of P.L. _____, c. _____ (pending before the Legislature as this bill), 95
22 percent of the amount determined pursuant to ¹¶ paragraph (1) of
23 subsection b. of ¹ section 11 of P.L. _____, c. _____ (C. _____) (pending
24 before the Legislature as this bill) shall be deposited in the
25 enterprise zone assistance fund and five percent of such amount
26 shall be deposited in the General Fund;

27 (c) In the seventh State fiscal year next following the effective
28 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 90
29 percent of the amount determined pursuant to ¹¶ paragraph (1) of
30 subsection b. of ¹ section 11 of P.L. _____, c. _____ (C. _____) (pending
31 before the Legislature as this bill) shall be deposited in the
32 enterprise zone assistance fund and 10 percent of such amount shall
33 be deposited in the General Fund;

34 (d) In the eighth State fiscal year next following the effective
35 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 85
36 percent of the amount determined pursuant to ¹¶ paragraph (1) of
37 subsection b. of ¹ section 11 of P.L. _____, c. _____ (C. _____) (pending
38 before the Legislature as this bill) shall be deposited in the
39 enterprise zone assistance fund and 15 percent of such amount shall
40 be deposited in the General Fund;

41 (e) In the ninth State fiscal year next following the effective
42 date of P.L. _____, c. _____ (pending before the Legislature as this bill), 80
43 percent of the amount determined pursuant to ¹¶ paragraph (1) of
44 subsection b. of ¹ section 11 of P.L. _____, c. _____ (C. _____) (pending
45 before the Legislature as this bill) shall be deposited in the
46 enterprise zone assistance fund and 20 percent of such amount shall
47 be deposited in the General Fund; ¹and¹

1 (f) In the 10th State fiscal year next following the effective date
2 of P.L. , c. (pending before the Legislature as this bill), 75
3 percent of the amount determined pursuant to '¶paragraph (1) of
4 subsection b. of ' section 11 of P.L. , c. (C.) (pending
5 before the Legislature as this bill) shall be deposited in the
6 enterprise zone assistance fund and 25 percent of such amount shall
7 be deposited in the General Fund '¶;

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

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

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

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

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

43 (l) In the 16th State fiscal year next following the effective date
44 of P.L. , c. (pending before the Legislature as this bill), 40
45 percent of the amount determined pursuant to paragraph (1) of
46 subsection b. of section 11 of P.L. , c. (C.) (pending
47 before the Legislature as this bill) shall be deposited in the

1 enterprise zone assistance fund and 60 percent of such amount shall
2 be deposited in the General Fund;

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

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

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

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

30 (2) The State Treasurer shall maintain separate accounts for
31 each enterprise zone designated under P.L.1983, c.303 (C.52:27H-
32 60 et seq.) that is in good standing with the UEZ Authority in
33 accordance with rules adopted by the UEZ Authority, and one in the
34 authority's name for the administration of the Urban Enterprise
35 Zone program, and for providing grants, ¹including planning
36 grants,¹ investments, loans or other guaranties related to qualified
37 assistance fund expenses. The State Treasurer shall credit to each
38 account an amount of the moneys deposited in the fund 【equal to
39 the amount of revenues collected from the taxation of retail sales
40 made in the zone and appropriated to the enterprise zone assistance
41 fund, or that amount of moneys appropriated to the fund and
42 required to be credited to the enterprise zone account of the
43 qualifying municipality pursuant to section 21 of P.L.1983, c.303
44 (C.52:27H-80)】 determined by a ²weighted² formula that applies
45 ²50 percent² weight to a zone municipality's number of commercial
46 and industrial parcels as recorded by the municipal tax assessor, its
47 Municipal Revitalization Index Distress Score, ²as determined by

1 the Department of Community Affairs,² and the average number of
2 unemployed persons in the municipality according to data provided
3 by the New Jersey Department of Labor and Workforce
4 Development ², and 50 percent weight to the gross taxable sales in
5 the municipality subject to reduced sales tax pursuant to section 21
6 of P.L.1983, c.303 (C.52:27H-80), as determined by the State
7 Treasurer. The data used in the formula, developed under this
8 section, shall be the most recent data that has been made available
9 by the Department of Community Affairs, the Department of Labor
10 and Workforce Development, and the State Treasurer² . When
11 funds are received by a qualifying municipality pursuant to this
12 subsection, the funds shall be placed in a new trust or, for a
13 qualifying municipality that has a trust for an enterprise zone on the
14 effective date of P.L. , c. (pending before the Legislature as this
15 bill), in the existing trust. The Division of Local Government
16 Services in the Department of Community Affairs shall promulgate
17 regulations, policies, or procedures as necessary to implement the
18 provisions of this section.

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

29 (4)¹ The State Treasurer shall promulgate the rules and
30 regulations necessary to govern the administration of the fund for
31 the purposes of this section, which shall include, but not be limited
32 to, regulations requiring the establishment of separate bank
33 accounts for funds credited to the enterprise zone account of each
34 municipality from the enterprise zone assistance fund, commonly
35 known as "first generation funds," and funds generated from the
36 repayments of loans to individuals and businesses from the
37 enterprise zone account of each municipality and the proceeds from
38 the sale of properties and equipment acquired through the enterprise
39 zone program, commonly known as "second generation funds," and
40 the review, compilation, and monitoring of second generation fund
41 quarterly reports submitted by each enterprise zone.

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

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

12 c. The governing body of a qualifying municipality in which an
13 enterprise zone is designated and the zone development corporation
14 created or designated by the municipality for that enterprise zone
15 may, by resolution jointly adopted after public hearing, propose to
16 undertake an economic development project in the enterprise zone,
17 and to fund that project from moneys deposited in the enterprise
18 zone assistance fund and credited to the account maintained by the
19 State Treasurer for the enterprise zone.

20 The proposal so adopted shall set forth a plan for the project and
21 shall include:

- 22 (1) A description of the proposed project;
- 23 (2) An estimate of the total project costs, and an estimate of the
24 amounts of funding necessary annually from the enterprise zone
25 account;
- 26 (3) A statement of any other revenue sources to be used to
27 finance the project;
- 28 (4) A statement of the time necessary to complete the project;
- 29 (5) A statement of the manner in which the proposed project
30 furthers the municipality's policy and intentions for addressing
31 economic development in the enterprise zone as set forth in the
32 zone development plan approved by the authority; and
- 33 (6) A description of the financial and programmatic controls and
34 reporting mechanisms to be used to guarantee that the funds will be
35 spent in accordance with the plan and that the project will
36 accomplish its purpose.

37 As used in this section, "project" means an activity **【**funded by
38 the zone assistance fund through the qualified municipality and
39 implemented by the zone development corporation,**】** that satisfies
40 the requirements of a qualified assistance fund expense, as that term
41 is defined in subsection m. of section 3 of P.L.1983, c.303
42 (C.52:27H-62), and which will lead to the creation of new jobs and
43 increased economic activity within the zone **【**, such as: the
44 establishment of revolving loan programs for qualified businesses
45 in the zone to encourage private investment and job creation, and
46 marketing, advertising and special event activities that will lead to
47 increased economic activity or encourage private investment and

1 job creation in the zone, but not including the expenditures therefor
2 which are required to be reported pursuant to "The New Jersey
3 Campaign Contributions and Expenditures Reporting Act,"
4 P.L.1973, c.83 (C.19:44A-1 et al.) and the costs associated
5 therewith including the costs of economic analyses】.

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

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

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

34 g. 【An amount not to exceed one-third of the amount deposited
35 in the account created in the name of the authority in the enterprise
36 zone assistance fund shall be used by the authority for the
37 coordination and administration of the program throughout the
38 State, including but not limited to costs for personnel, operating
39 expenses and marketing. The balance of the remaining amount
40 shall be distributed to qualifying municipalities in proportion to
41 each municipality's contribution to the enterprise zone assistance
42 fund for the coordination and administration of the program within
43 the municipality, including but not limited to costs for personnel,
44 operating expenses and marketing.】 (Deleted by amendment,
45 P.L. , c.) (pending before the Legislature as this bill)

46 h. At the end of a State fiscal year, if a municipality has not
47 encumbered a portion of its allocation, such amount may be carried

1 forward to the next State fiscal year and the State fiscal year
2 thereafter. If at the end of the third State fiscal year any of those
3 unencumbered funds remain, then the funds shall be transferred to
4 the UEZ Authority's account in the enterprise zone assistance fund.

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

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

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

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

32
33 11. (New section) a. ¹【There is created an Urban Enterprise Zone
34 Fund to be held by the State Treasurer, which shall be the repository
35 for all moneys appropriated annually to the fund beginning in State
36 Fiscal Year 2022 and thereafter. All moneys deposited in the fund
37 shall be held and disbursed in the amounts necessary to fulfill the
38 purposes of this section and subject to the requirements hereinafter
39 prescribed. The State Treasurer, in consultation with the UEZ
40 Authority, may invest and reinvest any moneys in the fund, or any
41 portion thereof, in legal obligations of the United States or of the State
42 or of any political subdivision thereof to strengthen capital structures,
43 leverage additional debt capital, and increase lending and investing in
44 economically disadvantaged communities, and in any other manner
45 that advances the goals of the UEZ program. Any income from,
46 interest on, or increment to moneys so invested or reinvested shall be
47 included in the fund.

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

13 ¹and beginning in In¹ State Fiscal Year ¹2022 shall be adjusted
 14 annually based on the percentage change in the 12-month Consumer
 15 Price Index from June 30 to July 1 of each year¹ 2023, the amount
 16 appropriated to the enterprise zone assistance fund shall be determined
 17 as follows: The State Treasurer, in consultation with the UEZ
 18 Authority, shall determine the combined State tax expenditures for the
 19 Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise
 20 Zone Exempt Business Purchases in the six-month period beginning
 21 January 1, 2022 and ending June 30, 2022. The combined State tax
 22 expenditures for the Urban Enterprise Zone Special Sales Tax Rate
 23 and Urban Enterprise Zone Exempt Business Purchases for the six-
 24 month period beginning January 1, 2022 and ending June 30, 2022,
 25 shall be multiplied by two and then subtracted from the ZAF base fund
 26 amount. The difference shall be the State Fiscal Year 2023
 27 appropriation to the enterprise zone assistance fund¹.

28 Beginning in State Fiscal Year ¹2022 2024¹, and in each State
 29 fiscal year thereafter, the ¹UEZ base fund amount determined
 30 pursuant to this subsection shall be appropriated to the Urban
 31 Enterprise Zone Fund and allocated as follows:

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

36 (2) Five percent shall be allocated to the enterprise zone
 37 assistance fund for use by the UEZ Authority to provide loans, grants,
 38 investments, and other assistance to qualified businesses, diverse
 39 Statewide or regional business organizations that represent the
 40 interests of minority businesses, as defined in section 2 of P.L.1986,
 41 c.195 (C.52:27H-21.18), and qualified municipalities, and some
 42 amount shall be allocated to the UEZ Authority for administration of
 43 the Urban Enterprise Zone program, provided the amount allocated to
 44 the UEZ Authority for administrative expenses shall not exceed
 45 \$2,500,000 in State Fiscal Year 2022 and, for each State fiscal year
 46 thereafter, shall not exceed \$2,500,000 as adjusted by the percentage
 47 change in the 12-month Consumer Price Index from June 30 to July 1;

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

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

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

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

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

33 b. Notwithstanding the provisions of subsection a. of this section,
34 for State Fiscal Year 2023 and thereafter, the amount appropriated to
35 the enterprise zone assistance fund shall not exceed \$82,500,000, and
36 in Fiscal Year 2024, and in each year thereafter, \$82,500,000 as
37 adjusted annually based on the percentage change in the 12-month
38 Consumer Price Index from June 30 to July 1 of each year, and shall
39 be no less than \$60,000,000. If the application of the formulas set
40 forth in subsection a. of this section will result in an appropriation to
41 the enterprise zone assistance fund that is less than \$60,000,000 in any
42 State fiscal year, then the State Treasurer, in consultation with the
43 UEZ Authority, shall impose a limit on the receipts from retail sales
44 of tangible personal property and sales of services to a qualified
45 business that are exempt from the sales and use tax pursuant to section
46 20 of P.L.1983, c.303 (C.52:27H-79); provided, however, that no less
47 than the receipts from the first \$50,000 of retail sales of tangible
48 personal property and sales of services to a qualified business shall be

1 exempt from the sales and use tax in accordance with section 20 of
 2 P.L.1983, c.303 (C.52:27H-79)¹.

3
 4 12. (New section) a. As used in this section:

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

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

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

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

35 d. The certification of a qualified business located in an eligible
 36 block group ¹or on an adjacent parcel¹ after the effective date of
 37 P.L. , c. (pending before the Legislature as this bill)¹ shall expire at
 38 the end of the 10th State fiscal year following the State fiscal year in
 39 which the business was first certified as a qualified business ¹unless
 40 the business is located in a major job center or is an industrial business
 41 in an industrial hub. The certification for a business that has been
 42 certified for more than 10 State fiscal years prior to the effective date
 43 of P.L. , c. (pending before the Legislature as this bill) shall expire
 44 on January 1, 2022 unless the business is located in a major job center
 45 or is an industrial business in an industrial hub¹. A business whose

1 certification has expired shall not be eligible to seek a new
2 certification.

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

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

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

39
40 13. (New section) On or before June 30 of each year next
41 following the effective date of P.L. , c. (pending before the
42 Legislature as this bill), the State Treasurer shall provide to the
43 UEZ Authority an annual report of the aggregate amount, expressed
44 in dollars, of the incentives provided under P.L.1983, c.303
45 (C.52:27H-60 et seq.) to all qualified businesses and municipalities.
46 The report shall include aggregate data on gross revenues, retail
47 sales taxes collected, and shall also include information on the
48 address, municipality, and industry of each business. All data from

1 participating businesses shall be collected through an online
2 application and consumer access portal, where possible.

3
4 14. (New section) The UEZ Authority shall conduct an annual
5 review that determines the number of participating businesses,
6 unemployment rate, median household income, and number of jobs
7 in each enterprise zone to assess the program's progress. The
8 review shall also include the total tax expenditures by zone and
9 total zone assistance funds expended as the requisite data becomes
10 available from the annual report from the Department of the
11 Treasury required pursuant to section 13 of P.L. , c. (C.)
12 (pending before the Legislature as this bill). The UEZ Authority
13 shall review the status of any projects that were approved by
14 participating enterprise zones, overall enterprise zone performance,
15 and adherence to the zone development plans. Each review shall
16 include a detailed listing of deliverables by each enterprise zone and
17 the State that are to be implemented and subsequently evaluated in
18 the future.

19
20 15. (New section) The UEZ Authority and the Department of
21 Labor and Workforce and Development shall enter into a
22 memorandum of understanding to assist in substantial and
23 comprehensive data gathering and information sharing between the
24 two agencies to further the UEZ Authority's ability to evaluate
25 enterprise zone performance and compliance, and to initiate
26 enforcement actions.

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

34
35 17. Section 7 of P.L.1989, c.207 (C.54:4-3.145) is amended to
36 read as follows:

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

45 b. Payments in lieu of taxes may be computed as two percent
46 of the cost of the improvements or conversion alterations, as
47 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
40 ²19. (New section) There is appropriated \$42,500,000 from the
41 General Fund to the enterprise zone assistance fund established
42 under section 29 of P.L.1983, c.303 (C.52:27H-88) for the purposes
43 of that fund, and for the uses prescribed in section 29 of P.L.1983,
44 c.303 (C.52:27H-88).²

45
46 ²**【19.】** 20.² This act shall take effect immediately ³; provided
47 however, that section 8 and the amendments made by this act to

1 section 20 of P.L.1983, c.303 (C.52:27H-79), shall apply to sales
2 and uses on and after January 1, 2022³.

3

4

5

6

7 Restores and revises Urban Enterprise Zone program;
8 appropriates \$42,500,000.