

SENATE, No. 57

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator O'CONNOR

1 AN ACT concerning the New Jersey Urban Enterprise Zone Authority,
2 amending and supplementing P.L.1983, c.303.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 3 of P.L.1983, c.303 (C.52:27H-62) is amended to read
8 as follows:

9 3. As used in this act:

10 a. "Enterprise zone" or "zone" means an urban enterprise zone
11 designated by the authority pursuant to this act;

12 b. "Authority" means the New Jersey Urban Enterprise Zone
13 Authority created by this act;

14 c. "Qualified business" means any entity authorized to do business
15 in the State of New Jersey which, at the time of designation as an
16 enterprise zone, is engaged in the active conduct of a trade or business
17 in that zone; or an entity which, after that designation but during the
18 designation period, becomes newly engaged in the active conduct of
19 a trade or business in that zone and has at least 25% of its full-time
20 employees employed at a business location in the zone, meeting one or
21 more of the following criteria:

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

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

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

31 d. "Qualifying municipality" means any municipality in which there
32 was, in the last full calendar year immediately preceding the year in

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

Matter underlined thus is new matter.

1 which application for enterprise zone designation is submitted pursuant
2 to section 14 of P.L.1983, c.303 (C.52:27H-73), an annual average of
3 at least 2,000 unemployed persons, and in which the municipal average
4 annual unemployment rate for that year exceeded the State average
5 annual unemployment rate; except that any municipality which
6 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
7 seq.) shall qualify if its municipal average annual unemployment rate
8 for that year exceeded the State average annual unemployment rate.
9 The annual average of unemployed persons and the average annual
10 unemployment rates shall be estimated for the relevant calendar year
11 by the Office of Labor Statistics, Division of Planning and Research of
12 the State Department of Labor. For purposes of P.L.1983, c.303
13 (C.52:27H-60 et seq.), the seven municipalities in which the six
14 enterprise zones are to be designated pursuant to criteria according
15 priority consideration for designation of these zones pursuant to
16 section 7 of P.L.1983, c.303 (C.52:27H-66), shall be deemed qualifying
17 municipalities and the municipality in which the additional enterprise
18 zone is to be designated pursuant to criteria according priority
19 consideration for designation of the zone pursuant to section 3 of
20 P.L. , c. (C.) (now before the Legislature as this bill) shall
21 be deemed to be a qualifying municipality;

22 e. "Public assistance" means income maintenance funds
23 administered by the Department of Human Services or by a county
24 welfare agency;

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

31 g. "Zone development plan" means a plan adopted by the
32 governing body of a qualifying municipality for the development of an
33 enterprise zone therein, and for the direction and coordination of
34 activities of the municipality, zone businesses and community
35 organizations within the enterprise zone toward the economic
36 betterment of the residents of the zone and the municipality;

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

1 development plan; and

2 i. "Enterprise zone assistance fund" or "assistance fund" means the
3 fund created by section 29 of P.L.1983, c.303 (C.52:27H-88).

4 (cf: P.L.1993, c.367, s.1)

5

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

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

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

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

1 according to the estimate by the State Department of Labor;
2 ~~population greater than 84,000 and less than 192,000 according to~~
3 the latest federal decennial census and shall be located in the qualifying
4 municipality in that county with the highest annual average number of
5 unemployed persons and the highest average annual unemployment
6 rate for the 1992 calendar year according to the estimate by the State
7 Department of Labor;

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

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

14 (2) the two municipalities submit a joint application and zone
15 development plan; and

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

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

25 (cf: P.L.1993, c.367, s.3)

26

27 3. (New section) The additional zone authorized pursuant to this
28 1995 amendatory and supplementary act shall be designated within
29 90 days of the date of the submittal of an application and zone
30 development plan. The authority shall accept applications within
31 90 days of the effective date of this 1995 amendatory and
32 supplementary act. Notwithstanding the provisions of P.L.1983, c.303
33 (C.52:27H-60 et seq.) to the contrary, the additional enterprise zone
34 to be designated by the authority pursuant to the criteria for priority
35 consideration set forth in this section shall be entitled to an exemption
36 to the extent of 50% of the tax imposed under the "Sales and Use Tax
37 Act," P.L.1966, c.30 (C.54:32B-1 et seq.). The following criteria shall
38 be utilized in according priority consideration for designation of the
39 additional enterprise zone authorized pursuant to this 1995
40 amendatory and supplementary act:

41 a. The zone shall be located in a municipality with a population
42 greater than 60,000 and less than 65,000 according to the latest
43 federal decennial census in a county of the first class with a population
44 greater than 545,000 and less than 565,000 according to latest federal
45 decennial census; and

46 b. The zone shall be located in a municipality which is contiguous

1 to at least one qualifying municipality which has a designated
2 enterprise zone and which is in a county of the first class.

3
4 4. This act shall take effect on the first day of the third month
5 following enactment, but the State Treasurer and the Commissioner of
6 Commerce and Economic Development may take such anticipatory
7 actions as may be necessary for the timely implementation of this act
8 upon the effective date thereof.

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11 STATEMENT

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13 This bill permits the New Jersey Urban Enterprise Zone Authority
14 to designate an additional enterprise zone, and also would provide that
15 the additional zone would be designated in accordance with criteria for
16 priority consideration as follows:

17 a. The zone shall be located in a municipality with a population
18 greater than 60,000 and less than 65,000 according to the latest
19 federal decennial census in a county of the first class with a population
20 greater than 545,000 and less than 565,000 according to latest federal
21 decennial census; and

22 b. The zone shall be located in a municipality which is contiguous
23 to at least one qualifying municipality which has a designated
24 enterprise zone and is in a county of the first class.

25 The population figures would be based on the latest federal
26 decennial census.

27 The bill further provides that notwithstanding the provisions of
28 P.L.1983, c.303 (C.52:27H-60 et seq.) to the contrary, the additional
29 enterprise zone to be designated by the authority pursuant to the
30 criteria for priority consideration set forth in this bill shall be entitled
31 to an exemption to the extent of 50% of the tax imposed under the
32 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

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35 _____
36
37 Permits N.J. Urban Enterprise Zone Authority to designate an
38 additional enterprise zone.