

COMMITTEE STATEMENT:	ASSEMBLY:	No
	SENATE:	Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
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LEGISLATIVE FISCAL ESTIMATE:	No
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VETO MESSAGE:	No
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GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
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FOLLOWING WERE PRINTED:

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REPORTS:	No
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HEARINGS:	No
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NEWSPAPER ARTICLES:	No
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CL/MM

P.L. 2024, CHAPTER 80, *approved September 12, 2024*
Assembly, No. 4534 (*Second Reprint*)

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

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 ASL committee amendments adopted June 24, 2024.

²Senate floor amendments adopted June 28, 2024.

- 1 d. "Qualifying municipality" means any municipality that was
2 previously designated as a qualifying municipality prior to the
3 effective date of P.P.L.2021, c.197;
- 4 e. "Public assistance" means income maintenance funds
5 administered by the Department of Human Services or by a county
6 welfare agency;
- 7 f. "Zone development corporation" means a nonprofit
8 corporation or association created or designated by the governing
9 body of a qualifying municipality to formulate and propose a
10 preliminary zone development plan pursuant to section 9 of
11 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
12 and implement the zone development plan;
- 13 g. "Zone development plan" means a plan adopted by the
14 governing body of a qualifying municipality for the development of
15 an enterprise zone therein, and for the direction and coordination of
16 activities of the municipality, zone businesses and community
17 organizations within the enterprise zone toward the economic
18 betterment of the residents of the zone and the municipality;
- 19 h. "Zone neighborhood association" means a corporation or
20 association of persons who either are residents of, or have their
21 principal place of employment in, a municipality in which an
22 enterprise zone has been designated pursuant to P.L.1983, c.303
23 (C.52:27H-60 et seq.); which is organized under the provisions of
24 Title 15 of the Revised Statutes or Title 15A of the New Jersey
25 Statutes; and which has for its principal purpose the encouragement
26 and support of community activities within, or on behalf of, the
27 zone so as to (1) stimulate economic activity, (2) increase or
28 preserve residential amenities, or (3) otherwise encourage
29 community cooperation in achieving the goals of the zone
30 development plan;
- 31 i. "Enterprise zone assistance fund" or "assistance fund" means
32 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
- 33 j. "UEZ-impacted business district" or "district" means an
34 economically-distressed business district classified by the authority
35 as having been negatively impacted by two or more adjacent urban
36 enterprise zones in which 50 percent less sales tax is collected
37 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 38 k. "Block group" means statistical divisions of census tracts,
39 that are generally defined by the United States Census Bureau to
40 contain between 600 and 3,000 people and are used to present data
41 and control block numbering;
- 42 l. "Municipal Revitalization Index" means the index
43 developed, maintained, and updated from time to time, by the
44 Department of Community Affairs ranking New Jersey's
45 municipalities according to separate indicators that measure diverse
46 aspects of social, economic, physical, and fiscal conditions in each
47 locality;

- 1 m. "Qualified assistance fund expense" means any reasonable
2 expense related to:
- 3 (1) a construction project improving, altering, or repairing the
4 real property of a qualified business located in an enterprise zone;
- 5 (2) full or part time economic and community development
6 positions in the municipality, other governmental, or not-for-profit
7 organization, or marketing;
- 8 (3) loans, grants, and guarantees to businesses;
- 9 (4) payroll expenses, personnel, services, and equipment
10 purchases primarily for the provision of law enforcement, fire
11 protection, or emergency medical services within commercial and
12 transportation corridors located exclusively in an enterprise zone;
- 13 (5) planning and other professional services related to economic
14 and community development;
- 15 (6) cleaning and maintenance of commercial and transportation
16 corridors;
- 17 (7) the improvement of **[public]** ¹public infrastructure in a
18 commercial or transportation corridor and¹ transportation
19 infrastructure ²located within an enterprise zone² **[in a commercial**
20 **or transportation corridor]** , including, but not limited to, the
21 payment of debt service related to the financing of a transportation
22 infrastructure project, and the pledge of funds credited to the
23 assistance fund toward the repayment of any loan issued by the
24 State Transportation Infrastructure Bank ¹**[.]**¹ pursuant to section
25 34 of P.L.2016, c.56 (C.58:11B-10.4) ¹or any government agency¹ ,
26 for a transportation infrastructure project ¹ , provided that up to 75
27 percent of any ²zone² assistance funds ²**[, with the approval of the**
28 **UEZ Authority.]**² may be used to pay debt service related to the
29 financing of the cost of a transportation infrastructure project or
30 pledged toward the repayment of any loan for the cost of a
31 transportation infrastructure project¹ ²if such use is detailed in that
32 municipality's zone development plan certified by the UEZ
33 Authority²;
- 34 (8) the improvement of public infrastructure related to a
35 commercial, industrial, mixed use, or multi-family residential
36 property;
- 37 (9) employment and training programs; or
- 38 (10) events meant to support and draw activity into the enterprise
39 zone, including fairs, festivals, and concerts.
- 40 n. "UEZ coordinator" means an individual designated by a
41 qualified municipality or zone development corporation as the
42 individual in charge of the activities related to the Urban Enterprise
43 Zone program in that municipality;
- 44 o. "UZ-2 certification" means the UEZ Authority's certification
45 of a qualified business, pursuant to section 21 of P.L.1983, c.303
46 (C.52:27H-80), allowing the qualified business an exemption to the
47 extent of 50 percent of the tax imposed under the "Sales and Use

1 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
2 transaction physically occurs within an enterprise zone. The
3 qualified business may deliver merchandise to the purchaser at a
4 location outside an enterprise zone provided the sales transaction
5 was physically made within the enterprise zone. The regular tax
6 rate shall be charged for mail order, telephone, internet, and similar
7 sales transactions delivered within the State;

8 p. "UZ-4 certification" means the UEZ Authority's certification
9 of a qualified business, pursuant to section 8 of P.L.2021, c.197
10 (C.52:27H-79.1), allowing a contractor of the qualified business to
11 make tax-free purchases of materials, supplies, and services for the
12 exclusive use of erecting a structure or building on, or substantially
13 improving, altering, or repairing, the real property of a qualified
14 business located in an enterprise zone at the address indicated on
15 the qualified business's application for certification to the UEZ
16 Authority;

17 q. "UZ-5 certification" means the UEZ Authority's certification
18 of a qualified business, as defined under section 20 of P.L.1983,
19 c.303 (C.52:27H-79), allowing the qualified business to make tax-
20 free purchases of office and business equipment and supplies,
21 furnishings, trade fixtures, repair, or construction materials and all
22 other tangible personal property (other than motor vehicles and
23 motor vehicle parts and supplies) for the exclusive use or
24 consumption on the premises of the qualified business within an
25 enterprise zone at an address indicated on the qualified business's
26 application for certification to the UEZ Authority. The exemption
27 may be used only for personal property controlled by the qualified
28 business. This exemption shall also apply to delivery charges and
29 charges for services performed for a qualified business at its zone
30 location, including repair, janitorial, and maintenance services;

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

36 s. "Commercial corridor" means the land area with frontage on
37 a State, county, local, or rail thoroughfare in an enterprise zone
38 which is predominantly commercial or industrial; **【and】**

39 t. "Transportation corridor" means a broad geographical band
40 that follows a general directional flow or connects major sources of
41 trips. It may contain a number of streets and highways and transit
42 lines or routes;

43 u. "Improvement of transportation infrastructure" means the
44 undertaking of a capital project for the construction, repair,
45 upgrade, or maintenance of transportation infrastructure;

1 v. "Transportation infrastructure" includes, but is not limited
2 to:

3 (1) all public highways, roads, bridges, and streets in the State,
4 whether maintained by the State or by any county, municipality, or
5 other political subdivision; and

6 (2) public transportation facilities used in connection with
7 public transportation service, such as passenger stations, shelters
8 and terminals, automobile and bus parking facilities, ramps, track
9 connections, signal systems, power systems, information and
10 communication systems, roadbeds, transit lanes or rights-of-way,
11 equipment storage and servicing facilities, bridges, grade crossings,
12 rail cars, locomotives, motorbuses and other motor vehicles,
13 maintenance and garage facilities, revenue handling equipment and
14 any other equipment, facility or property useful or related to the
15 provision of public transportation service;

16 w. "Public transportation service" means rail passenger service,
17 motorbus regular route service, paratransit service, motorbus
18 charter service, and ferry passenger service;

19 x. "Rail passenger service" means and includes the operations
20 of a railroad, subway, street, traction or electric railway for the
21 purpose of carrying passengers in this State or between points in
22 this State and points in other states;

23 y. "Motorbus regular route service" means and includes the
24 operation of any motorbus or motorbuses on streets, public
25 highways or other facilities, over a fixed route and between fixed
26 termini on a regular schedule for the purpose of carrying passengers
27 for hire or otherwise, in this State or between points in this State
28 and points in other states;

29 z. "Paratransit services" means and includes any service, other
30 than motorbus regular route service and charter services, including,
31 but not limited to, dial-a-ride, non-regular route, jitney or
32 community minibus, and shared-ride services such as vanpools,
33 limousines or taxicabs which are regularly available to the public.
34 Paratransit services shall not include limousine or taxicab service
35 reserved for the private and exclusive use of individual passengers;

36 aa. "Motorbus charter service" means and includes subscription,
37 tour, other special motorbus services or school bus services or
38 charter services as set forth in section 7 of P.L.1979, c.150
39 (C.27:25-7); and

40 bb. "Ferry passenger service" means any service which involves
41 the carriage of persons for compensation or hire by waterborne craft
42 in this State or between points in this State and points in other
43 states.

44 (cf: P.L.2021, c.197, s.1)

45

46 2. This act shall take effect immediately.

A4534 [2R]

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Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CHAPTER 80

AN ACT concerning urban enterprise zones and amending P.L.1983, c.303.

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

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

C.52:27H-62 Definitions.

3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

- c. "Qualified business" means any entity authorized to do business in the State of New Jersey which, at the time of designation as an enterprise zone or a UEZ-impacted business district, is engaged in the active conduct of a trade or business in that zone or district; or an entity which, after that designation but during the designation period, becomes newly engaged in the active conduct of a trade or business in that zone or district and has at least 25 percent of its full-time employees employed at a business location in an eligible block group as defined under section 12 of P.L.2021, c.197 (C.52:27H-99), and which employees meet one or more of the following criteria:

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

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

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

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

- d. "Qualifying municipality" means any municipality that was previously designated as a qualifying municipality prior to the effective date of P P.L.2021, c.197;

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

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

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

- h. "Zone neighborhood association" means a corporation or association of persons who either are residents of, or have their principal place of employment in, a municipality in which an enterprise zone has been designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.); which is organized under the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes; and which has for its principal purpose the encouragement and support

of community activities within, or on behalf of, the zone so as to (1) stimulate economic activity, (2) increase or preserve residential amenities, or (3) otherwise encourage community cooperation in achieving the goals of the zone development plan;

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

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

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

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

m. "Qualified assistance fund expense" means any reasonable 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 expenses, personnel, services, and equipment purchases primarily for the provision of law enforcement, fire protection, or emergency medical services within commercial and transportation corridors located exclusively in an enterprise zone;

(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 and transportation infrastructure located within an enterprise zone, including, but not limited to, the payment of debt service related to the financing of a transportation infrastructure project, and the pledge of funds credited to the assistance fund toward the repayment of any loan issued by the State Transportation Infrastructure Bank pursuant to section 34 of P.L.2016, c.56 (C.58:11B-10.4) or any government agency, for a transportation infrastructure project, provided that up to 75 percent of any zone assistance funds may be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of any loan for the cost of a transportation infrastructure project if such use is detailed in that municipality's zone development plan certified by the UEZ Authority;

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

(9) employment and training programs; or

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

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 8 of P.L.2021, c.197 (C.52:27H-79.1), 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 substantially 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, as defined under section 20 of P.L.1983, c.303 (C.52:27H-79), 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. "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;

t. "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;

u. "Improvement of transportation infrastructure" means the undertaking of a capital project for the construction, repair, upgrade, or maintenance of transportation infrastructure;

v. "Transportation infrastructure" includes, but is not limited to:

(1) all public highways, roads, bridges, and streets in the State, whether maintained by the State or by any county, municipality, or other political subdivision; and

(2) public transportation facilities used in connection with public transportation service, such as passenger stations, shelters, and terminals, automobile and bus parking facilities, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights-of-way, equipment storage and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment, and any other equipment, facility, or property useful or related to the provision of public transportation service;

w. "Public transportation service" means rail passenger service, motorbus regular route service, paratransit service, motorbus charter service, and ferry passenger service;

x. "Rail passenger service" means and includes the operations of a railroad, subway, street, traction, or electric railway for the purpose of carrying passengers in this State or between points in this State and points in other states;

y. "Motorbus regular route service" means and includes the operation of any motorbus or motorbuses on streets, public highways, or other facilities over a fixed route and between fixed termini on a regular schedule for the purpose of carrying passengers for hire or otherwise in this State or between points in this State and points in other states;

z. "Paratransit services" means and includes any service, other than motorbus regular route service and charter services, including, but not limited to, dial-a-ride, non-regular route, jitney or community minibus, and shared-ride services such as vanpools, limousines, or taxicabs which are regularly available to the public. Paratransit services shall not include limousine or taxicab service reserved for the private and exclusive use of individual passengers;

aa. "Motorbus charter service" means and includes subscription, tour, other special motorbus services, school bus services, or charter services as set forth in section 7 of P.L.1979, c.150 (C.27:25-7); and

bb. "Ferry passenger service" means any service which involves the carriage of persons for compensation or hire by waterborne craft in this State or between points in this State and points in other states.

2. This act shall take effect immediately.

Approved September 12, 2024.

ASSEMBLY, No. 4534

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblyman ALEXANDER "AVI" SCHNALL

District 30 (Monmouth and Ocean)

SYNOPSIS

Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/24/2024)

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

40 d. "Qualifying municipality" means any municipality that was
41 previously designated as a qualifying municipality prior to the
42 effective date of P P.L.2021, c.197;

43 e. "Public assistance" means income maintenance funds
44 administered by the Department of Human Services or by a county
45 welfare agency;

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.

- 1 f. "Zone development corporation" means a nonprofit
2 corporation or association created or designated by the governing
3 body of a qualifying municipality to formulate and propose a
4 preliminary zone development plan pursuant to section 9 of
5 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
6 and implement the zone development plan;
- 7 g. "Zone development plan" means a plan adopted by the
8 governing body of a qualifying municipality for the development of
9 an enterprise zone therein, and for the direction and coordination of
10 activities of the municipality, zone businesses and community
11 organizations within the enterprise zone toward the economic
12 betterment of the residents of the zone and the municipality;
- 13 h. "Zone neighborhood association" means a corporation or
14 association of persons who either are residents of, or have their
15 principal place of employment in, a municipality in which an
16 enterprise zone has been designated pursuant to P.L.1983, c.303
17 (C.52:27H-60 et seq.); which is organized under the provisions of
18 Title 15 of the Revised Statutes or Title 15A of the New Jersey
19 Statutes; and which has for its principal purpose the encouragement
20 and support of community activities within, or on behalf of, the
21 zone so as to (1) stimulate economic activity, (2) increase or
22 preserve residential amenities, or (3) otherwise encourage
23 community cooperation in achieving the goals of the zone
24 development plan;
- 25 i. "Enterprise zone assistance fund" or "assistance fund" means
26 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
- 27 j. "UEZ-impacted business district" or "district" means an
28 economically-distressed business district classified by the authority
29 as having been negatively impacted by two or more adjacent urban
30 enterprise zones in which 50 percent less sales tax is collected
31 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 32 k. "Block group" means statistical divisions of census tracts,
33 that are generally defined by the United States Census Bureau to
34 contain between 600 and 3,000 people and are used to present data
35 and control block numbering;
- 36 l. "Municipal Revitalization Index" means the index
37 developed, maintained, and updated from time to time, by the
38 Department of Community Affairs ranking New Jersey's
39 municipalities according to separate indicators that measure diverse
40 aspects of social, economic, physical, and fiscal conditions in each
41 locality;
- 42 m. "Qualified assistance fund expense" means any reasonable
43 expense related to:
- 44 (1) a construction project improving, altering, or repairing the
45 real property of a qualified business located in an enterprise zone;
- 46 (2) full or part time economic and community development
47 positions in the municipality, other governmental, or not-for-profit
48 organization, or marketing;

- 1 (3) loans, grants, and guarantees to businesses;
 - 2 (4) payroll expenses, personnel, services, and equipment
3 purchases primarily for the provision of law enforcement, fire
4 protection, or emergency medical services within commercial and
5 transportation corridors located exclusively in an enterprise zone;
 - 6 (5) planning and other professional services related to economic
7 and community development;
 - 8 (6) cleaning and maintenance of commercial and transportation
9 corridors;
 - 10 (7) the improvement of **public** transportation infrastructure
11 in a commercial or transportation corridor, including, but not
12 limited to, the payment of debt service related to the financing of a
13 transportation infrastructure project, and the pledge of funds
14 credited to the assistance fund toward the repayment of any loan
15 issued by the State Transportation Infrastructure Bank, pursuant to
16 section 34 of P.L.2016, c.56 (C.58:11B-10.4), for a transportation
17 infrastructure project;
 - 18 (8) the improvement of public infrastructure related to a
19 commercial, industrial, mixed use, or multi-family residential
20 property;
 - 21 (9) employment and training programs; or
 - 22 (10) events meant to support and draw activity into the enterprise
23 zone, including fairs, festivals, and concerts.
- 24 n. "UEZ coordinator" means an individual designated by a
25 qualified municipality or zone development corporation as the
26 individual in charge of the activities related to the Urban Enterprise
27 Zone program in that municipality;
- 28 o. "UZ-2 certification" means the UEZ Authority's certification
29 of a qualified business, pursuant to section 21 of P.L.1983, c.303
30 (C.52:27H-80), allowing the qualified business an exemption to the
31 extent of 50 percent of the tax imposed under the "Sales and Use
32 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
33 transaction physically occurs within an enterprise zone. The
34 qualified business may deliver merchandise to the purchaser at a
35 location outside an enterprise zone provided the sales transaction
36 was physically made within the enterprise zone. The regular tax
37 rate shall be charged for mail order, telephone, internet, and similar
38 sales transactions delivered within the State;
- 39 p. "UZ-4 certification" means the UEZ Authority's certification
40 of a qualified business, pursuant to section 8 of P.L.2021, c.197
41 (C.52:27H-79.1), allowing a contractor of the qualified business to
42 make tax-free purchases of materials, supplies, and services for the
43 exclusive use of erecting a structure or building on, or substantially
44 improving, altering, or repairing, the real property of a qualified
45 business located in an enterprise zone at the address indicated on
46 the qualified business's application for certification to the UEZ
47 Authority;

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

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

20 s. "Commercial corridor" means the land area with frontage on
21 a State, county, local, or rail thoroughfare in an enterprise zone
22 which is predominantly commercial or industrial; **[and]**

23 t. "Transportation corridor" means a broad geographical band
24 that follows a general directional flow or connects major sources of
25 trips. It may contain a number of streets and highways and transit
26 lines or routes;

27 u. "Improvement of transportation infrastructure" means the
28 undertaking of a capital project for the construction, repair,
29 upgrade, or maintenance of transportation infrastructure;

30 v. "Transportation infrastructure" includes, but is not limited
31 to:

32 (1) all public highways, roads, bridges, and streets in the State,
33 whether maintained by the State or by any county, municipality, or
34 other political subdivision; and

35 (2) public transportation facilities used in connection with
36 public transportation service, such as passenger stations, shelters
37 and terminals, automobile and bus parking facilities, ramps, track
38 connections, signal systems, power systems, information and
39 communication systems, roadbeds, transit lanes or rights-of-way,
40 equipment storage and servicing facilities, bridges, grade crossings,
41 rail cars, locomotives, motorbuses and other motor vehicles,
42 maintenance and garage facilities, revenue handling equipment and
43 any other equipment, facility or property useful or related to the
44 provision of public transportation service;

45 w. "Public transportation service" means rail passenger service,
46 motorbus regular route service, paratransit service, motorbus
47 charter service, and ferry passenger service;

1 reasonable expenses related to the improvement of public
2 infrastructure in a commercial or transportation corridor and the
3 improvement of public infrastructure related to a commercial,
4 industrial, mixed use, or multi-family residential property.

5 The bill revises the definition of a “qualified assistance fund
6 expense” to include the improvement of transportation
7 infrastructure, regardless of whether the improvement is made
8 within a commercial or transportation corridor. Specifically, these
9 improvements would include the undertaking of a capital project for
10 the construction, repair, upgrade, or maintenance of transportation
11 infrastructure. The bill also provides that these expenses may
12 include debt service related to the financing of a transportation
13 infrastructure project, as well as the pledge of funds credited to the
14 assistance fund toward the repayment of any loan issued by the
15 State Transportation Infrastructure Bank Fund for a transportation
16 infrastructure project.

17 Under the bill, the term “transportation infrastructure” is defined
18 to include, but not be limited to:

19

20 (1) all public highways, roads, bridges, and streets in the State,
21 whether maintained by the State or by any county, municipality,
22 or other political subdivision; and

23 (2) public transportation facilities used in connection with
24 public transportation service, such as passenger stations, shelters
25 and terminals, automobile and bus parking facilities, ramps, track
26 connections, signal systems, power systems, information and
27 communication systems, roadbeds, transit lanes or rights-of-way,
28 equipment storage and servicing facilities, bridges, grade
29 crossings, rail cars, locomotives, motorbuses and other motor
30 vehicles, maintenance and garage facilities, revenue handling
31 equipment and any other equipment, facility or property useful or
32 related to the provision of public transportation service.

33 The bill further defines “public transportation service” to mean
34 rail passenger service, motorbus regular route service, paratransit
35 service, motorbus charter service, and ferry passenger service.

[First Reprint]

ASSEMBLY, No. 4534

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblyman ALEXANDER "AVI" SCHNALL

District 30 (Monmouth and Ocean)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator RAJ MUKHERJI

District 32 (Hudson)

Co-Sponsored by:

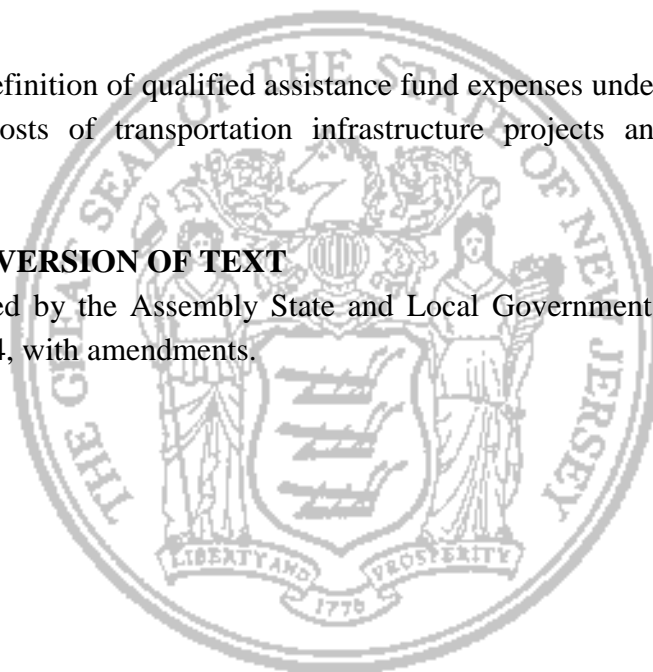
Assemblymen Stanley, Calabrese, Senators Diegnan, McKnight and Ruiz

SYNOPSIS

Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on June 24, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

40 d. "Qualifying municipality" means any municipality that was
41 previously designated as a qualifying municipality prior to the
42 effective date of P P.L.2021, c.197;

43 e. "Public assistance" means income maintenance funds
44 administered by the Department of Human Services or by a county
45 welfare agency;

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 ASL committee amendments adopted June 24, 2024.

- 1 f. "Zone development corporation" means a nonprofit
2 corporation or association created or designated by the governing
3 body of a qualifying municipality to formulate and propose a
4 preliminary zone development plan pursuant to section 9 of
5 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
6 and implement the zone development plan;
- 7 g. "Zone development plan" means a plan adopted by the
8 governing body of a qualifying municipality for the development of
9 an enterprise zone therein, and for the direction and coordination of
10 activities of the municipality, zone businesses and community
11 organizations within the enterprise zone toward the economic
12 betterment of the residents of the zone and the municipality;
- 13 h. "Zone neighborhood association" means a corporation or
14 association of persons who either are residents of, or have their
15 principal place of employment in, a municipality in which an
16 enterprise zone has been designated pursuant to P.L.1983, c.303
17 (C.52:27H-60 et seq.); which is organized under the provisions of
18 Title 15 of the Revised Statutes or Title 15A of the New Jersey
19 Statutes; and which has for its principal purpose the encouragement
20 and support of community activities within, or on behalf of, the
21 zone so as to (1) stimulate economic activity, (2) increase or
22 preserve residential amenities, or (3) otherwise encourage
23 community cooperation in achieving the goals of the zone
24 development plan;
- 25 i. "Enterprise zone assistance fund" or "assistance fund" means
26 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
- 27 j. "UEZ-impacted business district" or "district" means an
28 economically-distressed business district classified by the authority
29 as having been negatively impacted by two or more adjacent urban
30 enterprise zones in which 50 percent less sales tax is collected
31 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 32 k. "Block group" means statistical divisions of census tracts,
33 that are generally defined by the United States Census Bureau to
34 contain between 600 and 3,000 people and are used to present data
35 and control block numbering;
- 36 l. "Municipal Revitalization Index" means the index
37 developed, maintained, and updated from time to time, by the
38 Department of Community Affairs ranking New Jersey's
39 municipalities according to separate indicators that measure diverse
40 aspects of social, economic, physical, and fiscal conditions in each
41 locality;
- 42 m. "Qualified assistance fund expense" means any reasonable
43 expense related to:
- 44 (1) a construction project improving, altering, or repairing the
45 real property of a qualified business located in an enterprise zone;
- 46 (2) full or part time economic and community development
47 positions in the municipality, other governmental, or not-for-profit
48 organization, or marketing;

- 1 (3) loans, grants, and guarantees to businesses;
- 2 (4) payroll expenses, personnel, services, and equipment
3 purchases primarily for the provision of law enforcement, fire
4 protection, or emergency medical services within commercial and
5 transportation corridors located exclusively in an enterprise zone;
- 6 (5) planning and other professional services related to economic
7 and community development;
- 8 (6) cleaning and maintenance of commercial and transportation
9 corridors;
- 10 (7) the improvement of **[public]** ¹public infrastructure in a
11 commercial or transportation corridor and¹ transportation
12 infrastructure [in a commercial or transportation corridor],
13 including, but not limited to, the payment of debt service related to
14 the financing of a transportation infrastructure project, and the
15 pledge of funds credited to the assistance fund toward the
16 repayment of any loan issued by the State Transportation
17 Infrastructure Bank ¹[,]¹ pursuant to section 34 of P.L.2016, c.56
18 (C.58:11B-10.4) ¹or any government agency¹ , for a transportation
19 infrastructure project ¹, provided that up to 75 percent of any
20 assistance funds, with the approval of the UEZ Authority, may be
21 used to pay debt service related to the financing of the cost of a
22 transportation infrastructure project or pledged toward the
23 repayment of any loan for the cost of a transportation infrastructure
24 project¹ ;
- 25 (8) the improvement of public infrastructure related to a
26 commercial, industrial, mixed use, or multi-family residential
27 property;
- 28 (9) employment and training programs; or
- 29 (10) events meant to support and draw activity into the enterprise
30 zone, including fairs, festivals, and concerts.
- 31 n. "UEZ coordinator" means an individual designated by a
32 qualified municipality or zone development corporation as the
33 individual in charge of the activities related to the Urban Enterprise
34 Zone program in that municipality;
- 35 o. "UZ-2 certification" means the UEZ Authority's certification
36 of a qualified business, pursuant to section 21 of P.L.1983, c.303
37 (C.52:27H-80), allowing the qualified business an exemption to the
38 extent of 50 percent of the tax imposed under the "Sales and Use
39 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
40 transaction physically occurs within an enterprise zone. The
41 qualified business may deliver merchandise to the purchaser at a
42 location outside an enterprise zone provided the sales transaction
43 was physically made within the enterprise zone. The regular tax
44 rate shall be charged for mail order, telephone, internet, and similar
45 sales transactions delivered within the State;
- 46 p. "UZ-4 certification" means the UEZ Authority's certification
47 of a qualified business, pursuant to section 8 of P.L.2021, c.197

1 (C.52:27H-79.1), allowing a contractor of the qualified business to
2 make tax-free purchases of materials, supplies, and services for the
3 exclusive use of erecting a structure or building on, or substantially
4 improving, altering, or repairing, the real property of a qualified
5 business located in an enterprise zone at the address indicated on
6 the qualified business's application for certification to the UEZ
7 Authority;

8 q. "UZ-5 certification" means the UEZ Authority's certification
9 of a qualified business, as defined under section 20 of P.L.1983,
10 c.303 (C.52:27H-79), allowing the qualified business to make tax-
11 free purchases of office and business equipment and supplies,
12 furnishings, trade fixtures, repair, or construction materials and all
13 other tangible personal property (other than motor vehicles and
14 motor vehicle parts and supplies) for the exclusive use or
15 consumption on the premises of the qualified business within an
16 enterprise zone at an address indicated on the qualified business's
17 application for certification to the UEZ Authority. The exemption
18 may be used only for personal property controlled by the qualified
19 business. This exemption shall also apply to delivery charges and
20 charges for services performed for a qualified business at its zone
21 location, including repair, janitorial, and maintenance services;

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

27 s. "Commercial corridor" means the land area with frontage on
28 a State, county, local, or rail thoroughfare in an enterprise zone
29 which is predominantly commercial or industrial; **【and】**

30 t. "Transportation corridor" means a broad geographical band
31 that follows a general directional flow or connects major sources of
32 trips. It may contain a number of streets and highways and transit
33 lines or routes;

34 u. "Improvement of transportation infrastructure" means the
35 undertaking of a capital project for the construction, repair,
36 upgrade, or maintenance of transportation infrastructure;

37 v. "Transportation infrastructure" includes, but is not limited
38 to:

39 (1) all public highways, roads, bridges, and streets in the State,
40 whether maintained by the State or by any county, municipality, or
41 other political subdivision; and

42 (2) public transportation facilities used in connection with
43 public transportation service, such as passenger stations, shelters
44 and terminals, automobile and bus parking facilities, ramps, track
45 connections, signal systems, power systems, information and
46 communication systems, roadbeds, transit lanes or rights-of-way,
47 equipment storage and servicing facilities, bridges, grade crossings,
48 rail cars, locomotives, motorbuses and other motor vehicles,

1 maintenance and garage facilities, revenue handling equipment and
2 any other equipment, facility or property useful or related to the
3 provision of public transportation service;

4 w. "Public transportation service" means rail passenger service,
5 motorbus regular route service, paratransit service, motorbus
6 charter service, and ferry passenger service;

7 x. "Rail passenger service" means and includes the operations
8 of a railroad, subway, street, traction or electric railway for the
9 purpose of carrying passengers in this State or between points in
10 this State and points in other states;

11 y. "Motorbus regular route service" means and includes the
12 operation of any motorbus or motorbuses on streets, public
13 highways or other facilities, over a fixed route and between fixed
14 termini on a regular schedule for the purpose of carrying passengers
15 for hire or otherwise, in this State or between points in this State
16 and points in other states;

17 z. "Paratransit services" means and includes any service, other
18 than motorbus regular route service and charter services, including,
19 but not limited to, dial-a-ride, non-regular route, jitney or
20 community minibus, and shared-ride services such as vanpools,
21 limousines or taxicabs which are regularly available to the public.
22 Paratransit services shall not include limousine or taxicab service
23 reserved for the private and exclusive use of individual passengers;

24 aa. "Motorbus charter service" means and includes subscription,
25 tour, other special motorbus services or school bus services or
26 charter services as set forth in section 7 of P.L.1979, c.150
27 (C.27:25-7); and

28 bb. "Ferry passenger service" means any service which involves
29 the carriage of persons for compensation or hire by waterborne craft
30 in this State or between points in this State and points in other
31 states.

32 (cf: P.L.2021, c.197, s.1)

33

34 2. This act shall take effect immediately.

[Second Reprint]

ASSEMBLY, No. 4534

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JUNE 6, 2024

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblyman ALEXANDER "AVI" SCHNALL

District 30 (Monmouth and Ocean)

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator RAJ MUKHERJI

District 32 (Hudson)

Co-Sponsored by:

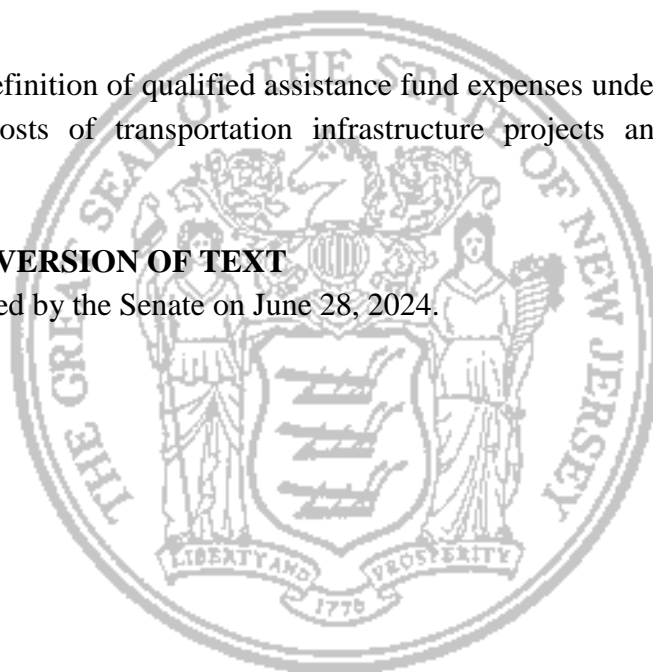
Assemblymen Stanley, Calabrese, Senators Diegnan, McKnight and Ruiz

SYNOPSIS

Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CURRENT VERSION OF TEXT

As amended by the Senate on June 28, 2024.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

40 d. "Qualifying municipality" means any municipality that was
41 previously designated as a qualifying municipality prior to the
42 effective date of P P.L.2021, c.197;

43 e. "Public assistance" means income maintenance funds
44 administered by the Department of Human Services or by a county
45 welfare agency;

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 ASL committee amendments adopted June 24, 2024.

²Senate floor amendments adopted June 28, 2024.

- 1 f. "Zone development corporation" means a nonprofit
2 corporation or association created or designated by the governing
3 body of a qualifying municipality to formulate and propose a
4 preliminary zone development plan pursuant to section 9 of
5 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
6 and implement the zone development plan;
- 7 g. "Zone development plan" means a plan adopted by the
8 governing body of a qualifying municipality for the development of
9 an enterprise zone therein, and for the direction and coordination of
10 activities of the municipality, zone businesses and community
11 organizations within the enterprise zone toward the economic
12 betterment of the residents of the zone and the municipality;
- 13 h. "Zone neighborhood association" means a corporation or
14 association of persons who either are residents of, or have their
15 principal place of employment in, a municipality in which an
16 enterprise zone has been designated pursuant to P.L.1983, c.303
17 (C.52:27H-60 et seq.); which is organized under the provisions of
18 Title 15 of the Revised Statutes or Title 15A of the New Jersey
19 Statutes; and which has for its principal purpose the encouragement
20 and support of community activities within, or on behalf of, the
21 zone so as to (1) stimulate economic activity, (2) increase or
22 preserve residential amenities, or (3) otherwise encourage
23 community cooperation in achieving the goals of the zone
24 development plan;
- 25 i. "Enterprise zone assistance fund" or "assistance fund" means
26 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
- 27 j. "UEZ-impacted business district" or "district" means an
28 economically-distressed business district classified by the authority
29 as having been negatively impacted by two or more adjacent urban
30 enterprise zones in which 50 percent less sales tax is collected
31 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 32 k. "Block group" means statistical divisions of census tracts,
33 that are generally defined by the United States Census Bureau to
34 contain between 600 and 3,000 people and are used to present data
35 and control block numbering;
- 36 l. "Municipal Revitalization Index" means the index
37 developed, maintained, and updated from time to time, by the
38 Department of Community Affairs ranking New Jersey's
39 municipalities according to separate indicators that measure diverse
40 aspects of social, economic, physical, and fiscal conditions in each
41 locality;
- 42 m. "Qualified assistance fund expense" means any reasonable
43 expense related to:
- 44 (1) a construction project improving, altering, or repairing the
45 real property of a qualified business located in an enterprise zone;
- 46 (2) full or part time economic and community development
47 positions in the municipality, other governmental, or not-for-profit
48 organization, or marketing;

- 1 (3) loans, grants, and guarantees to businesses;
- 2 (4) payroll expenses, personnel, services, and equipment
3 purchases primarily for the provision of law enforcement, fire
4 protection, or emergency medical services within commercial and
5 transportation corridors located exclusively in an enterprise zone;
- 6 (5) planning and other professional services related to economic
7 and community development;
- 8 (6) cleaning and maintenance of commercial and transportation
9 corridors;
- 10 (7) the improvement of **public** ¹public infrastructure in a
11 commercial or transportation corridor and¹ transportation
12 infrastructure ²located within an enterprise zone² [in a commercial
13 or transportation corridor] , including, but not limited to, the
14 payment of debt service related to the financing of a transportation
15 infrastructure project, and the pledge of funds credited to the
16 assistance fund toward the repayment of any loan issued by the
17 State Transportation Infrastructure Bank ¹[,]¹ pursuant to section
18 34 of P.L.2016, c.56 (C.58:11B-10.4) ¹or any government agency¹ ,
19 for a transportation infrastructure project ¹, provided that up to 75
20 percent of any ²zone² assistance funds ²[, with the approval of the
21 UEZ Authority.]² may be used to pay debt service related to the
22 financing of the cost of a transportation infrastructure project or
23 pledged toward the repayment of any loan for the cost of a
24 transportation infrastructure project¹ ²if such use is detailed in that
25 municipality's zone development plan certified by the UEZ
26 Authority²;
- 27 (8) the improvement of public infrastructure related to a
28 commercial, industrial, mixed use, or multi-family residential
29 property;
- 30 (9) employment and training programs; or
- 31 (10) events meant to support and draw activity into the enterprise
32 zone, including fairs, festivals, and concerts.
- 33 n. "UEZ coordinator" means an individual designated by a
34 qualified municipality or zone development corporation as the
35 individual in charge of the activities related to the Urban Enterprise
36 Zone program in that municipality;
- 37 o. "UZ-2 certification" means the UEZ Authority's certification
38 of a qualified business, pursuant to section 21 of P.L.1983, c.303
39 (C.52:27H-80), allowing the qualified business an exemption to the
40 extent of 50 percent of the tax imposed under the "Sales and Use
41 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
42 transaction physically occurs within an enterprise zone. The
43 qualified business may deliver merchandise to the purchaser at a
44 location outside an enterprise zone provided the sales transaction
45 was physically made within the enterprise zone. The regular tax
46 rate shall be charged for mail order, telephone, internet, and similar
47 sales transactions delivered within the State;

1 p. "UZ-4 certification" means the UEZ Authority's certification
2 of a qualified business, pursuant to section 8 of P.L.2021, c.197
3 (C.52:27H-79.1), allowing a contractor of the qualified business to
4 make tax-free purchases of materials, supplies, and services for the
5 exclusive use of erecting a structure or building on, or substantially
6 improving, altering, or repairing, the real property of a qualified
7 business located in an enterprise zone at the address indicated on
8 the qualified business's application for certification to the UEZ
9 Authority;

10 q. "UZ-5 certification" means the UEZ Authority's certification
11 of a qualified business, as defined under section 20 of P.L.1983,
12 c.303 (C.52:27H-79), allowing the qualified business to make tax-
13 free purchases of office and business equipment and supplies,
14 furnishings, trade fixtures, repair, or construction materials and all
15 other tangible personal property (other than motor vehicles and
16 motor vehicle parts and supplies) for the exclusive use or
17 consumption on the premises of the qualified business within an
18 enterprise zone at an address indicated on the qualified business's
19 application for certification to the UEZ Authority. The exemption
20 may be used only for personal property controlled by the qualified
21 business. This exemption shall also apply to delivery charges and
22 charges for services performed for a qualified business at its zone
23 location, including repair, janitorial, and maintenance services;

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

29 s. "Commercial corridor" means the land area with frontage on
30 a State, county, local, or rail thoroughfare in an enterprise zone
31 which is predominantly commercial or industrial; **[and]**

32 t. "Transportation corridor" means a broad geographical band
33 that follows a general directional flow or connects major sources of
34 trips. It may contain a number of streets and highways and transit
35 lines or routes;

36 u. "Improvement of transportation infrastructure" means the
37 undertaking of a capital project for the construction, repair,
38 upgrade, or maintenance of transportation infrastructure;

39 v. "Transportation infrastructure" includes, but is not limited
40 to:

41 (1) all public highways, roads, bridges, and streets in the State,
42 whether maintained by the State or by any county, municipality, or
43 other political subdivision; and

44 (2) public transportation facilities used in connection with
45 public transportation service, such as passenger stations, shelters
46 and terminals, automobile and bus parking facilities, ramps, track
47 connections, signal systems, power systems, information and
48 communication systems, roadbeds, transit lanes or rights-of-way,

1 equipment storage and servicing facilities, bridges, grade crossings,
2 rail cars, locomotives, motorbuses and other motor vehicles,
3 maintenance and garage facilities, revenue handling equipment and
4 any other equipment, facility or property useful or related to the
5 provision of public transportation service;

6 w. "Public transportation service" means rail passenger service,
7 motorbus regular route service, paratransit service, motorbus
8 charter service, and ferry passenger service;

9 x. "Rail passenger service" means and includes the operations
10 of a railroad, subway, street, traction or electric railway for the
11 purpose of carrying passengers in this State or between points in
12 this State and points in other states;

13 y. "Motorbus regular route service" means and includes the
14 operation of any motorbus or motorbuses on streets, public
15 highways or other facilities, over a fixed route and between fixed
16 termini on a regular schedule for the purpose of carrying passengers
17 for hire or otherwise, in this State or between points in this State
18 and points in other states;

19 z. "Paratransit services" means and includes any service, other
20 than motorbus regular route service and charter services, including,
21 but not limited to, dial-a-ride, non-regular route, jitney or
22 community minibus, and shared-ride services such as vanpools,
23 limousines or taxicabs which are regularly available to the public.
24 Paratransit services shall not include limousine or taxicab service
25 reserved for the private and exclusive use of individual passengers;

26 aa. "Motorbus charter service" means and includes subscription,
27 tour, other special motorbus services or school bus services or
28 charter services as set forth in section 7 of P.L.1979, c.150
29 (C.27:25-7); and

30 bb. "Ferry passenger service" means any service which involves
31 the carriage of persons for compensation or hire by waterborne craft
32 in this State or between points in this State and points in other
33 states.

34 (cf: P.L.2021, c.197, s.1)

35

36 2. This act shall take effect immediately.

ASSEMBLY STATE AND LOCAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4534

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 24, 2024

The Assembly State and Local Government Committee reports favorably and with committee amendments Assembly Bill No. 4534.

As amended, this bill revises the definition of a “qualified assistance fund expense” under the “New Jersey Urban Enterprise Zones Act,” C.52:27H-60 et seq. to clarify that qualifying municipalities would be able to use funds received through the Urban Enterprise Zone program for transportation infrastructure projects and related debt service.

The Urban Enterprise Zone (UEZ) program aims to bring about the revitalization of the State’s urban areas through the provision of various incentives to encourage job creation and economic development. As part of this program, the State administers the “Enterprise Zone Assistance Fund,” which provides funding to qualifying municipalities to support certain economic development projects in enterprise zones. In order for a project to qualify for funding through the UEZ program, the project is required to meet the statutory definition of a “qualified assistance fund expense.” These expenses currently include, among other items, the reasonable expenses related to the improvement of public infrastructure in a commercial or transportation corridor and the improvement of public infrastructure related to a commercial, industrial, mixed use, or multi-family residential property.

The bill revises the definition of a “qualified assistance fund expense” to include the improvement of transportation infrastructure, regardless of whether the improvement is made within a commercial or transportation corridor. Specifically, these improvements would include the undertaking of a capital project for the construction, repair, upgrade, or maintenance of transportation infrastructure. The bill also provides that these expenses may include debt service related to the financing of a transportation infrastructure project, as well as the pledge of funds credited to the assistance fund toward the repayment of any loan issued by the State Transportation Infrastructure Bank Fund or any government agency for a transportation infrastructure project, provided that up to 75 percent of any assistance funds, with

the approval of the UEZ Authority, may be used to pay debt service related to the financing the cost of a transportation infrastructure project or pledged toward the repayment of any loan for a transportation infrastructure total project cost.

Under the bill, the term “transportation infrastructure” is defined to include, but not be limited to:

(1) all public highways, roads, bridges, and streets in the State, whether maintained by the State or by any county, municipality, or other political subdivision; and

(2) public transportation facilities used in connection with public transportation service, such as passenger stations, shelters and terminals, automobile and bus parking facilities, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights-of-way, equipment storage and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment and any other equipment, facility or property useful or related to the provision of public transportation service.

The bill further defines “public transportation service” to mean rail passenger service, motorbus regular route service, paratransit service, motorbus charter service, and ferry passenger service.

COMMITTEE AMENDMENTS:

The committee amendments:

adjust the definition of a “qualified assistance fund expense” to include any reasonable expense related to the improvement of public infrastructure in a commercial or transportation corridor in addition to transportation infrastructure;

allow the payment of debt service related to the financing of a transportation infrastructure project, and the pledge of funds credited to the assistance fund toward the repayment of any loan issued by any government agency in addition to the State Transportation Infrastructure Bank Fund; and,

specify that up to 75 percent of any assistance funds, with the approval of the UEZ Authority, may be used to pay debt service related to the financing of the cost of a transportation infrastructure project cost or pledged toward the repayment of any loan for the cost of a transportation infrastructure project.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 4534

with Senate Floor Amendments
(Proposed by Senator VITALE)

ADOPTED: JUNE 28, 2024

The floor amendments provide that, for purposes of the UEZ program, an “improvement of transportation infrastructure” is required to be located within an urban enterprise zone in order to be considered a “qualifying assistance fund expense.”

The amendments also require that a municipality’s zone development plan certified by the UEZ Authority explicitly detail that no more than 75 percent of zone assistance funds be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of a loan for the cost of a transportation infrastructure project in order to dedicate zone assistance funds toward those purposes.

SENATE, No. 3439

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 13, 2024

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

SYNOPSIS

Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CURRENT VERSION OF TEXT

As introduced.



S3439 VITALE

2

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

40 d. "Qualifying municipality" means any municipality that was
41 previously designated as a qualifying municipality prior to the
42 effective date of P P.L.2021, c.197;

43 e. "Public assistance" means income maintenance funds
44 administered by the Department of Human Services or by a county
45 welfare agency;

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.

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

7 g. "Zone development plan" means a plan adopted by the
8 governing body of a qualifying municipality for the development of
9 an enterprise zone therein, and for the direction and coordination of
10 activities of the municipality, zone businesses and community
11 organizations within the enterprise zone toward the economic
12 betterment of the residents of the zone and the municipality;

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

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

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

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

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

42 m. "Qualified assistance fund expense" means any reasonable
43 expense related to:

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

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

- 1 (3) loans, grants, and guarantees to businesses;
 - 2 (4) payroll expenses, personnel, services, and equipment
3 purchases primarily for the provision of law enforcement, fire
4 protection, or emergency medical services within commercial and
5 transportation corridors located exclusively in an enterprise zone;
 - 6 (5) planning and other professional services related to economic
7 and community development;
 - 8 (6) cleaning and maintenance of commercial and transportation
9 corridors;
 - 10 (7) the improvement of **[public]** transportation infrastructure
11 [in a commercial or transportation corridor], including, but not
12 limited to, the payment of debt service related to the financing of a
13 transportation infrastructure project, and the pledge of funds
14 credited to the assistance fund toward the repayment of any loan
15 issued by the State Transportation Infrastructure Bank, pursuant to
16 section 34 of P.L.2016, c.56 (C.58:11B-10.4), for a transportation
17 infrastructure project;
 - 18 (8) the improvement of public infrastructure related to a
19 commercial, industrial, mixed use, or multi-family residential
20 property;
 - 21 (9) employment and training programs; or
 - 22 (10) events meant to support and draw activity into the
23 enterprise zone, including fairs, festivals, and concerts.
- 24 n. "UEZ coordinator" means an individual designated by a
25 qualified municipality or zone development corporation as the
26 individual in charge of the activities related to the Urban Enterprise
27 Zone program in that municipality;
- 28 o. "UZ-2 certification" means the UEZ Authority's certification
29 of a qualified business, pursuant to section 21 of P.L.1983, c.303
30 (C.52:27H-80), allowing the qualified business an exemption to the
31 extent of 50 percent of the tax imposed under the "Sales and Use
32 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
33 transaction physically occurs within an enterprise zone. The
34 qualified business may deliver merchandise to the purchaser at a
35 location outside an enterprise zone provided the sales transaction
36 was physically made within the enterprise zone. The regular tax
37 rate shall be charged for mail order, telephone, internet, and similar
38 sales transactions delivered within the State;
- 39 p. "UZ-4 certification" means the UEZ Authority's certification
40 of a qualified business, pursuant to section 8 of P.L.2021, c.197
41 (C.52:27H-79.1), allowing a contractor of the qualified business to
42 make tax-free purchases of materials, supplies, and services for the
43 exclusive use of erecting a structure or building on, or substantially
44 improving, altering, or repairing, the real property of a qualified
45 business located in an enterprise zone at the address indicated on
46 the qualified business's application for certification to the UEZ
47 Authority;

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

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

20 s. "Commercial corridor" means the land area with frontage on
21 a State, county, local, or rail thoroughfare in an enterprise zone
22 which is predominantly commercial or industrial; **[and]**

23 t. "Transportation corridor" means a broad geographical band
24 that follows a general directional flow or connects major sources of
25 trips. It may contain a number of streets and highways and transit
26 lines or routes;

27 u. "Improvement of transportation infrastructure" means the
28 undertaking of a capital project for the construction, repair,
29 upgrade, or maintenance of transportation infrastructure;

30 v. "Transportation infrastructure" includes, but is not limited
31 to:

32 (1) all public highways, roads, bridges, and streets in the State,
33 whether maintained by the State or by any county, municipality, or
34 other political subdivision; and

35 (2) public transportation facilities used in connection with
36 public transportation service, such as passenger stations, shelters
37 and terminals, automobile and bus parking facilities, ramps, track
38 connections, signal systems, power systems, information and
39 communication systems, roadbeds, transit lanes or rights-of-way,
40 equipment storage and servicing facilities, bridges, grade crossings,
41 rail cars, locomotives, motorbuses and other motor vehicles,
42 maintenance and garage facilities, revenue handling equipment and
43 any other equipment, facility or property useful or related to the
44 provision of public transportation service;

45 w. "Public transportation service" means rail passenger service,
46 motorbus regular route service, paratransit service, motorbus
47 charter service, and ferry passenger service;

1 reasonable expenses related to the improvement of public
2 infrastructure in a commercial or transportation corridor and the
3 improvement of public infrastructure related to a commercial,
4 industrial, mixed use, or multi-family residential property.

5 The bill revises the definition of a “qualified assistance fund
6 expense” to include the improvement of transportation
7 infrastructure, regardless of whether the improvement is made
8 within a commercial or transportation corridor. Specifically, these
9 improvements would include the undertaking of a capital project for
10 the construction, repair, upgrade, or maintenance of transportation
11 infrastructure. The bill also provides that these expenses may
12 include debt service related to the financing of a transportation
13 infrastructure project, as well as the pledge of funds credited to the
14 assistance fund toward the repayment of any loan issued by the
15 State Transportation Infrastructure Bank Fund for a transportation
16 infrastructure project.

17 Under the bill, the term “transportation infrastructure” is defined
18 to include, but not be limited to:

19

20 (1) all public highways, roads, bridges, and streets in the State,
21 whether maintained by the State or by any county, municipality,
22 or other political subdivision; and

23 (2) public transportation facilities used in connection with
24 public transportation service, such as passenger stations, shelters
25 and terminals, automobile and bus parking facilities, ramps, track
26 connections, signal systems, power systems, information and
27 communication systems, roadbeds, transit lanes or rights-of-way,
28 equipment storage and servicing facilities, bridges, grade
29 crossings, rail cars, locomotives, motorbuses and other motor
30 vehicles, maintenance and garage facilities, revenue handling
31 equipment and any other equipment, facility or property useful or
32 related to the provision of public transportation service.

33

34 The bill further defines “public transportation service” to mean
35 rail passenger service, motorbus regular route service, paratransit
36 service, motorbus charter service, and ferry passenger service.

[First Reprint]

SENATE, No. 3439

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 13, 2024

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator RAJ MUKHERJI

District 32 (Hudson)

Co-Sponsored by:

Senators Diegnan, McKnight and Ruiz

SYNOPSIS

Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2024, with amendments.



(Sponsorship Updated As Of: 6/28/2024)

1 AN ACT concerning urban enterprise zones and amending P.L.1983,
2 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
8 read as follows:

9 3. As used in P.L.1983, c.303 (C.52:27H-60 et seq.):

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

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

16 c. "Qualified business" means any entity authorized to do
17 business in the State of New Jersey which, at the time of
18 designation as an enterprise zone or a UEZ-impacted business
19 district, is engaged in the active conduct of a trade or business in
20 that zone or district; or an entity which, after that designation but
21 during the designation period, becomes newly engaged in the active
22 conduct of a trade or business in that zone or district and has at least
23 25 percent of its full-time employees employed at a business
24 location in an eligible block group as defined under section 12 of
25 P.L.2021, c.197 (C.52:27H-99), and which employees meet one or
26 more of the following criteria:

27 (1) Residents within the zone, the district, within another zone
28 or within a qualifying municipality; or

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

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

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

40 d. "Qualifying municipality" means any municipality that was
41 previously designated as a qualifying municipality prior to the
42 effective date of P P.L.2021, c.197;

43 e. "Public assistance" means income maintenance funds
44 administered by the Department of Human Services or by a county
45 welfare agency;

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:

¹Senate SBA committee amendments adopted June 26, 2024.

- 1 f. "Zone development corporation" means a nonprofit
2 corporation or association created or designated by the governing
3 body of a qualifying municipality to formulate and propose a
4 preliminary zone development plan pursuant to section 9 of
5 P.L.1983, c.303 (C.52:27H-68) and to prepare, monitor, administer
6 and implement the zone development plan;
- 7 g. "Zone development plan" means a plan adopted by the
8 governing body of a qualifying municipality for the development of
9 an enterprise zone therein, and for the direction and coordination of
10 activities of the municipality, zone businesses and community
11 organizations within the enterprise zone toward the economic
12 betterment of the residents of the zone and the municipality;
- 13 h. "Zone neighborhood association" means a corporation or
14 association of persons who either are residents of, or have their
15 principal place of employment in, a municipality in which an
16 enterprise zone has been designated pursuant to P.L.1983, c.303
17 (C.52:27H-60 et seq.); which is organized under the provisions of
18 Title 15 of the Revised Statutes or Title 15A of the New Jersey
19 Statutes; and which has for its principal purpose the encouragement
20 and support of community activities within, or on behalf of, the
21 zone so as to (1) stimulate economic activity, (2) increase or
22 preserve residential amenities, or (3) otherwise encourage
23 community cooperation in achieving the goals of the zone
24 development plan;
- 25 i. "Enterprise zone assistance fund" or "assistance fund" means
26 the fund created by section 29 of P.L.1983, c.303 (C.52:27H-88);
- 27 j. "UEZ-impacted business district" or "district" means an
28 economically-distressed business district classified by the authority
29 as having been negatively impacted by two or more adjacent urban
30 enterprise zones in which 50 percent less sales tax is collected
31 pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80);
- 32 k. "Block group" means statistical divisions of census tracts,
33 that are generally defined by the United States Census Bureau to
34 contain between 600 and 3,000 people and are used to present data
35 and control block numbering;
- 36 l. "Municipal Revitalization Index" means the index
37 developed, maintained, and updated from time to time, by the
38 Department of Community Affairs ranking New Jersey's
39 municipalities according to separate indicators that measure diverse
40 aspects of social, economic, physical, and fiscal conditions in each
41 locality;
- 42 m. "Qualified assistance fund expense" means any reasonable
43 expense related to:
- 44 (1) a construction project improving, altering, or repairing the
45 real property of a qualified business located in an enterprise zone;
- 46 (2) full or part time economic and community development
47 positions in the municipality, other governmental, or not-for-profit
48 organization, or marketing;

- 1 (3) loans, grants, and guarantees to businesses;
- 2 (4) payroll expenses, personnel, services, and equipment
3 purchases primarily for the provision of law enforcement, fire
4 protection, or emergency medical services within commercial and
5 transportation corridors located exclusively in an enterprise zone;
- 6 (5) planning and other professional services related to economic
7 and community development;
- 8 (6) cleaning and maintenance of commercial and transportation
9 corridors;
- 10 (7) the improvement of **public** ¹public infrastructure in a
11 commercial or transportation corridor and¹ transportation
12 infrastructure ¹located within an enterprise zone¹ **[in a commercial or**
13 **transportation corridor]** , including, but not limited to, the payment
14 of debt service related to the financing of a transportation
15 infrastructure project, and the pledge of funds credited to the
16 assistance fund toward the repayment of any loan issued by the
17 State Transportation Infrastructure Bank ¹**[,]¹ pursuant to section
18 34 of P.L.2016, c.56 (C.58:11B-10.4) ¹or any government agency¹ ,
19 for a transportation infrastructure project ¹, provided that up to 75
20 percent of any zone assistance funds may be used to pay debt service
21 related to the financing of the cost of a transportation infrastructure
22 project or pledged toward the repayment of a loan for the cost of a
23 transportation infrastructure project if such use is detailed in that
24 municipality's zone development plan certified by the UEZ
25 Authority¹;**
- 26 (8) the improvement of public infrastructure related to a
27 commercial, industrial, mixed use, or multi-family residential
28 property;
- 29 (9) employment and training programs; or
- 30 (10) events meant to support and draw activity into the
31 enterprise zone, including fairs, festivals, and concerts.
- 32 n. "UEZ coordinator" means an individual designated by a
33 qualified municipality or zone development corporation as the
34 individual in charge of the activities related to the Urban Enterprise
35 Zone program in that municipality;
- 36 o. "UZ-2 certification" means the UEZ Authority's certification
37 of a qualified business, pursuant to section 21 of P.L.1983, c.303
38 (C.52:27H-80), allowing the qualified business an exemption to the
39 extent of 50 percent of the tax imposed under the "Sales and Use
40 Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), when the sales
41 transaction physically occurs within an enterprise zone. The
42 qualified business may deliver merchandise to the purchaser at a
43 location outside an enterprise zone provided the sales transaction
44 was physically made within the enterprise zone. The regular tax
45 rate shall be charged for mail order, telephone, internet, and similar
46 sales transactions delivered within the State;

1 p. "UZ-4 certification" means the UEZ Authority's certification
2 of a qualified business, pursuant to section 8 of P.L.2021, c.197
3 (C.52:27H-79.1), allowing a contractor of the qualified business to
4 make tax-free purchases of materials, supplies, and services for the
5 exclusive use of erecting a structure or building on, or substantially
6 improving, altering, or repairing, the real property of a qualified
7 business located in an enterprise zone at the address indicated on
8 the qualified business's application for certification to the UEZ
9 Authority;

10 q. "UZ-5 certification" means the UEZ Authority's certification
11 of a qualified business, as defined under section 20 of P.L.1983,
12 c.303 (C.52:27H-79), allowing the qualified business to make tax-
13 free purchases of office and business equipment and supplies,
14 furnishings, trade fixtures, repair, or construction materials and all
15 other tangible personal property (other than motor vehicles and
16 motor vehicle parts and supplies) for the exclusive use or
17 consumption on the premises of the qualified business within an
18 enterprise zone at an address indicated on the qualified business's
19 application for certification to the UEZ Authority. The exemption
20 may be used only for personal property controlled by the qualified
21 business. This exemption shall also apply to delivery charges and
22 charges for services performed for a qualified business at its zone
23 location, including repair, janitorial, and maintenance services;

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

29 s. "Commercial corridor" means the land area with frontage on
30 a State, county, local, or rail thoroughfare in an enterprise zone
31 which is predominantly commercial or industrial; **[and]**

32 t. "Transportation corridor" means a broad geographical band
33 that follows a general directional flow or connects major sources of
34 trips. It may contain a number of streets and highways and transit
35 lines or routes;

36 u. "Improvement of transportation infrastructure" means the
37 undertaking of a capital project for the construction, repair,
38 upgrade, or maintenance of transportation infrastructure;

39 v. "Transportation infrastructure" includes, but is not limited
40 to:

41 (1) all public highways, roads, bridges, and streets in the State,
42 whether maintained by the State or by any county, municipality, or
43 other political subdivision; and

44 (2) public transportation facilities used in connection with
45 public transportation service, such as passenger stations, shelters
46 and terminals, automobile and bus parking facilities, ramps, track
47 connections, signal systems, power systems, information and
48 communication systems, roadbeds, transit lanes or rights-of-way,

1 equipment storage and servicing facilities, bridges, grade crossings,
2 rail cars, locomotives, motorbuses and other motor vehicles,
3 maintenance and garage facilities, revenue handling equipment and
4 any other equipment, facility or property useful or related to the
5 provision of public transportation service;

6 w. "Public transportation service" means rail passenger service,
7 motorbus regular route service, paratransit service, motorbus
8 charter service, and ferry passenger service;

9 x. "Rail passenger service" means and includes the operations
10 of a railroad, subway, street, traction or electric railway for the
11 purpose of carrying passengers in this State or between points in
12 this State and points in other states;

13 y. "Motorbus regular route service" means and includes the
14 operation of any motorbus or motorbuses on streets, public
15 highways or other facilities, over a fixed route and between fixed
16 termini on a regular schedule for the purpose of carrying passengers
17 for hire or otherwise, in this State or between points in this State
18 and points in other states;

19 z. "Paratransit services" means and includes any service, other
20 than motorbus regular route service and charter services, including,
21 but not limited to, dial-a-ride, non-regular route, jitney or
22 community minibus, and shared-ride services such as vanpools,
23 limousines or taxicabs which are regularly available to the public.
24 Paratransit services shall not include limousine or taxicab service
25 reserved for the private and exclusive use of individual passengers;

26 aa. "Motorbus charter service" means and includes subscription,
27 tour, other special motorbus services or school bus services or
28 charter services as set forth in section 7 of P.L.1979, c.150
29 (C.27:25-7); and

30 bb. "Ferry passenger service" means any service which involves
31 the carriage of persons for compensation or hire by waterborne craft
32 in this State or between points in this State and points in other
33 states.

34 (cf: P.L.2021, c.197, s.1)

35
36 2. This act shall take effect immediately.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3439

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3439.

This bill, as amended by the committee, clarifies the types of transportation-related projects a UEZ municipality may fund from zone assistance funds under the “New Jersey Urban Enterprise Zones Act,” C.52:27H-60 et seq. A project may qualify for funding under the UEZ program if the project satisfies the statutory definition of the term “qualified assistance fund expense.” Currently, among other items, reasonable expenses related to the improvement of public infrastructure within a commercial or transportation corridor may be funded as a “qualified assistance fund expense.”

The bill amends the definition of the term “qualified assistance fund expense” to: retain the provision of current law that includes “reasonable expenses related to the improvement of public infrastructure within a commercial or transportation corridor” as a “qualified assistance fund expense,” while extending the defined term to also encompass “reasonable expenses related to the improvement of transportation infrastructure” whether or not the transportation infrastructure project is located within a commercial or transportation corridor, so long as the transportation infrastructure project is located within a UEZ.

The bill also adds language to the term “qualified assistance fund expense” to clarify that reasonable expenses related to the improvement of transportation infrastructure within a UEZ includes the payment of debt service related to financing the project, and the pledge of funds credited to the zone assistance fund toward the repayment of a loan issued by a government agency for the project. The bill allows up to 75 percent of zone assistance funds to be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of a loan for the cost of a transportation infrastructure project if such use is detailed in the municipality’s zone development plan certified by the UEZ Authority.

The bill adds several new defined terms to the UEZ Act to better describe transportation infrastructure project expenses that may be

funded for a zone assistance fund. The bill defines the term “transportation infrastructure” to include, but not be limited to:

(1) all public highways, roads, bridges, and streets in the State, whether maintained by the State or by any county, municipality, or other political subdivision; and

(2) public transportation facilities used in connection with public transportation service, such as passenger stations, shelters and terminals, automobile and bus parking facilities, ramps, track connections, signal systems, power systems, information and communication systems, roadbeds, transit lanes or rights-of-way, equipment storage and servicing facilities, bridges, grade crossings, rail cars, locomotives, motorbuses and other motor vehicles, maintenance and garage facilities, revenue handling equipment and any other equipment, facility or property useful or related to the provision of public transportation service.

The bill also defines the term “public transportation service” to mean rail passenger service, motorbus regular route service, paratransit service, motorbus charter service, and ferry passenger service.

COMMITTEE AMENDMENTS:

The committee amendments expand the definition of the term “qualified assistance fund expense” to encompass reasonable expenses related to the improvement of “public infrastructure” within a commercial or transportation corridor in addition to “transportation infrastructure” within a UEZ.

The amendments also clarify that the payment of debt service related to the financing of a transportation infrastructure project, and the pledge of funds credited to the assistance fund toward the repayment of a loan issued by any government agency, may be eligible for funding from a zone assistance fund.

Finally, the amendments specify that up to 75 percent of any zone assistance funds may be used to pay debt service related to the financing of the cost of a transportation infrastructure project or pledged toward the repayment of a loan for the cost of a transportation infrastructure project if such use is detailed in that municipality’s zone development plan certified by the UEZ Authority.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

Governor Murphy Takes Action on Legislation

09/12/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

S-721/A-2812 (Steinhardt, Sarlo/Greenwald, Swain, Egan) - Exempts sales of investment metal bullion and investment coins from sales and use tax

S-741/A-2608 (Diegnan/Karabinchak) - Authorizes State Treasurer to sell as surplus certain real property and improvements in City of Jersey City in Hudson County

SCS for S-2188/ACS for A-1970 (Ruiz, Greenstein/Speight, Karabinchak, Verrelli) – Requires DEP, DOH, owners or operators of certain public community water systems, and owners or operators of certain buildings or facilities to take certain actions to prevent and control cases of Legionnaires' disease

S-2311/A-1128 (Singleton, Singer/DiMaio, Matsikoudis) - Requires criminal history background check for individuals seeking licensure issued by boards regulating certain health care professions

S-2435/A-3537 (Greenstein, Mukherji/Stanley, McCoy, Murphy) - Revises certain requirements concerning eligibility for reimbursement from "Emergency Medical Technician Training Fund"

S-2607/A-3872 (Ruiz, McKnight/Pintor Marin, Calabrese, Speight) - Requires private bus operators to provide notice and hold public meetings for certain service changes

S-2810/A-3779 (Diegnan/DeAngelo, Karabinchak, Bagolie) - Changes membership of board of trustees of SPRS to remove requirement that two members be private citizens

S-3097/A-4226 (Pou, Sarlo/Wimberly, Sumter) - Modifies requirements for certain projects under Economic Redevelopment and Growth Grant program

S-3134/A-4192 (Diegnan, Moriarty/Calabrese, Carter) - Requires MVC to take certain action concerning commercial driver licenses and commercial learner's permits

S-3235/A-4461 (Ruiz, Moriarty/Conaway, Miller, Sampson) – Regulates production and sale of certain intoxicating hemp products

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S-3368/A-4623 (Ruiz, McKnight/Calabrese, Stanley, Reynolds-Jackson) - Concerns law protecting residential tenants from lead-based paint hazards

S-3407/A-4540 (Lagana/Verrelli) - Requires payment of prevailing wage for projects financed through commercial property assessed clean energy program

A-2610/S-3203 (Karabinchak, Calabrese, Sauickie/Gopal) - Extends annual horse racing purse subsidies through State fiscal year 2029

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A-2890/S-3231 (Verrelli, Reynolds-Jackson, Quijano/Cryan) - Permits temporary appointment of additional members to the Board of Review in the Division of Employment Security

A-4035/S-2809 (Dunn, Speight/Bucco, Pennacchio) - Requires State to sell as surplus property certain land and improvements in Morris County known as Central Park School

A-4533/S-3421 (Coughlin, Wimberly, Speight/Zwicker, Johnson) - Revises certain sections of law concerning financing mechanisms for school facilities projects of regular operating districts

A-4534/S-3439 (Coughlin, Wimberly, Schnall/Vitale, Mukherji) - Revises definition of qualified assistance fund expenses under UEZ program to include costs of transportation infrastructure projects and related debt service

Governor Murphy conditionally vetoed the following bills:

S-2864/A-4061 (Lagana/Verrelli, Swain, Venezia) – CONDITIONAL - Establishes working hours for certain minors employed as professional athletes

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S-3455/A-4597 (Sarlo, Burzichelli/Calabrese, Moen, Stanley) – CONDITIONAL - Provides for automatic renewal of off-track wagering licenses

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A-2180/S-3000 (Moen, Wimberly, Murphy/Beach, Polistina) – CONDITIONAL - Permits certain persons to operate Type S school buses

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A-2294/S-1443 (Lopez, Freiman, Tully/Singleton, Johnson) – CONDITIONAL - Establishes mortgage payment relief and foreclosure protection for certain homeowners impacted by the remnants of Hurricane Ida

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A-2607/S-360 (Karabinchak, Calabrese, Inganamort/Diegnan, Mukherji) – CONDITIONAL - Authorizes taxicabs, limousines, and transportation network companies to provide paratransit services for two-year period

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