

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37 meeting all outstanding tax obligations, and may be withdrawn by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)** ¹**or any government agency**¹ **,**
26 **for a transportation infrastructure project** ¹ **, provided that up to 75**
27 **percent of any** ²**zone**² **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 project**¹ ²**if such use is detailed in that**
32 **municipality's zone development plan certified by the UEZ**
33 **Authority**²;

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.

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2
3 Revises definition of qualified assistance fund expenses under
4 UEZ program to include costs of transportation infrastructure
5 projects and related debt service.