

52:27H-60. Short title

This act shall be known and may be cited as the “New Jersey Urban Enterprise Zones Act.”

L.1983, c. 303, s. 1, eff. Aug. 15, 1983.

52:27H-61 Legislative findings, determinations.

The Legislature finds and determines:

- a. That there persist in this State, particularly in its urban centers, areas of economic distress characterized by high unemployment, low investment of new capital, blighted conditions, obsolete or abandoned industrial or commercial structures, and deteriorating tax bases.
- b. That the severe and persistent deterioration of these areas demands vigorous and coordinated efforts by private and public entities to restore their prosperity and enable them to resume significant contributions to the economic and social life of the State.
- c. That the economic revitalization of these areas requires application of the skills and entrepreneurial vigor of private enterprise; and it is the responsibility of government to provide a framework within which encouragement be given to private capital investment in these areas, disincentives to investment be removed or abated, and mechanisms be provided for the coordination and cooperation of private and public agencies in restoring the economic viability and prosperity of these areas.
- d. That certain urban areas which continue to experience high levels of unemployment should be able to continue to receive the aforementioned assistance and incentives necessary to promote economic revitalization of those areas.
- e. That a business district with urban enterprise zones adjacent to it on two or more sides can be negatively impacted because the businesses in the adjacent enterprise zones are permitted to collect 50% less sales tax and thus have a significant advantage in competition for customers. The impacted business district can become economically distressed because there is a disincentive to businesses to invest in or stay in that business district.

L.1983,c.303,s.2; amended 2001, c.347, s.1.

52:27H-62 Definitions.

As used in this act:

- 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.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;
 - (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; and

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.

L.1983, c.303, s.3; amended 1988, c.93, s.1; 1993, c.367, s.1; 1995, c.382, s.2; 2001, c.347, s.2; 2003, c.285, s.1; 2004, c.75, s.1; 2006, c.34, s.3; 2021, c.197, s.1.

52:27H-63 New Jersey Urban Enterprise Zone Authority.

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

- (1) The chief executive officer of the New Jersey Economic Development Authority;
- (2) The Commissioner of the Department of Community Affairs, who shall be the chair of the UEZ Authority;
- (3) The Commissioner of the Department of Labor and Workforce Development;
- (4) The State Treasurer;

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

(6) Four public members not holding any other office, position or employment in the State Government, nor any local elective office, who shall be appointed by the Governor with the advice and consent of the Senate, and who shall be qualified for their appointments by training and experience in the areas of local government finance, economic development and redevelopment, or volunteer civic service and community organization. No more than two public members shall be of the same political party. At least one public member of the authority shall reside within an enterprise zone; however, the provisions of this section shall apply only to members appointed or reappointed after the effective date of P.L.2001, c.347 (C.52:27H-66.2 *et al.*).

b. (Deleted by amendment, P.L.2021, c.197)

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

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

e. The UEZ Authority, reconstituted pursuant to P.L.2021, c.197 (C.52:27H-79.1 *et al.*), shall hold an initial meeting on the first business day of the third month following the date of enactment of P.L.2021, c.197 (C.52:27H-79.1 *et al.*). The public members of the UEZ Authority shall serve for terms of five years, except that of the members first appointed to the reconstituted UEZ Authority pursuant to P.L.2021, c.197 (C.52:27H-79.1 *et al.*), one shall serve for a term of two years, one shall serve for a term of three years, one shall serve for a term of four years, and one shall serve for a term of five years. Vacancies in the public membership shall be filled in the manner of the original appointments but for the unexpired terms.

L.1983, c.303, s.4; amended 1988, c.93, s.2; 2001, c.347, s.7; 2007, c.253, s.40; 2008, c.27, s.29; 2021, c.197, s.2.

52:27H-64. Authority allocated to Commerce and Economic Development

For purposes of compliance with Article V, Section IV, paragraph 1 of the Constitution of the State of New Jersey, the authority created by this act is allocated to the Department of Commerce and Economic Development. All clerical and professional assistants, and all personnel, procurement, budgetary and other administrative services necessary or incidental to its proper functioning shall

be provided by and through that department. The authority shall, subject to the availability of funds, reimburse the department for all administrative services provided to the authority pursuant to this section.

L.1983,c.303,s.5; amended 1993,c.367,s.2.

52:27H-65. Duties

It shall be the duty of the authority to:

- a. Promulgate criteria for the designation of zones pursuant to the provisions of this act;
- b. Receive and evaluate applications of municipalities for the designation of zones;
- c. Enter into discussions with applying municipalities regarding zone development proposals;
- d. Act as agent of the State with respect to zone development plans, and in determining the State-furnished components to be included in those plans;
- e. Designate zones in accordance with the provisions of this act and promulgate rules and regulations necessary to carry out its duties under this act;
- f. Exercise continuing review and supervision of the implementation of zone development plans;
- g. Receive and evaluate proposals of qualifying municipalities in which enterprise zones are designated for funding of projects and increased eligible municipal services from the enterprise zone assistance fund, and to certify annually to the State Treasurer amounts to be paid from the enterprise zone assistance fund to support approved projects and increased eligible municipal services in designated enterprise zones;
- h. Assist and represent qualifying municipalities in any negotiations with, or proceedings before, other agencies of State Government or of the federal government, to secure necessary or appropriate assistance, support and cooperation of those agencies in the implementation of zone development plans in accordance with the provisions of this act and any other applicable State or federal law;
- i. Upon request, assist agencies of municipal government in gathering, compiling and organizing data to support an application for designation of a zone, and in identifying and coordinating the elements of a zone development proposal suitable for the zone sought to be designated;
- j. Provide assistance to State and local government agencies relating to application for the security of permits, licenses and other regulatory approvals required by those agencies, to assure consideration and expeditious handling of regulatory requirements of any zone business, zone business association or zone neighborhood association; regulatory agencies of the State and its agencies and instrumentalities may agree to any simplification, consolidation or other liberalization of procedural requirements which may be requested by the authority and which is not inconsistent with provisions of law;

k. Assist the State in applying to, or entering into negotiations or agreements with, the federal government, for federal enterprise zone designations; and

l. Exercise continuing review of the implementation of this act, and to report annually to the Governor and the Legislature on the effectiveness of enterprise zones in addressing the conditions cited in this act, including any recommendations for legislation to improve the effectiveness of operation of those zones. The report shall be submitted one year from the effective date of this act, and annually thereafter.

L.1983, c. 303, s. 6, eff. Aug. 15, 1983.

52:27H-65.1. Preparation of fiscal impact study

In addition to the duties of the authority required under section 6 of P.L.1983, c.303 (C.52:27H-65), the authority shall also prepare a fiscal impact study of each additional enterprise zone designated pursuant to this 1993 amendatory and supplementary act and for each enterprise zone designated prior to this act. The study shall include, but not be limited to, an analysis of the effects of each enterprise zone on the local economy of the area in which the zone is located and an assessment of the effectiveness of these zones in addressing the goals of the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-60 *et seq.*). The study shall be completed within a reasonable time after the end of one year following the designation of the additional zones by the authority pursuant to the priority consideration criteria set forth in this 1993 amendatory and supplementary act. The authority shall submit its study to the Governor and the Legislature, including any recommendations for legislation to improve the effectiveness of operation of these zones, within two years from the effective date of this 1993 amendatory and supplementary act. The authority shall use funds available from the account created in the name of the authority in the enterprise zone assistance fund for the administration of the program to pay for the cost of the study.

L.1993,c.367,s.11.

52:27H-66 Designation of enterprise zones.

The authority shall designate enterprise zones from among those areas of qualifying municipalities determined to be eligible pursuant to P.L.1983, c.303 (C.52:27H-60 *et seq.*). No more than 32 enterprise zones shall be in effect at any one time. No more than one enterprise zone shall be designated in any one municipality. In designating enterprise zones the authority shall seek to avoid excessive geographic concentration of zones in any particular region of the State. At least six of the 10 additional enterprise zones authorized pursuant to section 3 of P.L.1993, c.367 shall be located in counties in which enterprise zones have not previously been designated and shall be designated within 90 days of the date of the submittal of an application and zone development plan. The authority shall accept applications within 90 days of the effective date of P.L.1993, c.367. Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) to the contrary, the six additional enterprise zones to be designated by the authority pursuant to the criteria for priority consideration in this section shall be entitled to 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.*). The

following criteria shall be utilized in according priority consideration for designation of these zones by the authority:

- a. One zone shall be located in a county of the second class with a population greater than 595,000 and less than 675,000 according to the latest federal decennial census and shall be located in the qualifying municipality in that county with the highest annual average number of unemployed persons and the highest average annual unemployment rate for the 1992 calendar year according to the estimate by the State Department of Labor and Workforce Development;
- b. Two zones shall be located in a county of the second class with a population greater than 445,000 and less than 455,000 according to the latest federal decennial census, one of which shall be located in the qualifying municipality in that county with the highest annual average number of unemployed persons and the highest average annual unemployment rate for the 1992 calendar year according to the estimate by the State Department of Labor and Workforce Development, and one of which shall be located in the qualifying municipality in that county with the second highest annual average number of unemployed persons and the second highest average annual unemployment rate for the 1992 calendar year according to the estimate by the State Department of Labor and Workforce Development;
- c. One zone shall be located in a county of the third class with a population greater than 84,000 and less than 92,000 according to the latest federal decennial census and shall be located in the qualifying municipality in that county with the highest annual average number of unemployed persons and the highest average annual unemployment rate for the 1992 calendar year according to the estimate by the State Department of Labor and Workforce Development;
- d. One zone shall be located within two noncontiguous qualifying municipalities but comprised of not more than two noncontiguous areas each having a continuous border, if:
 - (1) both municipalities are located in the same county which shall be a county of the fifth class with a population greater than 500,000 and less than 555,000 according to the latest federal decennial census;
 - (2) the two municipalities submit a joint application and zone development plan; and
 - (3) each of the municipalities has a population greater than 16,000 and less than 30,000 and a population density of more than 5,000 persons per square mile, according to the latest federal decennial census; and
- e. One zone shall be located within a municipality having a population greater than 38,000 and less than 46,000 according to the latest federal decennial census if the municipality is located within a county of the fifth class with a population greater than 340,000 and less than 440,000 according to the latest federal decennial census.

L.1983, c.303, s.7; 67, s.3; 1985, c.142, s.2; 1993, c.367, s.3; 1995, c.382, s.1; 2001, c.347, s.8; 2003, c.285, s.2; 2004, c.75, s.2; 2018, c.19, s.1.

52:27H-66.1 Additional zones authorized.

The additional seven zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 *et al.*), the additional zone authorized pursuant to P.L.2003, c.285, and the additional zone designated pursuant to P.L.2004, c.75, shall be designated within 90 days of the date of the submittal of an application and zone development plan. The authority shall accept applications within 90 days of the effective date of P.L.1995, c.382 (C.52:27H-66.1 *et al.*) or P.L.2003, c.285, as applicable, for those zones that fulfill the criteria set forth in this section. Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) to the contrary, the nine additional enterprise zones to be designated by the authority pursuant to the criteria for priority consideration set forth in this section shall be entitled to an exemption to the extent of 50% of the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 *et seq.*). The following criteria shall be utilized in according priority consideration for designation of the seven additional enterprise zones authorized pursuant to P.L.1995, c.382 (C.52:27H-66.1 *et al.*), the additional enterprise zone authorized pursuant to P.L.2003, c.285, and the additional zone designated pursuant to P.L.2004, c.75:

- (1) One zone shall be located in a qualifying municipality with a population greater than 55,000 and less than 65,000 according to the latest federal decennial census in a county of the first class with a population density greater than 6,100 and less than 6,700 persons per square mile according to the latest federal decennial census provided that the qualifying municipality is contiguous to a municipality in which an enterprise zone is designated;
- (2) One zone shall be located in a qualifying municipality with a population greater than 70,000 and less than 80,000 according to the latest federal decennial census;
- (3) One zone shall be located in a qualifying municipality with a population greater than 38,000 and less than 39,500 according to the latest federal decennial census;
- (4) One zone shall be located in a qualifying municipality with a population greater than 45,000 and less than 55,000 according to the latest federal decennial census;
- (5) One zone shall be located in a qualifying municipality with a population greater than 21,000 and less than 22,000;
- (6) One zone shall be located in a qualifying municipality with a population greater than 29,000 and less than 32,000 according to the latest federal decennial census;
- (7) One zone shall be located within a qualifying municipality having a population greater than 7,000 and less than 9,000 according to the latest federal decennial census in a county of the first class with a population greater than 550,000 and less than 560,000 according to the latest federal decennial census;
- (8) An additional zone shall be located within a qualifying municipality with a population greater than 11,400 and less than 11,600 according to the latest federal decennial census in a county of the second class with a population greater than 500,000 and less than 520,000 according to the latest federal decennial census; and
- (9) An additional zone shall be located within a qualifying municipality with a population greater than 48,000 and less than 49,000 according to the latest federal decennial census in a

county of the second class with a population of greater than 750,000 according to the latest federal decennial census.

L.1995,c.382,s.3; amended 2003, c.285, s.3; 2004, c.75, s.3.

52:27H-66.2 “UEZ-impacted business district.”

The authority shall designate a classification known as a “UEZ-impacted business district” for a municipality which can demonstrate to the authority that its business district is economically distressed and is being negatively impacted by the presence of two or more adjacent enterprise zones in which 50 percent less sales tax is collected pursuant to section 21 of P.L.1983, c. 303 (C.52:27H-80). Following the effective date of P.L.2021, c.197 (C.52:27H-79.1 *et al.*), the UEZ Authority shall not designate a business district as a UEZ-impacted business district. Any designation as a UEZ-impacted business district existing on the effective date of P.L.2021, c.197 (C.52:27H-79.1 *et al.*) shall expire on the first day of the third year next following the effective date of P.L.2021, c.197 (C.52:27H-79.1 *et al.*).

L.2001, c.347, s.3; amended 2021, c.197, s.3.

52:27H-66.3 (Repealed by P.L.2021, c.197)

52:27H-66.4 UEZ-impacted business district, tax exemption for qualified businesses.

a. A qualified business within a UEZ-impacted business district authorized pursuant to section 3 of P.L.2001, c.347 (C.52:27H-66.2) shall be entitled to an exemption to the extent of 50% from the tax imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 *et seq.*) in accordance with section 21 of the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-80) to the same extent as that granted to qualified businesses in the adjacent enterprise zones provided that the qualified business applies to the Director of the Division of Taxation in the Department of the Treasury for certification pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80), meets the eligibility criteria of section 27 of P.L.1983, c.303 (C.52:27H-86), and satisfies the annual certification requirements of section 28 of P.L.1983, c.303 (C.52:27H-87).

b. The reduced rate revenues authorized by this section and received from the taxation of retail sales made by qualified businesses in the UEZ-impacted business district shall be deposited in the General Fund and not allocated in accordance with section 21 of the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-80), to the enterprise zone assistance fund.

c. Other than the reduction in sales tax rate provided to qualified businesses pursuant to this section, no tax credits, incentives, programs or other benefits of the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-60 *et seq.*), shall be available to businesses in the district as a result of a UEZ-impacted business district designation.

L.2001,c.347,s.5.

52:27H-66.5 (Repealed by P.L.2021, c.197)

52:27H-66.6 (Repealed by P.L.2021, c.197)

52:27H-66.6a. UEZ reimbursed for municipal account moneys

Notwithstanding the provisions of section 7 of P.L.1983, c.303 (C.52:27H-66), section 21 of P.L.1983, c.303 (C.52:27H-80), section 11 of P.L.2001, c.347 (C.52:27H-66.6) or any provision of law to the contrary, any designated enterprise zone that has a separate municipal account in the enterprise zone assistance fund that is reduced by the transfer from that fund made pursuant to section 69 of P.L.2002, c.38, shall have extended any designated five-year period under which it is operating on July 1, 2002 for such period of time as is necessary for the higher percentage rate of separate enterprise zone assistance fund deposits to yield such additional sums as is necessary to fully compensate for the amount transferred, except that any zone beginning an extension of designation pursuant to section 11 of P.L.2001, c.347 (C.52:27H-66.6) within twelve months following the effective date of this section shall have extended the first five-year period of its extension of designation for such period of time as is necessary to fully compensate for the amount transferred.

L.2003,c.6,s.1.

52:27H-66.7. Designation of three additional zones

The three additional zones, authorized pursuant to P.L.2001, c.347 (C.52:27H-66.2 *et al.*), shall be designated within 90 days of the date of the submittal of an application and zone development plan, provided that the joint zone shall be designated within 90 days of the date of the submittal of a joint application and a joint zone development plan by the adjoining municipalities. The authority shall accept applications within 90 days of the effective date of P.L.2001, c.347 (C.52:27H-66.2 *et al.*). Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) to the contrary, the additional enterprise zones to be designated by the authority pursuant to the criteria for priority consideration set forth in this section shall be entitled to an exemption to the extent of 50% of the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 *et seq.*). The following criteria shall be utilized in according priority consideration for designation of the three additional enterprise zones authorized pursuant to P.L.2001, c.347 (C.52:27H-66.2 *et al.*):

- a. (1) The joint zone shall be located in four municipalities which are adjacent to each other, one of which has a population greater than 5,000 and less than 5,500 according to the latest federal decennial census, one of which has a population greater than 4,500 and less than 5,000 according to the latest federal decennial census, one of which has a population greater than 3,000 and less than 4,000 according to the latest federal decennial census, and one of which has a population greater than 400 and less than 500 according to the latest federal decennial census; and
- (2) The joint zone shall be located in a county of the sixth class according to the latest federal decennial census.

- b. (1) The second zone shall be located in a municipality with a population greater than 60,000 and less than 65,000 according to the latest federal decennial census in a county of the first class with a population greater than 600,000 and less than 620,000 according to the latest federal decennial census; and
(2) The second zone shall be located in a municipality which is contiguous to at least one qualifying municipality which has a designated enterprise zone and which is in a county of the first class.
- c. The third zone shall be located within a municipality that
 - (1) borders on another municipality having an urban enterprise zone;
 - (2) has a population greater than 20,000 and a population density greater than 7,500 persons per square mile according to the latest federal decennial census; and
 - (3) has a per capita retail sales rate that is less than \$2,500, as reported by the U.S. Bureau of the Census, 1992 Census of Retail.

L.2001,c.347,s.12; amended 2002, c.68.

52:27H-67 Municipal zone development corporations, maintenance of Internet website, webpage; contents.

- a. The governing body of any qualifying municipality may, by ordinance, create or designate a nonprofit corporation established pursuant to the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes to act as the zone development corporation for the municipality. Any zone development corporation so created or so designated shall include on its board of directors representatives of the government of the qualifying municipality, members of the business community thereof, and representatives of community organizations in the municipality, and the total membership of the board of directors shall be broadly representative of businesses and communities within the municipality.
- b. Notwithstanding the provisions of any other law to the contrary, a zone development corporation shall be considered to be a local development corporation for the purpose of receiving any State financial or technical assistance as may be available, and the creation of a zone development corporation shall not preclude a qualifying municipality from creating another local development corporation for the municipality with responsibilities not related to the enterprise zone, nor preclude that other corporation from receiving State financial or technical assistance.
- c. The zone development corporation shall develop and maintain either an Internet website or a webpage on the municipality's Internet website. The purpose of the website or webpage shall be to provide increased public access to the zone development corporation's operations and activities. The following information, if applicable, shall be posted on the zone development corporation's website or webpage:
 - (1) a description of the zone development corporation's mission and responsibilities;

- (2) the budget once adopted for the current and immediately prior fiscal years. Commencing with the fiscal year next following the effective date of P.L.2011, c.167 (C.4:24-20.1 *et al.*), the budgets of at least three consecutive fiscal years shall be available on the website or webpage;
- (3) The most recent Comprehensive Annual Financial Report or other similar financial information;
- (4) the annual audit for the most recent and immediately prior fiscal years. Commencing with the fiscal year next following the effective date of P.L.2011, c.167 (C.4:24-20.1 *et al.*), the annual audits of at least three consecutive fiscal years shall be available on the website or webpage;
- (5) the zone development corporation's bylaws, rules, regulations, and official policy statements deemed relevant by the corporation's board to the interests of the residents within the zone;
- (6) notice, posted pursuant to the "Senator Byron M. Baer Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 *et seq.*), of a meeting of the zone development corporation, setting forth the time, date, location, and agenda of the meeting;
- (7) the minutes of each meeting of the zone development corporation including all resolutions of the board and its committees for the current fiscal year. Commencing with the fiscal year next following the effective date of P.L.2011, c.167 (C.4:24-20.1 *et al.*), the approved minutes of meetings for at least three consecutive fiscal years shall be available on the website;
- (8) the name, mailing address, electronic mail address, if available, and phone number of every person who exercises day-to-day supervision or management over some or all of the operations of the zone development corporation; and
- (9) a list of attorneys, advisors, consultants, and any other person, firm, business, partnership, corporation, or other organization which received any remuneration of \$17,500 or more during the preceding fiscal year for any service whatsoever rendered to the zone development corporation.

L.1983, c.303, s.8; amended 1993, c.367, s.4; 2011, c.167, s.8.

52:27H-68 Preliminary zone development plan.

a. Prior to the effective date of P.L.2021, c.197, the governing body of a qualifying municipality may apply for designation as an enterprise zone, the municipal governing body shall cause a preliminary zone development plan to be formulated, either by a zone development corporation or by the governing body, with the assistance of those officers and agencies of the municipality as the governing body may see fit. For a municipality with a zone development plan that was approved more than five years prior to the effective date of P.L.2021, c.197, the governing body of the municipality shall submit an updated preliminary zone development plan pursuant to this section. In formulating an updated preliminary zone development plan pursuant to this section, a zone development corporation or the governing

body of the municipality shall consult with representatives of diverse Statewide or regional business organizations that represent the interests of minority businesses, as defined in section 2 of P.L.1986, c. 195 (C.52:27H-21.18), which organizations shall have no less than 30 days to review a proposed preliminary zone development plan and submit comments to the zone development corporation or governing body. Each preliminary zone development plan shall set forth the boundaries of the enterprise zone and include findings of fact concerning the economic and social conditions existing in the enterprise zone, and the municipality's policy and intentions for addressing these conditions, and may include proposals respecting:

- (1) Utilizing the powers conferred on the municipality by law for the purpose of stimulating investment in and economic development of the zone;
 - (2) Utilizing State assistance through the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) relating to State tax benefits and enterprise zone assistance funds;
 - (3) Securing the involvement in, and commitment to, zone economic development by private entities, including zone neighborhood associations, voluntary community organizations supported by residents and businesses in the zone;
 - (4) Utilizing the powers conferred by law to revise municipal planning and zoning ordinances and other land use regulations as they pertain to the zone, in order to enhance the attraction of the zone to prospective developers;
 - (5) Increasing the availability and efficiency of support services, public and private, generally used by and necessary to the efficient functioning of commercial and industrial facilities in the area, and the extent to which the increase or improvement is to be provided and financed by the municipal government or by other entities.
- b. (1) The governing body of a municipality may request from the UEZ Authority an amount not to exceed 10 percent of the municipality's zone assistance fund allocation or \$125,000, whichever is greater, to fund, in whole or in part, the costs associated with formulating a preliminary zone development plan, which amount the governing body may use to pay employees, or to retain a consultant, to formulate the plan. Prior to soliciting a consultant to formulate the plan with these funds, the governing body of a municipality shall submit to the UEZ Authority the proposed solicitation.
- (2) The UEZ Authority shall review the proposed solicitation and may provide recommended modifications to the proposed solicitation. The governing body of a municipality or a zone development corporation may incur expenses related to the preparation of the preliminary zone development plan for potential reimbursement at a later time by the UEZ Authority from the municipality zone assistance fund account, provided the authority determines the expenses are reasonable. The governing body of a municipality or a zone development corporation shall complete a preliminary zone development plan with assistance from the UEZ Authority, as needed, in accordance with a timeline established by the authority pursuant to rules, regulations, or guidelines adopted by the authority.
 - (3) Within 14 days of receipt, unless the authority finds material deficiencies in a preliminary zone development plan, the authority shall approve and certify the preliminary

zone development plan as the zone development plan. The zone development plan shall be the plan according to which the Urban Enterprise Zone program shall be administered in that zone, and certification of the plan shall enable the municipality to access assistance from the enterprise zone assistance fund described in section 10 of P.L.2021, c.197 (C.52:27H-88). Should the authority find deficiencies with a preliminary zone development plan, it shall provide a corrective action plan to the municipality.

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

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

e. Notwithstanding the provisions of this section to the contrary, a qualified business in an enterprise zone having such qualified status immediately preceding the effective date of P.L.2021, c.197, and which is qualified under P.L.2021, c.197, shall remain eligible for the exemptions from the tax imposed under the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 *et seq.*), pursuant to sections 20 and 21 of P.L.1983, c.303 (C.52:27H-79 and C.52:27H-80), and shall be eligible for the exemption under section 8 of P.L.2021, c.197 (C.52:27H-79.1) even if the municipality in which the business is located fails to submit a zone development plan in accordance with this section; provided, however, a municipality failing to submit a zone development plan under this section shall not be eligible for loans, grants, and other assistance from the UEZ Authority, and shall not be allowed a distribution from that municipality's zone assistance fund, except as provided for in subsection c. of this section, until a revised zone development plan is submitted and approved by the UEZ Authority.

L.1983, c.303, s.9; amended 1983, c.539; 2021, c.197, s.4.

52:27H-69 Areas eligible for designation.

An area defined by a continuous border within one qualifying municipality shall be eligible for designation as a zone if:

a. It has been designated an "area in need of rehabilitation" pursuant to Article VIII, Section I, paragraph 6 of the Constitution of the State of New Jersey; or is qualified for that designation in the judgment of the authority; and

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

L.1983, c.303, s.10; amended 1985, c.391, s.1; 1993, c.367, s.5; 2021, c.197, s.5.

52:27H-69.1. Intermunicipal zone limitation

Eligible zones having areas defined by a continuous border within two or more contiguous qualifying municipalities shall be limited to one located in the 10 southernmost counties of the State.

L. 1985, c. 391, s. 2, eff. Dec. 20, 1985.

52:27H-70. First two enterprise zones; criteria for designation

The first two areas and municipalities designated as enterprise zones by the authority shall meet all the following criteria:

- a. A rate of unemployment among residents in the area and among residents of the municipality exceeding one and one-half times the national unemployment rate as determined by the most recently available data from the Bureau of Labor Statistics in the United States Department of Labor;
- b. At least 20% of the population of the area and population of the municipality receive incomes below the poverty level, as defined by the United States Department of Labor;
- c. At least 20% of the residents of the area and residents of the municipality depend upon public assistance as their primary source of income.

L.1983, c. 303, s. 11, eff. Aug. 15, 1983.

52:27H-71. Criteria for qualification of businesses and designation of enterprise zones; regulations to modify, replace or supplement

After the designation of the first two enterprise zones, the authority may by regulation, from time to time modify, replace or supplement the criteria set forth in subsections c. and d. of section 3 and in sections 10 and 11 of this act so as to develop a complete set of criteria for the qualification of businesses for the benefits of this act, and for the designation of enterprise zones in qualifying municipalities.

No regulation to modify, replace or supplement a criterion shall be adopted by the authority unless the authority has prior to adoption issued a written report to the Governor and the Legislature setting forth: the text of the proposed modification, replacement or supplement; a statement of the authority's reasons for the proposal; the written statement of any authority member dissenting from the authority's proposal; and a statement of the manner in which the proposal will further the legislative intent of this act. Not less than 60 days after the authority report is placed upon the desk of each member of the Legislature, the authority shall hold a public hearing at which any interested

person shall be heard. Upon the completion of the public hearing, the regulation may be adopted by the authority in the manner otherwise prescribed by law.

The authority may modify, replace or supplement criteria pursuant to this section, if it finds that:

- a. The criteria set forth in this act do not accurately determine the relative burden of poverty, unemployment and general distress among and between areas under consideration for designation as enterprise zones;
- b. The criteria do not utilize newly available data, or do utilize data not available or not complete and accurate;
- c. The criteria would not assure the eligibility of designated zones for federal government assistance under programs now or hereafter undertaken by the federal government, for which those areas and the municipalities in which they are located would not be eligible in the absence of that designation.

L.1983, c. 303, s. 12, eff. Aug. 15, 1983.

52:27H-72 Designation of areas as enterprise zones.

- a. In designating eligible areas as enterprise zones, the authority shall approve zone development plans which:
 - (1) Have potential for success in stimulating primarily new economic activity in the area;
 - (2) Are designed to address urban distress, as measured by existing levels of unemployment, poverty, and property tax arrearages;
 - (3) Demonstrate substantial and reliable commitments of resources by zone businesses, zone neighborhood associations, voluntary community organizations and other private entities to the economic success of the zone;
 - (4) Demonstrate substantial effort and commitment by the municipality to encourage economic activity in the area and to remove disincentives for job creation compatible with the fiscal condition of the municipality.
- b. In addition to the considerations set forth in subsection a. of this section, the authority in evaluating a zone development plan for designation purposes shall consider:
 - (1) The likelihood of attracting federal assistance to projects in the eligible area, and of obtaining federal designation of the area as an enterprise zone for federal tax purposes;
 - (2) The adverse or beneficial effects of an enterprise zone located at the proposed area upon economic development activities or projects of State or other public agencies which are in operation, or are approved for operation, in the qualifying municipality;
 - (3) The degree of commitment made by public and private entities to utilize minority contractors and assure equal opportunities for employment in connection with any construction or reconstruction to be undertaken in the eligible area;

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

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

c. A designated zone that is operative on the effective date of P.L.2021, c.197 shall remain a designated zone until the end of the 10th State fiscal year next following the effective date of P.L.2021, c.197. The authority shall not designate new enterprise zones following the effective date of P.L.2021, c.197.

L.1983, c.303, s.13; amended 2021, c.197, s.6.

52:27H-73. Application for designation; grant or denial; adoption of ordinance of acceptance

a. Any qualifying municipality may designate any area set forth in the zone development plan as an enterprise zone. The municipality may then make written application to the authority to have the area selected for State and federal assistance offered to enterprise zones or either type of assistance. The application shall include the zone development plan adopted for the area and any other information as the authority may require.

b. Upon receipt of an application from the qualifying municipality the authority shall review the application to determine whether the area described in the application qualifies for State assistance under the criteria of this act.

c. Upon organization the authority shall establish a date for the receipt of initial applications for designations under this act, which shall be within one year of the effective date of this act. Thereafter, the authority shall complete its review within 90 days of receipt of an application, but may extend this time period by an additional 60 days if necessary. If the authority denies the application, it shall inform the municipality of that fact in writing setting forth the reasons for the denial.

d. The designation of an enterprise zone by the authority shall take effect upon the adoption by the qualifying municipality of an ordinance accepting that designation.

L.1983, c. 303, s. 14, eff. Aug. 15, 1983.

52:27H-74. Benefits available to qualified business

Except as otherwise specified in this act, a qualified business in an enterprise zone shall be eligible to receive from among those benefits authorized in sections 16 through 20 of this act as are determined by the authority. The authority shall state in writing to the qualifying municipality at the time of designation its determinations as to which of those benefits are to apply in an enterprise zone.

L.1983, c. 303, s. 15, eff. Aug. 15, 1983.

52:27H-75 (Repealed by P.L.2021, c.197)

52:27H-76. Corporation business tax exemption

Any qualified business subject to the provisions of the “Corporation Business Tax Act (1945),” P.L.1945, c. 162 (C. 54:10A-1 *et seq.*), as employing a larger number of persons at a place of business located within an enterprise zone designated pursuant to this act than at all other places of business of the taxpayer within the State, shall be exempt from the net worth tax imposed pursuant to subsection (a) of section 5 of P.L.1945, c. 162 (C. 54:10A-5(a)), and from the tax imposed by subsection (f) of that section (C. 54:10A-5(f)), for a period of 20 tax years from the date of designation of the enterprise zone, or for a period of 20 tax years from the date upon which the taxpayer is first subject to the provisions of the “Corporation Business Tax Act (1945),” P.L.1945, c. 162 (C. 54:10A-1 *et seq.*), whichever date is later. The termination of the designation of an enterprise zone at the end of a 20 year designation period shall not terminate the exemption provided under this section if the exemption was granted prior to the end of the designation period. The provisions of this section are subject to the phase-out provisions of P.L.1982, c. 55 (C. 54:10A-4 *et seq.*).

L.1983, c. 303, s. 17, eff. Aug. 15, 1983.

52:27H-77. Carry-forward permitted

Enterprise zone employee tax credits or enterprise zone investment tax credits provided under section 19 of this act shall not reduce a taxpayer’s tax liability under the “Corporation Business Tax Act (1945),” P.L. 1945, c. 162 (C. 54:10A-1 *et seq.*) in any tax year by more than 50% of the amount otherwise due, but either employee tax credits or investment tax credits remaining and unused in a tax year may be carried forward by the taxpayer to the next succeeding tax year and applied against 50% of the amount of tax otherwise due in that succeeding tax year.

L. 1983, c. 303, s. 18; amended 1988,c.93,s.8.

52:27H-78. Tax credit

Any qualified business subject to the provisions of the “Corporation Business Tax Act (1945),” P.L. 1945, c. 162 (C. 54:10A-1 *et seq.*), as actively engaged in the conduct of business from a location within an enterprise zone designated pursuant to this act, which business at that location consists primarily of manufacturing or other business which is not retail sales or warehousing oriented, shall receive an enterprise zone employee tax credit against the amount of tax imposed under the “Corporation Business Tax Act (1945),” P.L. 1945, c. 162 (C. 54:10A-1 *et seq.*), as hereinafter provided:

- a. A one-time credit of \$1,500.00 for each new full-time, permanent employee employed at that location who is a resident of the qualifying municipality in which the designated enterprise zone is located, or any other qualifying municipality in which an urban enterprise zone is

located, and who immediately prior to employment by the taxpayer was unemployed for at least 90 days, or was dependent upon public assistance as the primary source of income;

b. A one-time credit of \$500.00 for each new full-time, permanent employee employed at that location who is a resident of a qualifying municipality in which a designated enterprise zone is located, or any other qualifying municipality in which an urban enterprise zone is located, who does not meet the requirements of subsection a. of this section, and who was not, immediately prior to employment by the taxpayer, employed at a location within the qualifying municipality;

c. A qualified business which is not entitled to an employee tax credit under this section, but meets the eligibility criteria pursuant to the provisions of subsection c. of section 27 of P.L. 1983, c. 303 (C. 52:27H-86), shall receive a one-time credit in an amount equal to 8% of each new investment made by the qualified business in the enterprise zone under an agreement approved by the authority.

This credit shall be applied against the taxpayer's corporation business tax liability subject to the limitations and carry forward provisions set forth in section 18 of P.L. 1983, c. 303 (C. 52:27H-77); provided, however, that a qualified business shall not claim an employee tax credit and an investment tax credit authorized pursuant to this subsection in the same year regardless of whether those credits were earned for the tax year or carried forward from a previous year.

d. The enterprise zone employee tax credit shall be allowed in the tax year immediately following the tax year in which the new full-time, permanent employee was first employed by the taxpayer, and shall be permitted in any tax year of a 20 year period from the date of designation of the enterprise zone, or of a period of 20 tax years from the date within that designation period upon which the taxpayer is first subject to the provisions of the "Corporation Business Tax Act (1945)," P.L. 1945, c. 162 (C. 54:10A-1 *et seq.*), whichever date is later and the termination of the designation of an enterprise zone at the end of a 20 year designation period shall not terminate the eligibility period provided under this section;

e. A tax credit shall be permitted under this section only for those new full-time, permanent employees who have been employed for at least six continuous months by the taxpayer during the tax year for which the tax credit is claimed.

f. A newly employed employee shall not be deemed a new full-time, permanent employee for the purposes of this section unless the total number of full-time, permanent employees, including the newly employed employee, employed by the employer in the zone during the calendar year exceeds the greatest number of full-time, permanent employees employed in the zone by the employer during any prior calendar year during the period commencing with the date of zone designation.

L. 1983, c. 303, s. 19; amended 1988,c.93,s.4.

52:27H-79 Certain tax exemptions.

a. Except as provided in subsection b. of section 11 of P.L.2021, c.197 (C.52:27H-98), receipts from the first \$100,000 of retail sales of tangible personal property (except motor vehicles and

energy) and sales of services (except telecommunications services and utility services) to a qualified business for the exclusive use or consumption of such business within an enterprise zone are exempt from the taxes imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 *et seq.*); provided, however, a supermarket or grocery store located in a food desert community, as defined in section 37 of P.L.2020, c.156 (C.34:1B-305) shall be eligible for such tax exemption, notwithstanding the limit imposed pursuant to this subsection.

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

c. As used in this section:

“Qualified business” includes a person who is certified as a qualified business by the authority and provided a UZ-5 certification by the authority. A person who is certified as a qualified business may apply to the authority for a UZ-5 certification provided the person owns or leases and regularly operates a place of business located in an eligible block group, as defined in subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99). The Department of the Treasury shall provide to a qualified business a certificate evidencing its UZ-5 certification, which certificate shall indicate the location at which the sales tax exemption provided for in this section is available.

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

e. (Deleted by amendment, P.L.2021, c.197)

L.1983, c.303, s.20; amended 1990, c.40, s.9; 1997, c.162, s.31; 2006, c.34, s.1; 2007, c.328; 2008, c.118; 2011, c.28, s.1; 2021, c.197, s.7.

52:27H-79.1 Exemption from taxation for certain receipts.

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

b. As used in this section:

“Qualified business” includes a person who is certified as a qualified business by the authority and provided a UZ-4 certification by the authority. A person who is certified as a qualified business may apply to the authority for a UZ-4 certification provided that the person owns or leases and regularly operates a place of business located in an eligible block group, as defined in subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99). The Department of the Treasury shall provide to a qualified business a certificate evidencing its UZ-4 certification, which certificate shall indicate the location at which the sales tax exemption provided for in this section is available.

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

L.2021, c.197, s.8.

52:27H-80 Sales tax exemption for retail sales.

Receipts of retail sales, except retail sales of motor vehicles, of alcoholic beverages as defined in the “Alcoholic Beverage Tax Law,” R.S.54:41-1 *et seq.*, of cigarettes as defined in the “Cigarette Tax Act,” P.L.1948, c.65 (C.54:40A-1 *et seq.*), of manufacturing machinery, equipment or apparatus, and of energy, made by a seller located in an eligible block group, as defined in subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99) and provided a UZ-2 certification by the authority from a place of business owned or leased and regularly operated by the seller for the purpose of making retail sales, and located in a designated enterprise zone established pursuant to the “New Jersey Urban Enterprise Zones Act,” P.L.1983, c.303 (C.52:27H-60 *et seq.*), or a UEZ-impacted business district established prior to the effective date of P.L.2021, c.197 pursuant to section 3 of P.L.2001, c.347 (C.52:27H-66.2), are exempt 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.*).

Any seller, which is a qualified business having a place of business located in a designated enterprise zone or in a designated UEZ-impacted business district, may apply to the UEZ Authority for a UZ-2 certification pursuant to this section provided the seller is located in an eligible block group, as defined in subsection a. of section 12 of P.L.2021, c.197 (C.52:27H-99). The UEZ Authority shall certify a seller if the UEZ Authority shall find that the seller owns or leases and regularly operates a place of business located in the designated enterprise zone or in the designated UEZ-impacted business district for the purpose of making retail sales, that items are regularly exhibited and offered for retail sale at that location, and that the place of business is not utilized primarily for the purpose of catalogue or mail order sales. The certification under this section shall remain in effect during the time the business retains its status as a qualified business meeting the eligibility criteria of section 27 of P.L.1983, c.303 (C.52:27H-86). However, the UEZ Authority may at any time revoke a certification granted pursuant to this section if the UEZ Authority shall determine that the seller no longer complies with the provisions of this section. The Department of the Treasury shall provide to a qualified business a certificate evidencing its UZ-2 certification, which certificate shall indicate the location at which the sales tax exemption provided for in this section is available.

Notwithstanding the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) to the contrary, except as may otherwise be provided by section 7 of P.L.1983, c.303 (C.52:27H-66), the authority may, in its discretion, determine if the provisions of this section shall apply to any enterprise zone designated after the effective date of P.L.1985, c.142 (C.52:27H-66 *et al.*); provided, however, that the authority may make such a determination only where the authority finds that the award of an exemption 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.*) will not have any adverse economic impact upon any other urban enterprise zone.

L.1983, c.303, s.21; amended 1987, c.135; 1988, c.93, s.6; 1990, c.40, s.10; 1993, c.144; 1993, c.367, s.6; 1996, c.124, s.8; 1997, c.162, s.32; 2001, c.347, s.9; 2011, c.49, s.15; 2021, c.197, s.9.

52:27H-80.1. Extension of provisions

In addition to those enterprise zones to which the provisions of section 21 of P.L. 1983, c. 303 (C. 52:27H-80) have been or may be extended by the authority, the provisions of that section shall be extended to that enterprise zone which is required by section 7 of P.L. 1983, c. 303 (C. 52:27H-66) to be designated among the first five and to be located in a municipality of not less than 45,000 nor more than 46,000 population located within the five counties next most northern to the 10 southernmost counties.

L. 1985, c. 142, s. 3, eff. April 17, 1985.

52:27H-80.2 (Repealed by P.L.2021, c.197)

52:27H-81. Rules, regulations

The Director of the Division of Taxation in the Department of the Treasury shall promulgate such rules and regulations as may be necessary to effectuate the provisions of sections 17 through 21 inclusive, and sections 27 and 29 of P.L.1983, c.303 (C.52:27H-76 to C.52:27H-80, inclusive, C.52:27H-86 and C.52:27H-88). The Commissioner of the Department of Commerce and Economic Development shall promulgate such rules and regulations as may be necessary to effectuate the provisions of section 16 of P.L.1983, c.303 (C.52:27H-75).

L.1983,c.303,s.22; amended 1993,c.367,s.7.

52:27H-82. Local development financing fund assistance; priority to project in municipality with enterprise zone

Notwithstanding any provisions of the “New Jersey Local Development Financing Fund Act,” P.L. 1983, c. 190 (C. 34:1B-36 *et seq.*), to the contrary, projects which are otherwise eligible under that act, but which are located in a municipality in which an enterprise zone is designated pursuant to the “New Jersey Urban Enterprise Zones Act,” P.L. 1983, c. 303 (C. 52:27H-60 *et seq.*), shall, upon the written recommendation of the authority, be accorded priority in receiving assistance from the New Jersey Local Development Financing Fund, over eligible projects which are not so located.

L.1983, c. 303, s. 23, eff. Aug. 15, 1983.

52:27H-83. Skill training programs; delivery

The New Jersey Department of Labor shall develop and coordinate the delivery of skill training programs necessary to meet the needs of qualifying businesses.

L.1983, c. 303, s. 24, eff. Aug. 15, 1983.

52:27H-84. Regulations of municipality or state agency; exemption of enterprise zones

In order to carry out the purposes of this act, any municipality or State agency may exempt designated enterprise zones from the provisions of any regulation, in whole or in part, promulgated by that entity or agency, but enterprise zones shall not be exempted from the provisions of any regulation, except upon finding by the State or municipal agency, as appropriate, that the exemption would not endanger the health and safety of the citizens of the State.

L.1983, c. 303, s. 25, eff. Aug. 15, 1983.

52:27H-85. Review of state regulations by authority

The authority shall conduct a continuing review of all State regulations and shall recommend to the appropriate administrative bodies the modification or waiver of regulations promulgated by that agency in order to contribute to the implementation of this act.

L.1983, c. 303, s. 26, eff. Aug. 15, 1983.

52:27H-86 Eligibility for incentives.

To be eligible for any of the incentives provided under this act a qualified business must demonstrate to the satisfaction of the authority that:

- a. The business will create new employment in the municipality;
- b. The business will not create unemployment in other areas of the State, including the municipality in which the zone or UEZ-impacted business district is located.
- c. For the purposes of eligibility for the incentives provided under sections 17, 19, 20, and 21 of P.L.1983, c.303 (C.52:27H-76, 52:27H-78, 52:27H-79, and 52:27H-80, respectively), a qualified business shall not be required to meet the requirements of subsection a. of this section, if:
 - (1) At the time of designation of the enterprise zone or at the time zone designation is extended by expansion to the location of a business or at the time of designation of the UEZ-impacted business district, the qualified business had been engaged in the active conduct of a trade or business in that zone or in the added area of that zone or in that district for at least one year prior to that designation or expansion;
 - (2) The qualified business employs fewer than 50 employees; and
 - (3) The qualified business has entered into an agreement, approved by the authority, with the governing body of the qualifying municipality in which the enterprise zone is located

or the municipality where the UEZ-impacted business district is located, under which the qualified business agrees to undertake an investment in the enterprise zone or district in lieu of the employment of new employees. An investment permitted under an agreement shall be in an amount and of a nature which the municipal governing body and the authority find shall contribute substantially to the economic attractiveness of the enterprise zone or district, and may include, but shall not be limited to:

(a) The improvement of the exterior appearance or customer facilities of the property constituting the place of business of the qualified business within the zone or district; provided that the improvement is of a permanent nature and not required to meet existing ordinances or code regulations; or

(b) Monetary contributions to the municipality to undertake improvements to increase the safety or attractiveness of the zone or district to businesses which may wish to locate there or to consumer visitors to the zone or district, including, but not limited to litter clean-up and control, landscaping, parking areas and facilities, recreational and rest areas and facilities, repair or improvements to public streets, curbing, sidewalks and pedestrian thoroughfares, street lighting, or increased police, fire or sanitation services in the enterprise zone or UEZ-impacted business district.

In order to meet the requirements of paragraph (3) of this subsection, an investment shall be in an amount no less than \$5,000.00 if the qualified business employs 10 or fewer employees, or if the qualified business employs more than 10 employees, not less than the amount produced by multiplying the number of employees employed by the qualified business by \$500.00. A qualified business shall be required to make an investment for each year the qualified business does not meet the requirements of subsection a. of this section. In order to receive the incentives permitted by this section, the business shall provide written evidence of the investment to the authority.

L.1983,c.303,s.27; amended 1988, c.93, s.7; 1993, c.367, s.8; 2001, c.347, s.10.

52:27H-87. Qualified business recipient of benefits; annual certification

Any firm that receives any benefits set forth in sections 16 through 24 of this act shall annually certify to the authority that it is a qualified business under subsection c. of section 3 of this act. Failure to supply the certification or willful falsification of data in the certification will result in a fine of not more than ten times the benefits received, nor more than two years in prison.

L.1983, c. 303, s. 28, eff. Aug. 15, 1983.

52:27H-87.1 Exemption for some retail sales of energy and utility service.

a. Retail sales of energy and utility service to:

(1) a qualified business that employs at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process, for the exclusive use or consumption of such business within an enterprise zone, and

(2) a group of two or more persons: (a) each of which is a qualified business that are all located within a single redevelopment area adopted pursuant to the “Local Redevelopment and Housing Law,” P.L.1992, c.79 (C.40A:12A-1 *et al.*); (b) that collectively employ at least 250 people within an enterprise zone, at least 50% of whom are directly employed in a manufacturing process; (c) are each engaged in a vertically integrated business, evidenced by the manufacture and distribution of a product or family of products that, when taken together, are primarily used, packaged and sold as a single product; and (d) collectively use the energy and utility service for the exclusive use or consumption of each of the persons that comprise a group within an enterprise zone; are exempt from the taxes imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 *et seq.*).

A qualified business will continue to be subject to applicable Board of Public Utilities tariff regulations except that its bills from utility companies and third party suppliers for energy and utility service shall not include charges for sales and use tax.

b. A business that meets the requirements of subsection a. of this section shall not be allowed the exemption granted pursuant to this section until it has complied with such requirements for obtaining the exemption as may be provided pursuant to P.L.1983, c.303 (C.52:27H-60 *et al.*) and P.L.1966, c.30 (C.54:32B-1 *et seq.*). The Executive Director of the New Jersey Commerce Commission shall provide prompt notice to the President of the Board of Public Utilities and to the Director of the Division of Taxation in the Department of the Treasury, of a qualified business that has qualified for the exemption under this subsection, and shall provide the president and the director an annual list of all businesses that qualify.

c. (1) Retail sales of energy and utility service to a business facility located within a county that is designated for the 50% tax exemption under section 1 of P.L.1993, c.373 (C.54:32B-8.45) are exempt from the taxes imposed under the “Sales and Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 *et seq.*); provided that the business certifies that it employs at least 50 people at that facility, at least 50% of whom are directly employed in a manufacturing process, and provided that the energy and utility services are consumed exclusively at that facility.

(2) A business facility that meets the requirements of paragraph (1) of this subsection may file an application for the energy and utility service sales tax exemption with the New Jersey Commerce Commission, and the commission shall promulgate regulations and forms for that purpose. The New Jersey Commerce Commission shall process an application submitted under this paragraph within 20 business days of receipt thereof. An exemption shall commence for a business upon notice of approval of its application and shall expire for any year in which the business fails to meet the requirements of paragraph (1) of this subsection. Upon approval, the Executive Director of the New Jersey Commerce Commission shall provide prompt notice to the applicant and also shall provide prompt notice to the President of the Board of Public Utilities and to the Director of the Division of Taxation in the Department of the Treasury. The Executive Director of the New Jersey Commerce Commission also shall provide the president and the director with an annual list of all businesses that have been approved under this subsection.

L.2004, c.65, s.23; amended 2005, c.374; 2007, c.253, s.41.

52:27H-88 Enterprise zone assistance fund.

- a. (1) There is created an enterprise zone assistance fund to be held by the State Treasurer, which shall be the repository for all moneys required to be deposited therein under section 11 of P.L.2021, c.197 (C.52:27H-98). All moneys deposited in the fund shall be held and disbursed in the amounts necessary to fulfill the purposes of this section and subject to the requirements hereinafter prescribed. The State Treasurer may invest and reinvest any moneys in the fund, or any portion thereof, to strengthen capital structures, leverage additional debt capital, and increase lending and investing in economically disadvantaged communities, and in any other manner that advances the goals of the Urban Enterprise Zone program, including, but not limited to legal obligations of the United States or of the State or of any political subdivision thereof or government-sponsored enterprises. Any income from, interest on, or increment to moneys so invested or reinvested shall be included in the fund.

Notwithstanding the provisions of section 11 of P.L.2021, c.197 (C.52:27H-98) or any other provision of law to the contrary, the amount to be deposited in the enterprise zone assistance fund shall be as follows:

- (a) In the first five State fiscal years next following the effective date of P.L.2021, c.197, 100 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund;
 - (b) In the sixth State fiscal year next following the effective date of P.L.2021, c.197, 95 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund and five percent of such amount shall be deposited in the General Fund;
 - (c) In the seventh State fiscal year next following the effective date of P.L.2021, c.197, 90 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund and 10 percent of such amount shall be deposited in the General Fund;
 - (d) In the eighth State fiscal year next following the effective date of P.L.2021, c.197, 85 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund and 15 percent of such amount shall be deposited in the General Fund;
 - (e) In the ninth State fiscal year next following the effective date of P.L.2021, c.197, 80 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund and 20 percent of such amount shall be deposited in the General Fund; and
 - (f) In the 10th State fiscal year next following the effective date of P.L.2021, c.197, 75 percent of the amount determined pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) shall be deposited in the enterprise zone assistance fund and 25 percent of such amount shall be deposited in the General Fund.
- (2) The State Treasurer shall maintain separate accounts for each enterprise zone designated under P.L.1983, c.303 (C.52:27H-60 *et seq.*) that is in good standing with the

UEZ Authority in accordance with rules adopted by the UEZ Authority, and one in the authority's name for the administration of the Urban Enterprise Zone program, and for providing grants, including planning grants, investments, loans or other guaranties related to qualified assistance fund expenses. The State Treasurer shall credit to each account an amount of the moneys deposited in the fund determined by a weighted formula that applies 50 percent weight to a zone municipality's number of commercial and industrial parcels as recorded by the municipal tax assessor, its Municipal Revitalization Index Distress Score, as determined by the Department of Community Affairs, and the average number of unemployed persons in the municipality according to data provided by the New Jersey Department of Labor and Workforce Development, and 50 percent weight to the gross taxable sales in the municipality subject to reduced sales tax pursuant to section 21 of P.L.1983, c.303 (C.52:27H-80), as determined by the State Treasurer. The data used in the formula, developed under this section, shall be the most recent data that has been made available by the Department of Community Affairs, the Department of Labor and Workforce Development, and the State Treasurer. When funds are received by a qualifying municipality pursuant to this subsection, the funds shall be placed in a new trust or, for a qualifying municipality that has a trust for an enterprise zone on the effective date of P.L.2021, c.197, in the existing trust. The Division of Local Government Services in the Department of Community Affairs shall promulgate regulations, policies, or procedures as necessary to implement the provisions of this section.

(3) From the amounts allocated to the zone assistance fund in each State fiscal year pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98), there shall be deposited annually to the account in the authority's name, \$2,500,000 beginning in State Fiscal Year 2022, for the administration of the Urban Enterprise Zone program, and for providing grants, investments, loans, or other guaranties related to qualified assistance fund expenses. This amount shall be adjusted annually by the percentage change in the 12-month Consumer Price Index from June 30 to July 1.

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

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

b. The enterprise zone assistance fund shall be used for the purpose of assisting qualifying municipalities in which enterprise zones are designated in undertaking economic development

projects in designated enterprise zones by funding qualified assistance fund expenses. However, a municipality shall not appropriate or expend more than 25 percent of the amount annually credited to its enterprise zone assistance fund for public safety purposes, as described pursuant to paragraph (4) of subsection m. of section 3 of P.L.1983, c.303 (C.52:27H-62) or more than 10 percent of the amount annually credited to its enterprise zone assistance fund for administrative expenses.

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

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

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

As used in this section, "project" means an activity that satisfies the requirements of a qualified assistance fund expense, as that term is defined in subsection m. of section 3 of P.L.1983, c.303 (C.52:27H-62), and which will lead to the creation of new jobs and increased economic activity within the zone.

d. (Deleted by amendment, P.L.2021, c.197)

e. (Deleted by amendment, P.L.2021, c.197)

f. (Deleted by amendment, P.L.2021, c.197)

g. (Deleted by amendment, P.L.2021, c.197)

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

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

j. At the end of a State fiscal year, the Department of Community Affairs shall review an enterprise zone's expenditures of funds received from the zone assistance fund. If the department finds that an enterprise zone expended such funds in a manner inconsistent with the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*) and P.L.2021, c.197, then the enterprise zone shall repay such funds to the department through the forfeiture of future zone assistance fund disbursements. The department shall withhold future funding from the enterprise zone until the enterprise zone enters into and complies with a corrective action plan developed by the department.

k. If in a State fiscal year the amount allocated to the enterprise zone assistance fund is less than the amount required to be allocated pursuant to section 11 of P.L.2021, c.197 (C.52:27H-98) and paragraph (1) of subsection a. of this section, the Legislature shall appropriate to the enterprise zone assistance fund the amount that was not allocated in such State fiscal year in a succeeding State fiscal year along with the funds required to be allocated in that State fiscal year.

L.1983, c.303, s.29; amended 1993, c.367, s.9; 2002, c.64; 2006, c.34, s.4; 2009, c.25; 2018, c.19, s.4; 2021, c.197, s.10.

Note: The following related legislation has also been amended as follows:

52 :27H-98 Tax expenditures for State fiscal years.

a. The combined State tax expenditures in State Fiscal Year 2022 for the Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise Zone Exempt Business Purchases, as expressed in the Fiscal Year 2022 State of New Jersey Tax Expenditure Report, shall be the "ZAF base fund amount."

In State Fiscal Year 2023, the amount appropriated to the enterprise zone assistance fund shall be determined as follows: The State Treasurer, in consultation with the UEZ Authority, shall determine the combined State tax expenditures for the Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise Zone Exempt Business Purchases in the six-month period beginning January 1, 2022 and ending June 30, 2022. The combined State tax expenditures for the Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise Zone Exempt Business Purchases for the six-month period beginning January 1, 2022 and ending June 30, 2022, shall be multiplied by two and then subtracted from the ZAF base fund amount. The difference shall be the State Fiscal Year 2023 appropriation to the enterprise zone assistance fund.

Beginning in State Fiscal Year 2024, and in each State fiscal year thereafter, the amount appropriated to the enterprise zone assistance fund shall be determined as follows: After January 1 but prior to June 30, the State Treasurer, in consultation with the UEZ Authority, shall develop a methodology to compare the combined State tax expenditures for the Urban Enterprise Zone Special Sales Tax Rate and Urban Enterprise Zone Exempt Business Purchases in the prior State fiscal year with the ZAF base fund amount to calculate the savings achieved by P.L.2021, c.197. The savings determined shall be the amount appropriated to the enterprise zone assistance fund for the State fiscal year.

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

L.2021, c.197, s.11.

52 :27H-99 Definitions, designation of qualified business.

a. As used in this section:

“Eligible block group” means a block group that is located in an enterprise zone on the effective date of P.L.2021, c.197.

b. The UEZ Authority shall notify each qualified municipality of each eligible block group within the municipality no later than 14 days after the effective date of P.L.2021, c.197. The UEZ Authority shall then certify the final eligible block groups to each municipality and shall post a link to a list of eligible block groups on the UEZ Authority's Internet homepage on the Department of Community Affairs' Internet website.

c. A qualified business shall be located in an eligible block group. The certification of a qualified business that was certified as a qualified business on the effective date of P.L.2021, c.197 shall expire at the end of the 10th State fiscal year following the effective date of P.L.2021, c.197. However, the UEZ Authority may at any time revoke a certification if the UEZ Authority shall determine that the seller no longer complies with the provisions of P.L.1983, c.303 (C.52:27H-60 *et seq.*).

d. The certification of a qualified business located in an eligible block group after the effective date of P.L.2021, c.197 shall expire at the end of the 10th State fiscal year following the State

fiscal year in which the business was first certified as a qualified business. A business whose certification has expired shall not be eligible to seek a new certification.

L.2021, c.197, s.12.

52 :27H-100 Annual report.

On or before June 30 of each year next following the effective date of P.L.2021, c.197, the State Treasurer shall provide to the UEZ Authority an annual report of the aggregate amount, expressed in dollars, of the incentives provided under P.L.1983, c.303 (C.52:27H-60 *et seq.*) to all qualified businesses and municipalities. The report shall include aggregate data on gross revenues, retail sales taxes collected, and shall also include information on the address, municipality, and industry of each business. All data from participating businesses shall be collected through an online application and consumer access portal, where possible.

L.2021, c.197, s.13.

52 :27H-101 Annual review.

The UEZ Authority shall conduct an annual review that determines the number of participating businesses, unemployment rate, median household income, and number of jobs in each enterprise zone to assess the program's progress. The review shall also include the total tax expenditures by zone and total zone assistance funds expended as the requisite data becomes available from the annual report from the Department of the Treasury required pursuant to section 13 of P.L.2021, c.197 (C.52:27H-100). The UEZ Authority shall review the status of any projects that were approved by participating enterprise zones, overall enterprise zone performance, and adherence to the zone development plans. Each review shall include a detailed listing of deliverables by each enterprise zone and the State that are to be implemented and subsequently evaluated in the future.

L.2021, c.197, s.14.

52 :27H-102 Memorandum of understanding.

The UEZ Authority and the Department of Labor and Workforce and Development shall enter into a memorandum of understanding to assist in substantial and comprehensive data gathering and information sharing between the two agencies to further the UEZ Authority's ability to evaluate enterprise zone performance and compliance, and to initiate enforcement actions.

L.2021, c.197, s.15.

52 :27H-103 Certain new applications not accepted.

Following the effective date of P.L.2021, c.197, no new applications for the enterprise zone employee tax credit, pursuant to section 19 of P.L.1983, c.303 (C.52:27H-78), or for the

corporation business tax exemption, pursuant to section 17 of P.L.1983, c.303 (C.52:27H-76), shall be accepted.

L.2021, c.197, s.16.

54 :4-3.145 Financial agreement; payments in lieu of taxes.

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

b. Payments in lieu of taxes may be computed as two percent of the cost of the improvements or conversion alterations, as appropriate for five years following such completion and in the sixth and all subsequent tax years following completion, 100% of the equalized taxes otherwise due; or

c. Payments in lieu of taxes may be computed in the discretion of the qualified municipality as a portion of the real property taxes otherwise due, provided that in the sixth and all subsequent tax years following completion, payments in lieu of taxes shall equal 100% of the equalized taxes otherwise due.

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

L.1989, c.207, s.7; amended 1991, c.469, s.2; 2021, c.197, s.17.