

[First Reprint]

ASSEMBLY, No. 3676

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED MARCH 13, 2018

Sponsored by:

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Assemblyman JOHN ARMATO

District 2 (Atlantic)

Assemblyman THOMAS P. GIBLIN

District 34 (Essex and Passaic)

Co-Sponsored by:

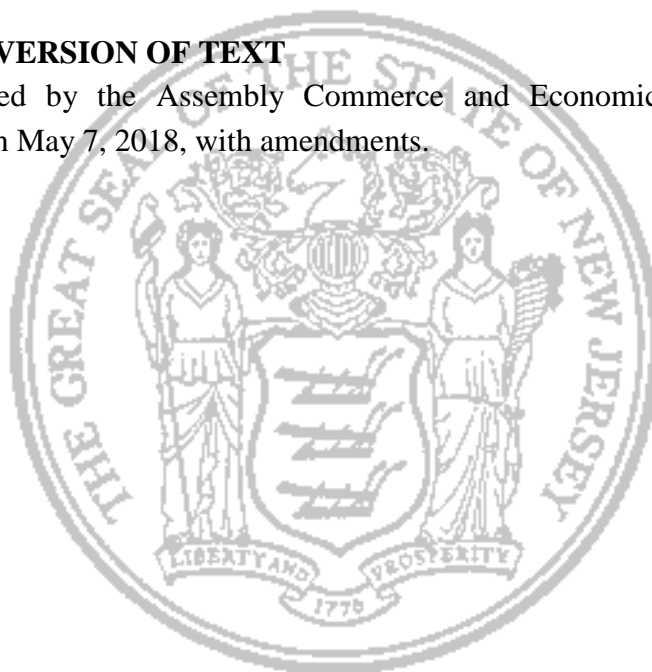
Assemblyman Chiaravalloti

SYNOPSIS

Creates Garden State Growth Zone at Atlantic City International Airport and surrounding area; adjusts full-time employee designation requirements.

CURRENT VERSION OF TEXT

As reported by the Assembly Commerce and Economic Development Committee on May 7, 2018, with amendments.



(Sponsorship Updated As Of: 6/19/2018)

1 AN ACT concerning ¹a¹ Garden State Growth ¹**[Zones]** Zone¹ and
 2 amending various parts of the statutory law.

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

6
 7 1. Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to
 8 read as follows:

9 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

10 "Affiliate" means an entity that directly or indirectly controls, is
 11 under common control with, or is controlled by the business.
 12 Control exists in all cases in which the entity is a member of a
 13 controlled group of corporations as defined pursuant to section 1563
 14 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the
 15 entity is an organization in a group of organizations under common
 16 control as defined pursuant to subsection (b) or (c) of section 414 of
 17 the Internal Revenue Code of 1986 (26 U.S.C. s.414). A taxpayer
 18 may establish by clear and convincing evidence, as determined by
 19 the Director of the Division of Taxation in the Department of the
 20 Treasury, that control exists in situations involving lesser
 21 percentages of ownership than required by those statutes. An
 22 affiliate of a business may contribute to meeting either the qualified
 23 investment or full-time employee requirements of a business that
 24 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-
 25 209).

26 "Authority" means the New Jersey Economic Development
 27 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

28 "Aviation district" means all areas within the boundaries of the
 29 "Atlantic City International Airport," established pursuant to section
 30 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
 31 Administration William J. Hughes Technical Center and the area
 32 within a one-mile radius of the outermost boundary of the "Atlantic
 33 City International [Airport," established pursuant to section 24 of
 34 P.L.1991, c.252 (C.27:25A-24)] Airport" and the Federal Aviation
 35 Administration William J. Hughes Technical Center.

36 "Business" means an applicant proposing to own or lease
 37 premises in a qualified business facility that is:

38 a corporation that is subject to the tax imposed pursuant to
 39 section 5 of P.L.1945, c.162 (C.54:10A-5);

40 a corporation that is subject to the tax imposed pursuant to
 41 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
 42 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

43 a partnership;

44 an S corporation;

45 a limited liability company; or

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted May 7, 2018.

1 a non-profit corporation.

2 If the business or tenant is a cooperative or part of a cooperative,
3 then the cooperative may qualify for credits by counting the full-
4 time employees and capital investments of its member
5 organizations, and the cooperative may distribute credits to its
6 member organizations. If the business or tenant is a cooperative
7 that leases to its member organizations, the lease shall be treated as
8 a lease to an affiliate or affiliates.

9 A business shall include an affiliate of the business if that
10 business applies for a credit based upon any capital investment
11 made by or full-time employees of an affiliate.

12 "Capital investment" in a qualified business facility means
13 expenses by a business or any affiliate of the business incurred after
14 application for:

15 a. site preparation and construction, repair, renovation,
16 improvement, equipping, or furnishing on real property or of a
17 building, structure, facility, or improvement to real property;

18 b. obtaining and installing furnishings and machinery,
19 apparatus, or equipment, including but not limited to material goods
20 subject to bonus depreciation under sections 168 and 179 of the
21 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the
22 operation of a business on real property or in a building, structure,
23 facility, or improvement to real property;

24 c. receiving Highlands Development Credits under the
25 Highlands Transfer Development Rights Program authorized
26 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

27 d. any of the foregoing.

28 In addition to the foregoing, in a Garden State Growth Zone, the
29 following qualify as a capital investment: any development,
30 redevelopment, and relocation costs, including, but not limited to,
31 site acquisition if made within 24 months of application to the
32 authority, engineering, legal, accounting, and other professional
33 services required; and relocation, environmental remediation, and
34 infrastructure improvements for the project area, including, but not
35 limited to, on- and off-site utility, road, pier, wharf, bulkhead, or
36 sidewalk construction or repair.

37 In addition to the foregoing, if a business acquires or leases a
38 qualified business facility, the capital investment made or acquired
39 by the seller or owner, as the case may be, if pertaining primarily to
40 the premises of the qualified business facility, shall be considered a
41 capital investment by the business and, if pertaining generally to the
42 qualified business facility being acquired or leased, shall be
43 allocated to the premises of the qualified business facility on the
44 basis of the gross leasable area of the premises in relation to the
45 total gross leasable area in the qualified business facility. The
46 capital investment described herein may include any capital
47 investment made or acquired within 24 months prior to the date of
48 application so long as the amount of capital investment made or

1 acquired by the business, any affiliate of the business, or any owner
2 after the date of application equals at least 50 percent of the amount
3 of capital investment, allocated to the premises of the qualified
4 business facility being acquired or leased on the basis of the gross
5 leasable area of the premises in relation to the total gross leasable
6 area in the qualified business facility made or acquired prior to the
7 date of application.

8 "College or university" means a county college, an independent
9 institution of higher education, a public research university, or a
10 State college.

11 "Commitment period" means the period of time that is 1.5 times
12 the eligibility period.

13 "County college" means an educational institution established by
14 one or more counties, pursuant to chapter 64A of Title 18A of the
15 New Jersey Statutes.

16 "Deep poverty pocket" means a population census tract having a
17 poverty level of 20 percent or more, and which is located within the
18 qualified incentive area and has been determined by the authority to
19 be an area appropriate for development and in need of economic
20 development incentive assistance.

21 "Disaster recovery project" means a project located on property
22 that has been wholly or substantially damaged or destroyed as a
23 result of a federally-declared disaster which, after utilizing all
24 disaster funds available from federal, State, county, and local
25 funding sources, demonstrates to the satisfaction of the authority
26 that access to additional funding authorized pursuant to the "New
27 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
28 (C.52:27D-489p et al.), is necessary to complete the redevelopment
29 project, and which is located within the qualified incentive area and
30 has been determined by the authority to be in an area appropriate
31 for development and in need of economic development incentive
32 assistance.

33 "Distressed municipality" means a municipality that is qualified
34 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
35 municipality under the supervision of the Local Finance Board
36 pursuant to the provisions of the "Local Government Supervision
37 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
38 identified by the Director of the Division of Local Government
39 Services in the Department of Community Affairs to be facing
40 serious fiscal distress, a SDA municipality, or a municipality in
41 which a major rail station is located.

42 "Doctoral university" means a university located within New
43 Jersey that is classified as a doctoral university under the Carnegie
44 Classification of Institutions of Higher Education's Basic
45 Classification methodology on the effective date of P.L.2017, c.221.

46 "Eligibility period" means the period in which a business may
47 claim a tax credit under the Grow New Jersey Assistance Program,
48 beginning with the tax period in which the authority accepts

1 certification of the business that it has met the capital investment
2 and employment requirements of the Grow New Jersey Assistance
3 Program and extending thereafter for a term of not more than 10
4 years, with the term to be determined solely at the discretion of the
5 applicant.

6 "Eligible position" or "full-time job" means a full-time position
7 in a business in this State which the business has filled with a full-
8 time employee.

9 "Full-time employee" means a person:

10 a. who is employed by a business for consideration for at least
11 35 hours a week, or who renders any other standard of service
12 generally accepted by custom or practice as full-time employment;
13 or

14 b. who is employed by a professional employer organization
15 pursuant to an employee leasing agreement between the business
16 and the professional employer organization, in accordance with
17 P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or
18 who renders any other standard of service generally accepted by
19 custom or practice as full-time employment, and whose wages are
20 subject to withholding as provided in the "New Jersey Gross
21 Income Tax Act," N.J.S.54A:1-1 et seq.; or

22 c. who is a resident of another State but whose income is not
23 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
24 et seq. or who is a partner of a business who works for the
25 partnership for at least 35 hours a week, or who renders any other
26 standard of service generally accepted by custom or practice as full-
27 time employment, and whose distributive share of income, gain,
28 loss, or deduction, or whose guaranteed payments, or any
29 combination thereof, is subject to the payment of estimated taxes, as
30 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1
31 et seq.; and

32 d. who, except for purposes of the Statewide workforce, is
33 provided, by the business, with employee health benefits under a
34 health benefits plan authorized pursuant to State or federal law.

35 With respect to a logistics, manufacturing, energy, defense,
36 aviation, or maritime business, excluding primarily warehouse or
37 distribution operations, located in a port district having a container
38 terminal:

39 the requirement that employee health benefits are to be provided
40 shall be deemed to be satisfied if the benefits are provided in
41 accordance with industry practice by a third party obligated to
42 provide such benefits pursuant to a collective bargaining agreement;

43 full-time employment shall include, but not be limited to,
44 employees that have been hired by way of a labor union hiring hall
45 or its equivalent;

46 35 hours of employment per week at a qualified business facility
47 shall constitute one "full-time employee," regardless of whether or
48 not the hours of work were performed by one or more persons.

1 For any project located in a Garden State Growth Zone which
2 qualifies under the "Municipal Rehabilitation and Economic
3 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any
4 project located in the Atlantic City Tourism District as established
5 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
6 by the Casino Reinvestment Development Authority, and which
7 will include a retail facility of at least 150,000 square feet, of which
8 at least 50 percent will be occupied by either a full-service
9 supermarket or grocery store, 30 hours of employment per week at a
10 qualified business facility shall constitute one "full-time employee,"
11 regardless of whether the hours of work were performed by one or
12 more persons, and the requirement that employee health benefits are
13 to be provided shall be deemed to be satisfied if the employees of
14 the business are covered by a collective bargaining agreement.

15 "Full-time employee" shall not include any person who works as
16 an independent contractor or on a consulting basis for the business
17 ¹, except that, for any project located in an aviation district, any
18 person working as an independent contractor for the business shall
19 be deemed a full-time employee if the business demonstrates to the
20 authority that:

21 (1) the person working as an independent contractor for the
22 business provides critical capabilities to the business in engineering,
23 software development, technology services, or advanced
24 manufacturing supply chain disciplines under a contractual or
25 partnering relationship for a term of no less than three years;

26 (2) the person working as an independent contractor for the
27 business:

28 (a) works at least 80 percent of the person's work time at a
29 qualified business facility;

30 (b) works for at least 35 hours a week, or renders any other
31 standard service generally accepted by custom or practice as full-
32 time employment; and

33 (c) is provided with employee health benefits under a health
34 benefits plan authorized pursuant to State or federal law; and

35 (3) the person working as an independent contractor for the
36 business shall not be included in the business's Statewide workforce
37 total if that person is simultaneously receiving a State economic
38 incentive benefit for job creation or retention under any other
39 program.

40 A business with at least 15 persons working as independent
41 contractors for the business who meet the conditions established
42 pursuant to paragraphs (1) and (2) of this subsection may claim
43 each of those persons as eight-tenths of a full-time employee for the
44 purposes of meeting the minimum Statewide workforce total
45 required under the program. Persons working as independent
46 contractors for the business shall be considered full-time employees
47 solely for the purposes of being counted towards the minimum
48 number of eligible positions required under the program.

1 Compliance period obligations of those persons following the
2 receipt of an economic incentive benefit shall not disqualify
3 inclusion of those persons as part of the business's Statewide
4 workforce total. The inclusion of persons working as independent
5 contractors for the business as part of the business's Statewide
6 workforce total may be applied starting on January 1, 2017 for all
7 previously awarded and future tax credits awarded under the
8 program established pursuant to section 3 of P.L.2011, c.149
9 (C.34:1B-244).

10 A business that includes persons working as independent
11 contractors for the business as part of the business's Statewide
12 workforce total shall provide to the authority an annual report that
13 identifies the number of persons working as independent contractors
14 for the business and their contractual or partnering relationship with
15 the business¹.

16 Full-time employee shall also not include any person who at the
17 time of project application works in New Jersey for consideration
18 for at least 35 hours per week, or who renders any other standard of
19 service generally accepted by custom or practice as full-time
20 employment but who prior to project application was not provided,
21 by the business, with employee health benefits under a health
22 benefits plan authorized pursuant to State or federal law.

23 "Garden State Create Zone" means the campus of a doctoral
24 university, and the area within a three-mile radius of the outermost
25 boundary of the campus of a doctoral university, according to a map
26 appearing in the doctoral university's official catalog or other
27 official publication on the effective date of P.L.2017, c.221.

28 "Garden State Growth Zone" or "growth zone" means the four
29 New Jersey cities with the lowest median family income based on
30 the 2009 American Community Survey from the US Census, (Table
31 708. Household, Family, and Per Capita Income and Individuals,
32 and Families Below Poverty Level by City: 2009); **【or】** a
33 municipality which contains a Tourism District as established
34 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
35 by the Casino Reinvestment Development Authority; or an aviation
36 district.

37 "Highlands development credit receiving area or redevelopment
38 area" means an area located within a qualified incentive area and
39 designated by the Highlands Water Protection and Planning Council
40 for the receipt of Highlands Development Credits under the
41 Highlands Transfer Development Rights Program authorized
42 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13).

43 "Incentive agreement" means the contract between the business
44 and the authority, which sets forth the terms and conditions under
45 which the business shall be eligible to receive the incentives
46 authorized pursuant to the program.

47 "Incentive effective date" means the date the authority issues a
48 tax credit based on documentation submitted by a business pursuant

1 to paragraph (1) of subsection b. of section 6 of P.L.2011, c.149
2 (C.34:1B-247).

3 "Independent institution of higher education" means a college or
4 university incorporated and located in New Jersey, which by virtue
5 of law or character or license is a nonprofit educational institution
6 authorized to grant academic degrees and which provides a level of
7 education which is equivalent to the education provided by the
8 State's public institutions of higher education, as attested by the
9 receipt of and continuation of regional accreditation by the Middle
10 States Association of Colleges and Schools, and which is eligible to
11 receive State aid under the provisions of the Constitution of the
12 United States and the Constitution of the State of New Jersey, but
13 does not include any educational institution dedicated primarily to
14 the education or training of ministers, priests, rabbis or other
15 professional persons in the field of religion.

16 "Major rail station" means a railroad station located within a
17 qualified incentive area which provides access to the public to a
18 minimum of six rail passenger service lines operated by the New
19 Jersey Transit Corporation.

20 "Mega project" means:

21 a. a qualified business facility located in a port district housing
22 a business in the logistics, manufacturing, energy, defense, or
23 maritime industries, either:

24 (1) having a capital investment in excess of \$20,000,000, and at
25 which more than 250 full-time employees of the business are
26 created or retained; or

27 (2) at which more than 1,000 full-time employees of the
28 business are created or retained;

29 b. a qualified business facility located in an aviation district
30 housing a business in the aviation industry, in a Garden State
31 Growth Zone, or in a priority area housing the United States
32 headquarters and related facilities of an automobile manufacturer,
33 either:

34 (1) having a capital investment in excess of \$20,000,000, and at
35 which more than 250 full-time employees of the business are
36 created or retained, or

37 (2) at which more than 1,000 full-time employees of the
38 business are created or retained;

39 c. a qualified business facility located in an urban transit hub
40 housing a business of any kind, having a capital investment in
41 excess of \$50,000,000, and at which more than 250 full-time
42 employees of the business are created or retained;

43 d. a project located in an area designated in need of
44 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)
45 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within
46 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
47 Ocean, or Salem counties having a capital investment in excess of

1 \$20,000,000, and at which more than 150 full-time employees of
2 the business are created or retained; or

3 e. a qualified business facility primarily used by a business
4 principally engaged in research, development, or manufacture of a
5 drug or device, as defined in R.S.24:1-1, or primarily used by a
6 business licensed to conduct a clinical laboratory and business
7 facility pursuant to the "New Jersey Clinical Laboratory
8 Improvement Act," P.L.1975, c.166 (C.45:9-42.26 et seq.), either:

9 (1) having a capital investment in excess of \$20,000,000, and at
10 which more than 250 full-time employees of the business are
11 created or retained, or

12 (2) at which more than 1,000 full-time employees of the
13 business are created or retained.

14 "Minimum environmental and sustainability standards" means
15 standards established by the authority in accordance with the green
16 building manual prepared by the Commissioner of Community
17 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
18 regarding the use of renewable energy, energy-efficient technology,
19 and non-renewable resources in order to reduce environmental
20 degradation and encourage long-term cost reduction.

21 "Moderate-income housing" means housing affordable,
22 according to United States Department of Housing and Urban
23 Development or other recognized standards for home ownership
24 and rental costs, and occupied or reserved for occupancy by
25 households with a gross household income equal to more than 50
26 percent but less than 80 percent of the median gross household
27 income for households of the same size within the housing region in
28 which the housing is located.

29 "Municipal Revitalization Index" means the 2007 index by the
30 Office for Planning Advocacy within the Department of State
31 measuring or ranking municipal distress.

32 "New full-time job" means an eligible position created by the
33 business at the qualified business facility that did not previously
34 exist in this State. For the purposes of determining a number of
35 new full-time jobs, the eligible positions of an affiliate shall be
36 considered eligible positions of the business.

37 "Other eligible area" means the portions of the qualified
38 incentive area that are not located within a distressed municipality,
39 or the priority area.

40 "Partnership" means an entity classified as a partnership for
41 federal income tax purposes.

42 "Port district" means the portions of a qualified incentive area
43 that are located within:

44 a. the "Port of New York District" of the Port Authority of
45 New York and New Jersey, as defined in Article II of the Compact
46 Between the States of New York and New Jersey of 1921; or

47 b. a 15-mile radius of the outermost boundary of each marine
48 terminal facility established, acquired, constructed, rehabilitated, or

1 improved by the South Jersey Port District established pursuant to
2 "The South Jersey Port Corporation Act," P.L.1968, c.60
3 (C.12:11A-1 et seq.).

4 "Priority area" means the portions of the qualified incentive area
5 that are not located within a distressed municipality and which:

6 a. are designated pursuant to the "State Planning Act,"
7 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1
8 (Metropolitan), Planning Area 2 (Suburban), a designated center
9 under the State Development and Redevelopment Plan, or a
10 designated growth center in an endorsed plan until June 30, 2013, or
11 until the State Planning Commission revises and readopts New
12 Jersey's State Strategic Plan and adopts regulations to revise this
13 definition;

14 b. intersect with portions of: a deep poverty pocket, a port
15 district, or federally-owned land approved for closure under a
16 federal Commission on Base Realignment and Closure action;

17 c. are the proposed site of a disaster recovery project, a
18 qualified incubator facility, a highlands development credit
19 receiving area or redevelopment area, a tourism destination project,
20 or transit oriented development; or

21 d. contain: a vacant commercial building having over 400,000
22 square feet of office, laboratory, or industrial space available for
23 occupancy for a period of over one year; or a site that has been
24 negatively impacted by the approval of a "qualified business
25 facility," as defined pursuant to section 2 of P.L.2007, c.346
26 (C.34:1B-208).

27 "Professional employer organization" means an employee leasing
28 company registered with the Department of Labor and Workforce
29 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

30 "Program" means the "Grow New Jersey Assistance Program"
31 established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244).

32 "Public research university" means a public research university
33 as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3).

34 "Qualified business facility" means any building, complex of
35 buildings or structural components of buildings, and all machinery
36 and equipment located within a qualified incentive area, used in
37 connection with the operation of a business that is not engaged in
38 final point of sale retail business at that location unless the building,
39 complex of buildings or structural components of buildings, and all
40 machinery and equipment located within a qualified incentive area,
41 are used in connection with the operation of:

42 a. a final point of sale retail business located in a Garden State
43 Growth Zone that will include a retail facility of at least 150,000
44 square feet, of which at least 50 percent is occupied by either a full-
45 service supermarket or grocery store; or

46 b. a tourism destination project located in the Atlantic City
47 Tourism District as established pursuant to section 5 of P.L.2011,
48 c.18 (C.5:12-219).

1 "Qualified incentive area" means:

2 a. an aviation district;

3 b. a port district;

4 c. a distressed municipality or urban transit hub municipality;

5 d. an area (1) designated pursuant to the "State Planning Act,"

6 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

7 (a) Planning Area 1 (Metropolitan);

8 (b) Planning Area 2 (Suburban); or

9 (c) Planning Area 3 (Fringe Planning Area);

10 (2) located within a smart growth area and planning area

11 designated in a master plan adopted by the New Jersey

12 Meadowlands Commission pursuant to subsection (i) of section 6 of

13 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan

14 adopted by the New Jersey Meadowlands Commission pursuant to

15 section 20 of P.L.1968, c.404 (C.13:17-21);

16 (3) located within any land owned by the New Jersey Sports and

17 Exposition Authority, established pursuant to P.L.1971, c.137

18 (C.5:10-1 et seq.), within the boundaries of the Hackensack

19 Meadowlands District as delineated in section 4 of P.L.1968, c.404

20 (C.13:17-4);

21 (4) located within a regional growth area, rural development

22 area zoned for industrial use as of the effective date of P.L.2016,

23 c.75, town, village, or a military and federal installation area

24 designated in the comprehensive management plan prepared and

25 adopted by the Pinelands Commission pursuant to the "Pinelands

26 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

27 (5) located within the planning area of the Highlands Region as

28 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands

29 development credit receiving area or redevelopment area;

30 (6) located within a Garden State Growth Zone;

31 (7) located within land approved for closure under any federal

32 Commission on Base Realignment and Closure action; or

33 (8) located only within the following portions of the areas

34 designated pursuant to the "State Planning Act," P.L.1985, c.398

35 (C.52:18A-196 et **al.** seq.), as Planning Area 4A (Rural Planning

36 Area), Planning Area 4B (Rural/Environmentally Sensitive) or

37 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A

38 (Rural Planning Area), Planning Area 4B (Rural/Environmentally

39 Sensitive) or Planning Area 5 (Environmentally Sensitive) is

40 located within:

41 (a) a designated center under the State Development and

42 Redevelopment Plan;

43 (b) a designated growth center in an endorsed plan until the

44 State Planning Commission revises and readopts New Jersey's State

45 Strategic Plan and adopts regulations to revise this definition as it

46 pertains to Statewide planning areas;

47 (c) any area determined to be in need of redevelopment pursuant

48 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and

1 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
2 P.L.1992, c.79 (C.40A:12A-14);

3 (d) any area on which a structure exists or previously existed
4 including any desired expansion of the footprint of the existing or
5 previously existing structure provided the expansion otherwise
6 complies with all applicable federal, State, county, and local
7 permits and approvals;

8 (e) the planning area of the Highlands Region as defined in
9 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
10 development credit receiving area or redevelopment area; or

11 (f) any area on which an existing tourism destination project is
12 located.

13 "Qualified incentive area" shall not include any property located
14 within the preservation area of the Highlands Region as defined in
15 section 3 of P.L.2004, c.120 (C.13:20-3).

16 "Qualified incubator facility" means a commercial building
17 located within a qualified incentive area: which contains 50,000 or
18 more square feet of office, laboratory, or industrial space; which is
19 located near, and presents opportunities for collaboration with, a
20 research institution, teaching hospital, college, or university; and
21 within which, at least 50 percent of the gross leasable area is
22 restricted for use by one or more technology startup companies
23 during the commitment period.

24 "Retained full-time job" means an eligible position that currently
25 exists in New Jersey and is filled by a full-time employee but
26 which, because of a potential relocation by the business, is at risk of
27 being lost to another state or country, or eliminated. For the
28 purposes of determining a number of retained full-time jobs, the
29 eligible positions of an affiliate shall be considered eligible
30 positions of the business. For the purposes of the certifications and
31 annual reports required in the incentive agreement pursuant to
32 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the
33 extent an eligible position that was the basis of the award no longer
34 exists, a business shall include as a retained full-time job a new
35 eligible position that is filled by a full-time employee provided that
36 the position is included in the order of date of hire and is not the
37 basis for any other incentive award. For a project located in a
38 Garden State Growth Zone which qualified for the "Municipal
39 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
40 (C.52:27BBB-1 et al.), retained full-time job shall include any
41 employee previously employed in New Jersey and transferred to the
42 new location in the Garden State Growth Zone which qualified for
43 the "Municipal Rehabilitation and Economic Recovery Act,"
44 P.L.2002, c.43 (C.52:27BBB-1 et al.).

45 "SDA district" means an SDA district as defined in section 3 of
46 P.L.2000, c.72 (C.18A:7G-3).

47 "SDA municipality" means a municipality in which an SDA
48 district is situate.

1 "State college" means a State college or university established
2 pursuant to chapter 64 of Title 18A of the New Jersey Statutes.

3 "Targeted industry" means any industry identified from time to
4 time by the authority including initially, a transportation,
5 manufacturing, defense, energy, logistics, life sciences, technology,
6 health, and finance business, but excluding a primarily warehouse
7 or distribution business.

8 "Technology startup company" means a for profit business that
9 has been in operation fewer than five years and is developing or
10 possesses a proprietary technology or business method of a high-
11 technology or life science-related product, process, or service which
12 the business intends to move to commercialization.

13 "Tourism destination project" means a qualified non-gaming
14 business facility that will be among the most visited privately
15 owned or operated tourism or recreation sites in the State, and
16 which is located within the qualified incentive area and has been
17 determined by the authority to be in an area appropriate for
18 development and in need of economic development incentive
19 assistance, including a non-gaming business within an established
20 Tourism District with a significant impact on the economic viability
21 of that District.

22 "Transit oriented development" means a qualified business
23 facility located within a 1/2-mile radius, or one-mile radius for
24 projects located in a Garden State Growth Zone, surrounding the
25 mid-point of a New Jersey Transit Corporation, Port Authority
26 Transit Corporation, or Port Authority Trans-Hudson Corporation
27 rail, bus, or ferry station platform area, including all light rail
28 stations.

29 "Urban transit hub" means an urban transit hub, as defined in
30 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within
31 an eligible municipality, as defined in section 2 of P.L.2007, c.346
32 (C.34:1B-208) and also located within a qualified incentive area.

33 "Urban transit hub municipality" means a municipality: a. which
34 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et
35 seq.), or which has continued to be a qualified municipality
36 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent
37 or more of the value of real property was exempt from local
38 property taxation during tax year 2006. The percentage of exempt
39 property shall be calculated by dividing the total exempt value by
40 the sum of the net valuation which is taxable and that which is tax
41 exempt.

42 (cf: P.L.2017, c.221, s.1)

43

44 2. Section 3 of P.L.2011, c.149 (C.34:1B-244) is amended to
45 read as follows:

46 3. a. The Grow New Jersey Assistance Program is hereby
47 established as a program under the jurisdiction of the New Jersey
48 Economic Development Authority and shall be administered by the

1 authority. The purpose of the program is to encourage economic
2 development and job creation and to preserve jobs that currently
3 exist in New Jersey but which are in danger of being relocated
4 outside of the State. To implement this purpose, the program may
5 provide tax credits to eligible businesses for an eligibility period not
6 to exceed 10 years.

7 To be eligible for any tax credits pursuant to P.L.2011, c.149
8 (C.34:1B-242 et al.), a business's chief executive officer or
9 equivalent officer shall demonstrate to the authority, at the time of
10 application, that:

11 (1) the business, expressly including its landlord or seller, will
12 make, acquire, or lease a capital investment equal to, or greater
13 than, the applicable amount set forth in subsection b. of this section
14 at a qualified business facility at which it will:

15 (a) retain full-time jobs in an amount equal to or greater than the
16 applicable number set forth in subsection c. of this section;

17 (b) create new full-time jobs in an amount equal to or greater
18 than the applicable number set forth in subsection c. of this section;
19 or

20 (c) in combination, retain full-time jobs and create new full-time
21 jobs in an amount equal to or greater than the applicable number set
22 forth in subsection c. of this section;

23 (2) the qualified business facility shall be constructed in
24 accordance with the minimum environmental and sustainability
25 standards;

26 (3) the capital investment resultant from the award of tax credits
27 and the resultant retention and creation of full-time jobs will yield a
28 net positive benefit to the State equaling at least 110 percent of the
29 requested tax credit allocation amount, which determination is
30 calculated prior to taking into account the value of the requested tax
31 credit and shall be based on the benefits generated during the first
32 20 years following the completion of the project, except that:

33 (a) for a mega project or a project located in a Garden State
34 Growth Zone, the determination shall be based on the benefits
35 generated during a period of up to 30 years following the
36 completion of the project, as determined by the authority, and

37 (b) for a project located in a Garden State Growth Zone which
38 qualified for the "Municipal Rehabilitation and Economic Recovery
39 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), the net positive benefit
40 determination shall be based on the benefits generated during a
41 period of up to 35 years following completion of the project, as
42 determined by the authority, and shall equal at least 100 percent of
43 the requested tax credit allocation amount and may utilize the value
44 of those property taxes subject to the provisions of section 24 of
45 P.L.2013 c.161 (C.52:27D-489s), or the value of those property
46 taxes that would have been assessed on the new construction,
47 improvements, or substantial rehabilitation of structures on real
48 property if the structures were not exempt because they are on real

1 property owned by a public entity, and incremental sales and excise
2 taxes that are derived from activities within the area and which are
3 rebated or retained by the municipality pursuant to the "New Jersey
4 Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et
5 seq.) or any other law providing for such rebate or retention; and

6 (4) except as provided in subsection f. of this section, the award
7 of tax credits will be a material factor in the business's decision to
8 create or retain the minimum number of new or retained full-time
9 jobs for eligibility under the program.

10 With respect to the provisions of paragraph (3) of this
11 subsection, in the case of a project located in a Garden State
12 Growth Zone, the authority, in its discretion, may award bonuses in
13 its net positive benefit calculation.

14 b. For all projects approved after the effective date of
15 P.L.2013, c.161, the minimum capital investment required to be
16 eligible under this program shall be as follows:

17 (1) for the rehabilitation, improvement, fit-out, or retrofit of an
18 existing industrial, warehousing, logistics, or research and
19 development premises for continued similar use by the business in
20 at least 51 percent of the gross leasable area of the premises, a
21 minimum investment of \$20 per square foot of gross leasable area;

22 (2) for the new construction of an industrial, warehousing,
23 logistics, or research and development premises for similar use by
24 the business in at least 51 percent of the gross leasable area of the
25 premises, a minimum investment of \$60 per square foot of gross
26 leasable area;

27 (3) for the rehabilitation, improvement, fit-out, or retrofit of an
28 existing premises that does not qualify pursuant to paragraph (1) or
29 (2) of this subsection, a minimum investment of \$40 per square foot
30 of gross leasable area; and

31 (4) for the new construction of a premises that does not qualify
32 pursuant to paragraph (1) or (2) of this subsection, a minimum
33 investment of \$120 per square foot of gross leasable area.

34 The minimum capital investment required by this subsection
35 shall be reduced by one-third for projects located in a Garden State
36 Growth Zone or projects located within Atlantic, Burlington,
37 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
38 counties.

39 c. The minimum number of new or retained full-time jobs
40 required to be eligible under this program shall be as follows:

41 (1) for a business that is a technology startup company or a
42 manufacturing company, a minimum of 10 new or 25 retained full-
43 time jobs;

44 (2) for a business engaged primarily in a targeted industry other
45 than a technology startup company or a manufacturing company, a
46 minimum of 25 new or 35 retained full-time jobs; and

47 (3) for any other business, a minimum of 35 new or 50 retained
48 full-time jobs.

1 The minimum number of new or retained full-time jobs required
2 by this subsection shall be reduced by one-quarter for projects
3 located in a Garden State Growth Zone or projects located within
4 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,
5 Ocean, or Salem counties.

6 d. To assist the authority in determining whether a proposed
7 capital investment will yield a net positive benefit, the business's
8 chief executive officer, or equivalent officer, shall submit a
9 certification to the authority indicating: (1) that any existing full-
10 time jobs are at risk of leaving the State or being eliminated; (2)
11 that any projected creation or retention, as applicable, of new full-
12 time jobs would not occur but for the provision of tax credits under
13 the program; and (3) that the business's chief executive officer, or
14 equivalent officer, has reviewed the information submitted to the
15 authority and that the representations contained therein are accurate,
16 provided however, that in satisfaction of the provisions of
17 paragraphs (1) and (2) of this subsection, the certification with
18 respect to a project in a Garden State Growth Zone that qualifies
19 under the "Municipal Rehabilitation and Economic Recovery Act,"
20 P.L.2002, c.43 (C.52:27BBB-1 et al.), or a project located in a
21 Garden State Growth Zone which contains a Tourism District as
22 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
23 regulated by the Casino Reinvestment Development Authority, shall
24 indicate that the provision of tax credits under the program is a
25 material factor in the business decision to make a capital investment
26 and locate in a Garden State Growth Zone that qualifies under the
27 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
28 c.43 (C.52:27BBB-1 et al.), or a Garden State Growth Zone which
29 contains a Tourism District as established pursuant to section 5 of
30 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
31 Reinvestment Development Authority. In the event that this
32 certification by the business's chief executive officer, or equivalent
33 officer, is found to be willfully false, the authority may revoke any
34 award of tax credits in their entirety, which revocation shall be in
35 addition to any other criminal or civil penalties that the business
36 and the officer may be subject to. When considering an application
37 involving intra-State job transfers, the authority shall require the
38 business to submit the following information as part of its
39 application: a full economic analysis of all locations under
40 consideration by the business; all lease agreements, ownership
41 documents, or substantially similar documentation for the business's
42 current in-State locations; and all lease agreements, ownership
43 documents, or substantially similar documentation for the potential
44 out-of-State location alternatives, to the extent they exist. Based on
45 this information, and any other information deemed relevant by the
46 authority, the authority shall independently verify and confirm, by
47 way of making a factual finding by separate vote of the authority's
48 board, the business's assertion that the jobs are actually at risk of

1 leaving the State, and as to the date or dates at which the authority
2 expects that those jobs would actually leave the State, or, with
3 respect to projects located in a Garden State Growth Zone that
4 qualifies under the "Municipal Rehabilitation and Economic
5 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or projects
6 located in a Garden State Growth Zone which contains a Tourism
7 District as established pursuant to section 5 of P.L.2011, c.18
8 (C.5:12-219) and regulated by the Casino Reinvestment
9 Development Authority, the business's assertion that the provision
10 of tax credits under the program is a material factor in the business's
11 decision to make a capital investment and locate in a Garden State
12 Growth Zone that qualifies under the "Municipal Rehabilitation and
13 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or
14 in a Garden State Growth Zone which contains a Tourism District
15 as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219)
16 and regulated by the Casino Reinvestment Development Authority,
17 before a business may be awarded any tax credits under this section.

18 e. A project that consists solely of point-of-final-purchase
19 retail facilities shall not be eligible for a grant of tax credits. If a
20 project consists of both point-of-final-purchase retail facilities and
21 non-retail facilities, only the portion of the project consisting of
22 non-retail facilities shall be eligible for a grant of tax credits. For a
23 qualified business facility that is a mixed-use project that includes
24 retail facilities and that is located in a Garden State Growth Zone or
25 the Atlantic City Tourism District as established pursuant to section
26 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
27 Reinvestment Development Authority, retail facilities in an amount
28 up to 7.5 percent of the mixed-use project may be included in the
29 mixed-use project application for a grant of tax credits along with
30 the non-retail facilities, and that application may include in the
31 aggregate the pro-rata number of full-time employees employed by
32 any number of tenants or other occupants of the included retail
33 facilities. If a warehouse facility is part of a point-of-final-purchase
34 retail facility and supplies only that facility, the warehouse facility
35 shall not be eligible for a grant of tax credits. For the purposes of
36 this section, a retail facility of at least 150,000 square feet, of which
37 at least 50 percent is occupied by a full-service supermarket or
38 grocery store, located in a Garden State Growth Zone which
39 qualified under the "Municipal Rehabilitation and Economic
40 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or a tourism
41 destination project in the Atlantic City Tourism District as
42 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219), or
43 catalog distribution centers shall not be considered point-of-final-
44 purchase retail facilities.

45 f. The authority may determine as eligible for tax credits under
46 the program any business that is required to respond to a request for
47 proposals and to fulfill a contract with the federal government
48 although the business's chief executive officer or equivalent officer

1 has not demonstrated to the authority that the award of tax credits
2 will be a material factor in the business's decision to retain the
3 minimum number of retained full-time jobs, as otherwise required
4 by this section. The authority may, in its discretion, consider the
5 economic benefit of the retained jobs servicing the contract in
6 conducting a net benefit analysis required by paragraph (4) of
7 subsection a. of this section. For the purposes of this subsection,
8 "retained full-time jobs" includes jobs that are at risk of being
9 eliminated. Applications to the authority for eligibility under the
10 program pursuant to the criteria set forth in this subsection shall be
11 completed by December 31, 2013. Submission of a proposal to the
12 federal government prior to authority approval shall not disqualify a
13 business from the program.

14 g. Nothing shall preclude a business from applying for tax
15 credits under the program for more than one project pursuant to one
16 or more applications.

17 h. A business shall not be required to purchase pinelands
18 development credits under the "Pinelands Protection Act,"
19 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
20 management plan, or any other rule or regulation adopted pursuant
21 to that act in connection with any approval or relief obtained related
22 to a qualified business facility located in an aviation district on or
23 after the effective date of P.L. , c. (C.) (pending before the
24 Legislature as this bill).

25 (cf: P.L.2014, c.63, s.3)

26
27 3. Section 6 of P.L.2011, c.149 (C.34:1B-247) is amended to read
28 as follows:

29 6. a. (1) The combined value of all credits approved by the
30 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) and
31 P.L.2011, c.149 (C.34:1B-242 et al.) prior to December 31, 2013
32 shall not exceed \$1,750,000,000, except as may be increased by the
33 authority as set forth in paragraph (5) of subsection a. of section 35
34 of P.L.2009, c.90 (C.34:1B-209.3). Following the enactment of the
35 "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
36 (C.52:27D-489p et al.), there shall be no monetary cap on the value
37 of credits approved by the authority attributable to the program
38 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
39 P.L.2013, c.161 (C.52:27D-489p et al.).

40 (2) (Deleted by amendment, P.L.2013, c.161)

41 (3) (Deleted by amendment, P.L.2013, c.161)

42 (4) (Deleted by amendment, P.L.2013, c.161)

43 (5) (Deleted by amendment, P.L.2013, c.161)

44 b. (1) A business shall submit an application for tax credits
45 prior to July 1, 2019. The authority shall not approve an application
46 for tax credits unless the application was submitted prior to July 1,
47 2019. For a business located within a Garden State Growth Zone that
48 is an aviation district, the business shall submit an application for tax

1 credits prior to July 1, 2022. The authority shall not approve an
2 application for tax credits for a business located within a Garden State
3 Growth Zone that is an aviation district unless the application was
4 submitted prior to July 1, 2022.

5 (2) (a) A business shall submit its documentation indicating
6 that it has met the capital investment and employment requirements
7 specified in the incentive agreement for certification of its tax credit
8 amount within three years following the date of approval of its
9 application by the authority. The authority shall have the discretion
10 to grant two six-month extensions of this deadline. Except as
11 provided in subparagraph (b) of this paragraph, in no event shall the
12 incentive effective date occur later than four years following the
13 date of approval of an application by the authority.

14 (b) As of the effective date of P.L.2017, c.314, a business which
15 applied for the tax credit prior to July 1, 2014 under P.L.2011,
16 c.149 (C.34:1B-242 et al.), shall submit its documentation to the
17 authority no later than July 28, 2019, indicating that it has met the
18 capital investment and employment requirements specified in the
19 incentive agreement for certification of its tax credit amount.

20 (3) Full-time employment for an accounting or privilege period
21 shall be determined as the average of the monthly full-time
22 employment for the period.

23 (4) A business seeking a credit for a mega project shall apply for
24 the credit within four years after the effective date of the "New
25 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
26 (C.52:27D-489p et al.).

27 c. (1) In conducting its annual review, the authority may
28 require a business to submit any information determined by the
29 authority to be necessary and relevant to its review.

30 The credit amount for any tax period for which the
31 documentation of a business's credit amount remains uncertified as
32 of a date three years after the closing date of that period shall be
33 forfeited, although credit amounts for the remainder of the years of
34 the eligibility period shall remain available to it.

35 The credit amount may be taken by the tax certificate holder for
36 the tax period for which it was issued or may be carried forward for
37 use by the tax certificate holder in any of the next 20 successive tax
38 periods, and shall expire thereafter. The tax certificate holder may
39 transfer the tax credit amount on or after the date of issuance or at
40 any time within three years of the date of issuance for use by the
41 transferee in the tax period for which it was issued or in any of the
42 next 20 successive tax periods. Notwithstanding the foregoing, no
43 more than the amount of tax credits equal to the total credit amount
44 divided by the duration of the eligibility period in years may be
45 taken in any tax period.

46 (2) Credits granted to a partnership shall be passed through to
47 the partners, members, or owners, respectively, pro-rata or pursuant
48 to an executed agreement among the partners, members, or owners

1 documenting an alternate distribution method provided to the
2 Director of the Division of Taxation in the Department of the
3 Treasury accompanied by any additional information as the director
4 may require.

5 (3) The amount of credit allowed may be applied against the tax
6 liability otherwise due pursuant to section 5 of P.L.1945, c.162
7 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
8 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
9 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.

10 d. (1) If, in any tax period, the business reduces the total
11 number of full-time employees in its Statewide workforce by more
12 than 20 percent from the number of full-time employees in its
13 Statewide workforce in the last tax period prior to the credit amount
14 approval under section 3 of P.L.2011, c.149 (C.34:1B-244), then the
15 business shall forfeit its credit amount for that tax period and each
16 subsequent tax period, until the first tax period for which
17 documentation demonstrating the restoration of the business's
18 Statewide workforce to the threshold levels required by the
19 incentive agreement has been reviewed and approved by the
20 authority, for which tax period and each subsequent tax period the
21 full amount of the credit shall be allowed.

22 (2) If, in any tax period, the number of full-time employees
23 employed by the business at the qualified business facility located
24 within a qualified incentive area drops below 80 percent of the
25 number of new and retained full-time jobs specified in the incentive
26 agreement, then the business shall forfeit its credit amount for that
27 tax period and each subsequent tax period, until the first tax period
28 for which documentation demonstrating the restoration of the
29 number of full-time employees employed by the business at the
30 qualified business facility to 80 percent of the number of jobs
31 specified in the incentive agreement.

32 (3) (a) If the qualified business facility is sold by the owner in
33 whole or in part during the eligibility period, the new owner shall
34 not acquire the capital investment of the seller and the seller shall
35 forfeit all credits for the tax period in which the sale occurs and all
36 subsequent tax periods, provided however that any credits of the
37 business shall remain unaffected.

38 (b) In connection with a regional distribution facility of
39 foodstuffs, the business entity or entities which own or lease the
40 facility shall qualify as a business regardless of: (i) the type of the
41 business entity or entities which own or lease the facility; (ii) the
42 ownership or leasing of the facility by more than one business
43 entity; or (iii) the ownership of the business entity or entities which
44 own or lease the facility. The ownership or leasing, whether by
45 members, shareholders, partners, or other owners of the business
46 entity or entities, shall be treated as ownership or leasing by
47 affiliates. The members, shareholders, partners, or other ownership
48 or leasing participants and others that are tenants in the facility shall

1 be treated as affiliates for the purpose of counting the full-time
2 employees and capital investments in the facility. The business
3 entity or entities may distribute credits to members, shareholders,
4 partners, or other ownership or leasing participants in accordance
5 with their respective interests. If the business entity or entities or
6 their members, shareholders, partners, or other ownership or leasing
7 participants lease space in the facility to members, shareholders,
8 partners, or other ownership or leasing participants or others as
9 tenants in the facility, the leases shall be treated as a lease to an
10 affiliate, and the business entity or entities shall not be subject to
11 forfeiture of the credits. For the purposes of this section, leasing
12 shall include subleasing and tenants shall include subtenants.

13 (4) (a) For a project located within a Garden State Growth
14 Zone, if, in any tax period, the number of full-time employees
15 employed by the business at the qualified business facility located
16 within a qualified incentive area increases above the number of full-
17 time employees specified in the incentive agreement, then the
18 business shall be entitled to an increased base credit amount for that
19 tax period and each subsequent tax period, for each additional full-
20 time employee added above the number of full-time employees
21 specified in the incentive agreement, until the first tax period for
22 which documentation demonstrating a reduction of the number of
23 full-time employees employed by the business at the qualified
24 business facility, at which time the tax credit amount will be
25 adjusted accordingly pursuant to this section.

26 (b) For a project located within a Garden State Growth Zone
27 which qualifies under the "Municipal Rehabilitation and Economic
28 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which
29 contains a Tourism District as established pursuant to section 5 of
30 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
31 Reinvestment Development Authority, and which qualifies for a tax
32 credit pursuant to subsubparagraph (ii) of subparagraphs (a) through
33 (e) of paragraph (6) of subsection d. of section 5 of P.L.2011, c.149
34 (C.34:1B-246), if, in any tax period the number of full-time
35 employees employed by the business at the qualified business
36 facility located within a qualified incentive area increases above the
37 number of full-time employees specified in the incentive agreement
38 such that the business shall then meet the minimum number of
39 employees required in subparagraph (b), (c), (d), or (e) of paragraph
40 (6) of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),
41 then the authority shall recalculate the total tax credit amount per
42 full-time job by using the certified capital investment of the project
43 allowable under the applicable subsubparagraph and the number of
44 full-time jobs certified on the date of the recalculation and applying
45 those numbers to subparagraph (b), (c), (d), or (e) of paragraph (6)
46 of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),
47 until the first tax period for which documentation demonstrating a
48 reduction of the number of full-time employees employed by the

1 business at the qualified business facility, at which time the tax
2 credit amount shall be adjusted accordingly pursuant to this section.

3 e. The authority shall not enter into an incentive agreement
4 with a business that has previously received incentives pursuant to
5 the "Business Retention and Relocation Assistance Act," P.L.1996,
6 c.25 (C.34:1B-112 et seq.), the "Business Employment Incentive
7 Program Act," P.L.1996, c.26 (C.34:1B-124 et al.), or any other
8 program administered by the authority unless:

9 (1) the business has satisfied all of its obligations underlying the
10 previous award of incentives or is compliant with section 4 of
11 P.L.2011, c.149 (C.34:1B-245); or

12 (2) the capital investment incurred and new or retained full-time
13 jobs pledged by the business in the new incentive agreement are
14 separate and apart from any capital investment or jobs underlying
15 the previous award of incentives.

16 f. A business which has already applied for a tax credit
17 incentive award prior to the effective date of the "New Jersey
18 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
19 489p et al.), but who has not yet been approved for the tax credits,
20 or has not executed an agreement with the authority, may proceed
21 under that application or seek to amend the application or reapply
22 for a tax credit incentive award for the same project or any part
23 thereof for the purpose of availing itself of any more favorable
24 provisions of the program.

25 (cf: P.L.2017, c.314, s.4)

26
27 4. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
28 read as follows:

29 3. As used in sections 3 through 18 of P.L.2009, c.90
30 (C.52:27D-489c et al.):

31 "Applicant" means a developer proposing to enter into a
32 redevelopment incentive grant agreement.

33 "Ancillary infrastructure project" means structures or
34 improvements that are located within the incentive area but outside
35 the project area of a redevelopment project, including, but not
36 limited to, docks, bulkheads, parking garages, freight rail spurs,
37 roadway overpasses, and train station platforms, provided a
38 developer or municipal redeveloper has demonstrated that the
39 redevelopment project would not be economically viable or
40 promote the use of public transportation without such
41 improvements, as approved by the State Treasurer.

42 "Authority" means the New Jersey Economic Development
43 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
44 4).

45 "Aviation district" means all areas within the boundaries of the
46 "Atlantic City International Airport," established pursuant to section
47 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
48 Administration William J. Hughes Technical Center and the area

1 within a one-mile radius of the outermost boundary of the "Atlantic
2 City International [Airport," established pursuant to section 24 of
3 P.L.1991, c.252 (C.27:25A-24)] Airport" and the Federal Aviation
4 Administration William J. Hughes Technical Center.

5 "Deep poverty pocket" means a population census tract having a
6 poverty level of 20 percent or more, and which is located within the
7 incentive area and has been determined by the authority to be an
8 area appropriate for development and in need of economic
9 development incentive assistance.

10 "Developer" means any person who enters or proposes to enter
11 into a redevelopment incentive grant agreement pursuant to the
12 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
13 successors or assignees, including but not limited to a lender that
14 completes a redevelopment project, operates a redevelopment
15 project, or completes and operates a redevelopment project. A
16 developer also may be a municipal redeveloper as defined herein or
17 Rutgers, the State University of New Jersey.

18 "Director" means the Director of the Division of Taxation in the
19 Department of the Treasury.

20 "Disaster recovery project" means a redevelopment project
21 located on property that has been wholly or substantially damaged
22 or destroyed as a result of a federally-declared disaster, and which
23 is located within the incentive area and has been determined by the
24 authority to be in an area appropriate for development and in need
25 of economic development incentive assistance.

26 "Distressed municipality" means a municipality that is qualified
27 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
28 municipality under the supervision of the Local Finance Board
29 pursuant to the provisions of the "Local Government Supervision
30 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
31 identified by the Director of the Division of Local Government
32 Services in the Department of Community Affairs to be facing
33 serious fiscal distress, a SDA municipality, or a municipality in
34 which a major rail station is located.

35 "Eligibility period" means the period of time specified in a
36 redevelopment incentive grant agreement for the payment of
37 reimbursements to a developer, which period shall not exceed 20
38 years, with the term to be determined solely at the discretion of the
39 applicant.

40 "Eligible revenue" means the property tax increment and any
41 other incremental revenues set forth in section 11 of P.L.2009, c.90
42 (C.52:27D-489k), except in the case of a Garden State Growth
43 Zone, in which the property tax increment and any other
44 incremental revenues are calculated as those incremental revenues
45 that would have existed notwithstanding the provisions of the "New
46 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
47 (C.52:27D-489p et al.).

1 "Garden State Growth Zone" or "growth zone" means the four
2 New Jersey cities with the lowest median family income based on
3 the 2009 American Community Survey from the US Census, (Table
4 708. Household, Family, and Per Capita Income and Individuals,
5 and Families Below Poverty Level by City: 2009); **【or】** a
6 municipality which contains a Tourism District as established
7 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
8 by the Casino Reinvestment Development Authority; or an aviation
9 district.

10 "Highlands development credit receiving area or redevelopment
11 area" means an area located within an incentive area and designated
12 by the Highlands Council for the receipt of Highlands Development
13 Credits under the Highlands Transfer Development Rights Program
14 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

15 "Incentive grant" means reimbursement of all or a portion of the
16 project financing gap of a redevelopment project through the State
17 or a local Economic Redevelopment and Growth Grant program
18 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
19 or C.52:27D-489e).

20 "Infrastructure improvements in the public right-of-way" mean
21 public structures or improvements located in the public right-of-
22 way that are located within a project area or that constitute an
23 ancillary infrastructure project, either of which are dedicated to or
24 owned by a governmental body or agency upon completion, or any
25 required payment in lieu of the structures, improvements or
26 projects, or any costs of remediation associated with the structures,
27 improvements or projects, and that are determined by the authority,
28 in consultation with applicable State agencies, to be consistent with
29 and in furtherance of State public infrastructure objectives and
30 initiatives.

31 "Low-income housing" means housing affordable according to
32 federal Department of Housing and Urban Development or other
33 recognized standards for home ownership and rental costs and
34 occupied or reserved for occupancy by households with a gross
35 household income equal to 50 percent or less of the median gross
36 household income for households of the same size within the
37 housing region in which the housing is located.

38 "Major rail station" means a railroad station located within a
39 qualified incentive area which provides access to the public to a
40 minimum of six rail passenger service lines operated by the New
41 Jersey Transit Corporation.

42 "Mixed use parking project" means a redevelopment project, the
43 parking component of which shall constitute 51 percent or more of
44 any of the following:

45 a. the total square footage of the entire mixed use parking
46 project;

47 b. the estimated revenues of the entire mixed use parking
48 project; or

1 c. the total construction cost of the entire mixed use parking
2 project.

3 "Moderate-income housing" means housing affordable,
4 according to United States Department of Housing and Urban
5 Development or other recognized standards for home ownership
6 and rental costs, and occupied or reserved for occupancy by
7 households with a gross household income equal to more than 50
8 percent but less than 80 percent of the median gross household
9 income for households of the same size within the housing region in
10 which the housing is located.

11 "Municipal redeveloper" means an applicant for a redevelopment
12 incentive grant agreement, which applicant is:

13 a. a municipal government, a municipal parking authority, or a
14 redevelopment agency acting on behalf of a municipal government
15 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or

16 b. a developer of a mixed use parking project, provided that the
17 parking component of the mixed use parking project is operated and
18 maintained by a municipal parking authority for the term of any
19 financial assistance granted pursuant to P.L.2015, c.69.

20 "Municipal Revitalization Index" means the 2007 index by the
21 Office for Planning Advocacy within the Department of State
22 measuring or ranking municipal distress.

23 "Non-parking component" means that portion of a mixed use
24 parking project not used for parking, together with the portion of
25 the costs of the mixed use parking project, including but not limited
26 to the footings, foundations, site work, infrastructure, and soft costs
27 that are allocable to the non-parking use.

28 "Parking component" means that portion of a mixed use parking
29 project used for parking, together with the portion of the costs of
30 the mixed use parking project, including but not limited to the
31 footings, foundations, site work, infrastructure, and soft costs that
32 are allocable to the parking use.

33 "Project area" means land or lands located within the incentive
34 area under common ownership or control including through a
35 redevelopment agreement with a municipality, or as otherwise
36 established by a municipality or a redevelopment agreement
37 executed by a State entity to implement a redevelopment project.

38 "Project cost" means the costs incurred in connection with the
39 redevelopment project by the developer until the issuance of a
40 permanent certificate of occupancy, or until such other time
41 specified by the authority, for a specific investment or
42 improvement, including the costs relating to receiving Highlands
43 Development Credits under the Highlands Transfer Development
44 Rights Program authorized pursuant to section 13 of P.L.2004,
45 c.120 (C.13:20-13), lands, buildings, improvements, real or
46 personal property, or any interest therein, including leases
47 discounted to present value, including lands under water, riparian
48 rights, space rights and air rights acquired, owned, developed or

1 redeveloped, constructed, reconstructed, rehabilitated or improved,
2 any environmental remediation costs, plus costs not directly related
3 to construction, of an amount not to exceed 20 percent of the total
4 costs, capitalized interest paid to third parties, and the cost of
5 infrastructure improvements, including ancillary infrastructure
6 projects, and, for projects located in a Garden State Growth Zone
7 only, the cost of infrastructure improvements including any
8 ancillary infrastructure project and the amount by which total
9 project cost exceeds the cost of an alternative location for the
10 redevelopment project, but excluding any particular costs for which
11 the project has received federal, State, or local funding.

12 "Project financing gap" means:

13 a. the part of the total project cost, including return on
14 investment, that remains to be financed after all other sources of
15 capital have been accounted for, including, but not limited to,
16 developer-contributed capital, which shall not be less than 20
17 percent of the total project cost, which may include the value of any
18 existing land and improvements in the project area owned or
19 controlled by the developer, and the cost of infrastructure
20 improvements in the public right-of-way, subject to review by the
21 State Treasurer, and investor or financial entity capital or loans for
22 which the developer, after making all good faith efforts to raise
23 additional capital, certifies that additional capital cannot be raised
24 from other sources on a non-recourse basis; and

25 b. the amount by which total project cost exceeds the cost of an
26 alternative location for the out-of-State redevelopment project.

27 "Project revenue" means all rents, fees, sales, and payments
28 generated by a project, less taxes or other government payments.

29 "Property tax increment" means the amount obtained by:

30 a. multiplying the general tax rate levied each year by the
31 taxable value of all the property assessed within a project area in
32 the same year, excluding any special assessments; and

33 b. multiplying that product by a fraction having a numerator
34 equal to the taxable value of all the property assessed within the
35 project area, minus the property tax increment base, and having a
36 denominator equal to the taxable value of all property assessed
37 within the project area.

38 For the purpose of this definition, "property tax increment base"
39 means the aggregate taxable value of all property assessed which is
40 located within the redevelopment project area as of October 1st of
41 the year proceeding the year in which the redevelopment incentive
42 grant agreement is authorized.

43 "Qualified incubator facility" means a commercial building
44 located within an incentive area: which contains 100,000 or more
45 square feet of office, laboratory, or industrial space; which is
46 located near, and presents opportunities for collaboration with, a
47 research institution, teaching hospital, college, or university; and
48 within which, at least 75 percent of the gross leasable area is

1 restricted for use by one or more technology startup companies
2 during the commitment period.

3 "Qualified residential project" means a redevelopment project
4 that is predominantly residential and includes multi-family
5 residential units for purchase or lease, or dormitory units for
6 purchase or lease, having a total project cost of at least
7 \$17,500,000, if the project is located in any municipality with a
8 population greater than 200,000 according to the latest federal
9 decennial census, or having a total project cost of at least
10 \$10,000,000 if the project is located in any municipality with a
11 population less than 200,000 according to the latest federal
12 decennial census, or is a disaster recovery project, or having a total
13 project cost of \$5,000,000 if the project is in a Garden State Growth
14 Zone.

15 "Qualifying economic redevelopment and growth grant incentive
16 area" or "incentive area" means:

17 a. an aviation district;
18 b. a port district;
19 c. a distressed municipality; or
20 d. an area (1) designated pursuant to the "State Planning Act,"
21 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

22 (a) Planning Area 1 (Metropolitan);
23 (b) Planning Area 2 (Suburban); or
24 (c) Planning Area 3 (Fringe Planning Area);

25 (2) located within a smart growth area and planning area
26 designated in a master plan adopted by the New Jersey
27 Meadowlands Commission pursuant to subsection (i) of section 6 of
28 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
29 adopted by the New Jersey Meadowlands Commission pursuant to
30 section 20 of P.L.1968, c.404 (C.13:17-21);

31 (3) located within any land owned by the New Jersey Sports and
32 Exposition Authority, established pursuant to P.L.1971, c.137
33 (C.5:10-1 et seq.), within the boundaries of the Hackensack
34 Meadowlands District as delineated in section 4 of P.L.1968, c.404
35 (C.13:17-4);

36 (4) located within a regional growth area, rural development
37 area zoned for industrial use as of the effective date of P.L.2016,
38 c.75, town, village, or a military and federal installation area
39 designated in the comprehensive management plan prepared and
40 adopted by the Pinelands Commission pursuant to the "Pinelands
41 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

42 (5) located within the planning area of the Highlands Region as
43 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
44 highlands development credit receiving area or redevelopment area;

45 (6) located within a Garden State Growth Zone;

46 (7) located within land approved for closure under any federal
47 Base Closure and Realignment Commission action; or

1 (8) located only within the following portions of the areas
2 designated pursuant to the "State Planning Act," P.L.1985, c.398
3 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
4 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
5 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
6 Planning Area), Planning Area 4B (Rural/Environmentally
7 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
8 located within:

9 (a) a designated center under the State Development and
10 Redevelopment Plan;

11 (b) a designated growth center in an endorsed plan until the
12 State Planning Commission revises and readopts New Jersey's State
13 Strategic Plan and adopts regulations to revise this definition as it
14 pertains to Statewide planning areas;

15 (c) any area determined to be in need of redevelopment pursuant
16 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
17 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
18 P.L.1992, c.79 (C.40A:12A-14);

19 (d) any area on which a structure exists or previously existed
20 including any desired expansion of the footprint of the existing or
21 previously existing structure provided the expansion otherwise
22 complies with all applicable federal, State, county, and local
23 permits and approvals;

24 (e) the planning area of the Highlands Region as defined in
25 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
26 development credit receiving area or redevelopment area; or

27 (f) any area on which an existing tourism destination project is
28 located.

29 "Qualifying economic redevelopment and growth grant incentive
30 area" or "incentive area" shall not include any property located
31 within the preservation area of the Highlands Region as defined in
32 the "Highlands Water Protection and Planning Act," P.L.2004,
33 c.120 (C.13:20-1 et al.).

34 "Redevelopment incentive grant agreement" means an agreement
35 between:

36 a. the State and the New Jersey Economic Development
37 Authority and a developer; or

38 b. a municipality and a developer, or a municipal ordinance
39 authorizing a project to be undertaken by a municipal redeveloper,
40 under which, in exchange for the proceeds of an incentive grant, the
41 developer agrees to perform any work or undertaking necessary for
42 a redevelopment project, including the clearance, development or
43 redevelopment, construction, or rehabilitation of any structure or
44 improvement of commercial, industrial, residential, or public
45 structures or improvements within a qualifying economic
46 redevelopment and growth grant incentive area or a transit village.

47 "Redevelopment project" means a specific construction project
48 or improvement, including lands, buildings, improvements, real and

1 personal property or any interest therein, including lands under
2 water, riparian rights, space rights and air rights, acquired, owned,
3 leased, developed or redeveloped, constructed, reconstructed,
4 rehabilitated or improved, undertaken by a developer, owner or
5 tenant, or both, within a project area and any ancillary infrastructure
6 project including infrastructure improvements in the public [right
7 of way] right-of-way, as set forth in an application to be made to
8 the authority. The use of the term "redevelopment project" in
9 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.) shall
10 not be limited to only redevelopment projects located in areas
11 determined to be in need of redevelopment pursuant to sections 5
12 and 6 of P.L.1992, c.79 (C.40A:12A-5 and C.40A:12A-6) but shall
13 also include, but not be limited to, any work or undertaking in
14 accordance with the "Redevelopment Area Bond Financing Law,"
15 sections 1 through 10 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or
16 other applicable law, pursuant to a redevelopment plan adopted by a
17 State entity, or as described in the resolution adopted by a public
18 entity created by State law with the power to adopt a redevelopment
19 plan or otherwise determine the location, type and character of a
20 redevelopment project or part of a redevelopment project on land
21 owned or controlled by it or within its jurisdiction, including but
22 not limited to, the New Jersey Meadowlands Commission
23 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the
24 New Jersey Sports and Exposition Authority established pursuant to
25 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
26 Economic Revitalization Authority created pursuant to P.L.2010,
27 c.51 (C.52:27I-18 et seq.).

28 "Redevelopment utility" means a self-liquidating fund created by
29 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
30 489l) to account for revenues collected and incentive grants paid
31 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
32 revenues dedicated to a redevelopment project.

33 "Revenue increment base" means the amounts of all eligible
34 revenues from sources within the redevelopment project area in the
35 calendar year proceeding the year in which the redevelopment
36 incentive grant agreement is executed, as certified by the State
37 Treasurer for State revenues, and the chief financial officer of the
38 municipality for municipal revenues.

39 "SDA district" means an SDA district as defined in section 3 of
40 P.L.2000, c.72 (C.18A:7G-3).

41 "SDA municipality" means a municipality in which an SDA
42 district is situated.

43 "Technology startup company" means a for profit business that
44 has been in operation fewer than five years and is developing or
45 possesses a proprietary technology or business method of a high-
46 technology or life science-related product, process, or service which
47 the business intends to move to commercialization.

1 "Tourism destination project" means a redevelopment project
2 that will be among the most visited privately owned or operated
3 tourism or recreation sites in the State, and which is located within
4 the incentive area and has been determined by the authority to be in
5 an area appropriate for development and in need of economic
6 development incentive assistance.

7 "Transit project" means a redevelopment project located within a
8 1/2-mile radius, or one-mile radius for projects located in a Garden
9 State Growth Zone, surrounding the mid-point of a New Jersey
10 Transit Corporation, Port Authority Transit Corporation, or Port
11 Authority Trans-Hudson Corporation rail, bus, or ferry station
12 platform area, including all light rail stations.

13 "Transit village" means a community with a bus, train, light rail,
14 or ferry station that has developed a plan to achieve its economic
15 development and revitalization goals and has been designated by
16 the New Jersey Department of Transportation as a transit village.

17 "University infrastructure" means any of the following located
18 on the campus of Rutgers, the State University of New Jersey:

19 a. buildings and structures, such as academic buildings,
20 recreation centers, indoor athletic facilities, public works garages,
21 and water and sewer treatment and pumping facilities;

22 b. open space with improvements, such as athletic fields and
23 other outdoor athletic facilities, planned commons, and parks; and

24 c. transportation facilities, such as bus shelters and parking
25 facilities.

26 "Urban transit hub" means an urban transit hub, as defined in
27 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
28 an eligible municipality, as defined in section 10 of P.L.2007, c.346
29 (C.34:1B-208), or all light rail stations and property located within
30 a one-mile radius of the mid-point of the platform area of such a
31 rail, bus, or ferry station if the property is in a qualified
32 municipality under the "Municipal Rehabilitation and Economic
33 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

34 "Vacant commercial building" means any commercial building
35 or complex of commercial buildings having over 400,000 square
36 feet of office, laboratory, or industrial space that is more than 70
37 percent unoccupied at the time of application to the authority or is
38 negatively impacted by the approval of a "qualified business
39 facility," as defined pursuant to section 2 of P.L.2007, c.346
40 (C.34:1B-208), or any vacant commercial building in a Garden
41 State Growth Zone having over 35,000 square feet of office,
42 laboratory, or industrial space, or over 200,000 square feet of
43 office, laboratory, or industrial space in Atlantic, Burlington,
44 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
45 counties available for occupancy for a period of over one year.

46 "Vacant health facility project" means a redevelopment project
47 where a health facility, as defined by section 2 of P.L.1971, c.136
48 (C.26:2H-2), currently exists and is considered vacant. A health

1 facility shall be considered vacant if at least 70 percent of that
2 facility has not been open to the public or utilized to serve any
3 patients at the time of application to the authority.

4 (cf: P.L.2016, c.75, s.2)

5
6 5. Section 4 of P.L.2009, c.90 (C.52:27D-489d) is amended to
7 read as follows:

8 4. a. The governing body of a municipality wherein is located
9 a qualifying economic redevelopment and growth grant incentive
10 area may adopt an ordinance to establish a local Economic
11 Redevelopment and Growth Grant program for the purpose of
12 encouraging redevelopment projects in that area through the
13 provision of incentive grants to reimburse developers for all or a
14 portion of the project financing gap for such projects. No local
15 Economic Redevelopment and Growth Grant program shall take
16 effect until the Local Finance Board approves the ordinance.

17 b. A developer shall submit an application for a local incentive
18 grant prior to July 1, 2019. For a redevelopment project located
19 within a Garden State Growth Zone that is an aviation district, the
20 developer shall submit an application for a local incentive grant prior
21 to July 1, 2022. A developer that submits an application for a local
22 incentive grant shall indicate on the application whether it is also
23 applying for a State incentive grant. An application by a developer
24 applying for a local incentive grant only shall not require approval
25 by the authority. A municipal redeveloper may only apply for local
26 incentive grants for the construction of: (1) infrastructure
27 improvements in the public right-of-way, or (2) publicly owned
28 facilities.

29 c. No local incentive grant shall be finally approved by a
30 municipality until approved by the Local Finance Board. The Local
31 Finance Board shall not approve a local incentive grant unless the
32 application was submitted prior to July 1, 2019. The Local Finance
33 Board shall not approve a local incentive grant for a redevelopment
34 project located within a Garden State Growth Zone that is an aviation
35 district unless the application was submitted prior to July 1, 2022.

36 d. In deciding whether or not to approve a local incentive grant
37 agreement the Local Finance Board shall consider the following
38 factors:

39 (1) the economic feasibility of the redevelopment project;

40 (2) the extent of economic and related social distress in the
41 municipality and the area to be affected by the redevelopment
42 project;

43 (3) the degree to which the redevelopment project will advance
44 State, regional, and local development and planning strategies;

45 (4) the likelihood that the redevelopment project shall, upon
46 completion, be capable of generating new tax revenue in an amount
47 in excess of the amount necessary to reimburse the developer for

1 project costs incurred as provided in the redevelopment incentive
2 grant agreement;

3 (5) the relationship of the redevelopment project to a
4 comprehensive local development strategy, including other major
5 projects undertaken within the municipality;

6 (6) the need for the redevelopment incentive grant agreement to
7 the viability of the redevelopment project;

8 (7) compliance with the provisions of P.L.2009, c.90
9 (C.52:27D-489a et al.); and

10 (8) the degree to which the redevelopment project enhances and
11 promotes job creation and economic development.

12 e. A developer shall not be required to purchase pinelands
13 development credits under the “Pinelands Protection Act,”
14 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
15 management plan, or any other rule or regulation adopted pursuant
16 to that act in connection with any approval or relief obtained related
17 to a redevelopment project located in an aviation district on or after
18 the effective date of P.L. , c. (C.) (pending before the
19 Legislature as this bill).

20 (cf: P.L.2013, c.161, s.15)

21

22 6. Section 5 of P.L.2009, c.90 (C.52:27D-489e) is amended to
23 read as follows:

24 5. a. The New Jersey Economic Development Authority, in
25 consultation with the State Treasurer, shall establish an Economic
26 Redevelopment and Growth Grant program for the purpose of
27 encouraging redevelopment projects in qualifying economic
28 redevelopment and growth grant incentive areas that do not qualify
29 as such areas solely by virtue of being a transit village, through the
30 provision of incentive grants to reimburse developers for certain
31 project financing gap costs.

32 b. (1) A developer shall submit an application for a State
33 incentive grant prior to July 1, 2019. For a redevelopment project
34 located within a Garden State Growth Zone that is an aviation district,
35 the developer shall submit an application for a State incentive grant
36 prior to July 1, 2022. A developer that submits an application for a
37 State incentive grant shall indicate on the application whether it is
38 also applying for a local incentive grant.

39 (2) When an applicant indicates it is also applying for a local
40 incentive grant, the authority shall forward a copy of the application
41 to the municipality wherein the redevelopment project is to be
42 located for approval by municipal ordinance.

43 c. An application for a State incentive grant shall be reviewed
44 and approved by the authority. The authority shall not approve an
45 application for a State incentive grant unless the application was
46 submitted prior to July 1, 2019. The authority shall not approve an
47 application for a State incentive grant for a redevelopment project

1 located within a Garden State Growth Zone that is an aviation district
2 unless the application was submitted prior to July 1, 2022.

3 d. A developer shall not be required to purchase pinelands
4 development credits under the "Pinelands Protection Act,"
5 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
6 management plan, or any other rule or regulation adopted pursuant
7 to that act in connection with any approval or relief obtained related
8 to a redevelopment project located in an aviation district on or after
9 the effective date of P.L. , c. (C.) (pending before the
10 Legislature as this bill).

11 (cf: P.L.2013, c.161, s.16)

12
13 7. Section 23 of P.L.2013, c.161 (C.52:27D-489r) is amended
14 to read as follows:

15 23. As used in section 24 of P.L.2013, c.161 (C.52:27D-489s):
16 "Aviation district" means all areas within the boundaries of the
17 "Atlantic City International Airport," established pursuant to section
18 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
19 Administration William J. Hughes Technical Center and the area
20 within a one-mile radius of the outermost boundary of the "Atlantic
21 City International Airport" and the Federal Aviation Administration
22 William J. Hughes Technical Center.

23 "Director" means the Director of the Division of Taxation.

24 "Division of Codes and Standards" means the Division of Codes
25 and Standards located in the Department of Community Affairs.

26 "Eligible person" means any individual purchasing or renting an
27 eligible residential residence within a growth zone after the
28 enactment of P.L.2013, c.161 (C.52:27D-489p et al.). For the
29 purpose of this definition, an eligible person is limited to those who
30 establish a permanent residency at the eligible residential residence,
31 are subject to the "New Jersey Gross Income Tax Act,"
32 N.J.S.54A:1-1 et seq., and are current with all State and local tax
33 obligations.

34 "Eligible property" means any residential, commercial,
35 industrial, or other business property, located in a Garden State
36 Growth Zone, that receives a Certificate of Occupancy or is
37 transferred in a legal sale on or after July 1, 2013. Purchasers of
38 newly constructed homes are not the applicant.

39 "Exemption" means that portion of the assessor's full and true
40 value of any improvement, conversion, alteration, redevelopment,
41 rehabilitation, or construction not regarded as increasing the taxable
42 value of a property pursuant to P.L.2013, c.161 (C.52:27D-489p et
43 al.) for the purposes of encouraging the construction, conversion,
44 improvement, and redevelopment of real property conducted by
45 eligible businesses or residents within a growth zone pursuant to
46 P.L.2013, c.161 (C.52:27D-489p et al.).

47 "Garden State Growth Zone" or "growth zone" means the four
48 New Jersey cities with the lowest median family income based on

1 the 2009 American Community Survey from the US Census, (Table
2 708. Household, Family, and Per Capita Income and Individuals,
3 and Families Below Poverty Level by City: 2009); a municipality
4 which contains a Tourism District as established pursuant to section
5 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
6 Reinvestment Development Authority; or an aviation district.

7 "Garden State Growth Zone Development Entity" means a
8 private corporation incorporated pursuant to Title 14A of the New
9 Jersey Statutes, or established pursuant to Title 42 of the Revised
10 Statutes, for which the profits of the entity are limited as follows.
11 The allowable net profits of the entity shall be determined by
12 applying the allowable profit rate to the total project cost, and all
13 capital costs, determined in accordance with generally accepted
14 accounting principles, of any other entity whose revenue is included
15 in the computation of excess profits, for the period commencing on
16 the date on which the construction of the project is completed, and
17 terminating at the close of the fiscal year of the entity preceding the
18 date on which the computation is made, where:

19 "Allowable profit rate" means the greater of 12 percent or the
20 percentage per annum arrived at by adding one and 1/4 percent to
21 the annual interest percentage rate payable on the entity's initial
22 permanent mortgage financing. If the initial permanent mortgage is
23 insured or guaranteed by a governmental agency, the mortgage
24 insurance premium or similar charge, if payable on a per annum
25 basis, shall be considered as interest for this purpose. If there is no
26 permanent mortgage financing the allowable profit rate shall be the
27 greater of 12 percent or the percentage per annum arrived at by
28 adding one and 1/4 percent per annum to the interest rate per annum
29 which the municipality determines to be the prevailing rate on
30 mortgage financing on comparable improvements in the county.

31 "Improvements" means any repair, construction, or
32 reconstruction, including alterations and additions, having the effect
33 of rehabilitating a deteriorated property so that it becomes habitable
34 or attains higher standards of safety, health, economic use or
35 amenity, or is brought into compliance with laws, ordinances or
36 regulations governing such standards. Ordinary upkeep and
37 maintenance shall not be deemed an improvement.

38 (cf: P.L.2013, c.161, s.23)

39
40 8. Section 24 of P.L.2013, c.161 (C. 52:27D-489s) is amended to
41 read as follows:

42 24. a. A Garden State Growth Zone Development Entity is
43 authorized to undertake clearance, re-planning, development, or
44 redevelopment of property within a Garden State Growth Zone.

45 b. Notwithstanding any other law to the contrary, every Garden
46 State Growth Zone Development Entity that owns real property, or
47 leases real property for a period of not less than 30 years, within a
48 Garden State Growth Zone and that undertakes the clearance, re-

1 planning, development, or redevelopment of such property is hereby
2 granted an exemption on improvements to such eligible property for
3 any new construction, improvements, or substantial rehabilitation of
4 structures on real property for a period of 20 years from receiving a
5 final Certificate of Occupancy, provided however, that a
6 municipality located within the Garden State Growth Zone shall, by
7 ordinance, opt-in to such program within 90 calendar days of the
8 enactment of P.L.2013, c.161 (C.52:27D-489p et al.). The
9 exemption allowed by this subsection shall be dependent upon: (1)
10 the owner, or lessee, of the real property making improvements to
11 the real property after the enactment of P.L.2013, c.161 (C.52:27D-
12 489p et al.); and (2) the Division of Codes and Standards, in
13 consultation with the eligible municipality, issuing a final
14 Certificate of Occupancy within 10 years of the date of enactment
15 of P.L.2013, c.161 (C.52:27D-489p et al.). For purposes of this
16 section, a lessee of real property shall include a Garden State
17 Growth Zone Development Entity that is a lessee that is subject to a
18 statutory obligation to make a payment in lieu of taxes on the
19 improvements equal to the taxes on real and personal property.

20 c. The exemption granted by subsection b. of this section shall
21 be for a period of 20 years. For the first 10 years immediately
22 subsequent to the issuance of a Certificate of Occupancy, the
23 Garden State Growth Zone Development Entity shall be exempt
24 from the payment of taxes on the improvements to the eligible
25 property. Thereafter, the Garden State Growth Zone Development
26 Entity shall pay to the municipality in lieu of full property tax
27 payments an amount equal to a percentage of taxes otherwise due,
28 according to the following schedule:

29 (1) In the eleventh year after completion, 10 percent of taxes
30 otherwise due;

31 (2) In the twelfth year after completion, 20 percent of taxes
32 otherwise due;

33 (3) In the thirteenth year after completion, 30 percent of taxes
34 otherwise due;

35 (4) In the fourteenth year after completion, 40 percent of taxes
36 otherwise due;

37 (5) In the fifteenth year after completion, 50 percent of taxes
38 otherwise due;

39 (6) In the sixteenth year after completion, 60 percent of taxes
40 otherwise due;

41 (7) In the seventeenth year after completion, 70 percent of taxes
42 otherwise due;

43 (8) In the eighteenth year after completion, 80 percent of taxes
44 otherwise due;

45 (9) In the nineteenth full year after completion, 90 percent of
46 taxes otherwise due;

47 (10) In the twentieth year after completion, and each year
48 thereafter, 100 percent of taxes.

1 An amount not less than five percent of all payments pursuant to
2 this subsection shall be paid to the county in which the municipality
3 is located.

4 d. Upon the termination of the exemption granted pursuant to
5 subsection c. of this section, the project, all affected parcels, land,
6 and all improvements made thereto shall be assessed and subject to
7 taxation as are other taxable properties in the municipality. After
8 the date of termination, all restrictions and limitations upon the
9 Garden State Growth Zone Development Entity shall terminate and
10 be at an end upon the entity's rendering its final accounting to and
11 with the municipality.

12 e. Notwithstanding subsection b. of this section, the owner of
13 any property located within a Garden State Growth Zone, that does
14 not qualify as a Garden State Growth Zone Development Entity,
15 that performs any new construction, improvements, or substantial
16 rehabilitation improvements to property, shall be entitled to an
17 exemption from taxation regarding such improvements as provided
18 herein. For purposes of such exemption, the municipality shall
19 consider the assessor's full and true value of the improvements as
20 not increasing the value of the property for a period of five years,
21 notwithstanding that the value of the property to which the
22 improvements are made is increased thereby.

23 f. Any exemption obtained under this section shall be fully
24 transferable upon the sale of real property, as long as the new owner
25 meets all requirements for exemption set forth pursuant to this
26 section, or, for the sale of a residential unit, as long as the new
27 owner occupies the unit as a primary residence.

28 g. A Garden State Growth Zone Development Entity shall not
29 be required to purchase pinelands development credits under the
30 "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.),
31 the pinelands comprehensive management plan, or any other rule or
32 regulation adopted pursuant to that act, in connection with any
33 approval or relief obtained related to property located in an aviation
34 district on or after the effective date of P.L. , c. (C.)
35 (pending before the Legislature as this bill).

36 (cf: P.L.2014, c.63, s.9)

37
38 9. This act shall take effect immediately and shall only apply to
39 new Grow New Jersey Assistance Program and Economic
40 Redevelopment and Growth Grant Program applications submitted to
41 the Economic Development Authority on or after the date of
42 enactment.