

**CHAPTER 121**

**URBAN ENTERPRISE ZONE AUTHORITY POLICIES**

**Authority**

N.J.S.A. 52:27H-60 et seq., specifically 52:27H-65; and P.L. 2004, c.65, §§ 1-17 and 19-23.

**Source and Effective Date**

R.2004 d.178, effective April 1, 2004.  
See: 35 N.J.R. 5482(a), 36 N.J.R. 2199(a).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 121, Urban Enterprise Zone Authority Policies, expires on September 28, 2009. See: 41 N.J.R. 934(a).

**Chapter Historical Note**

Chapter 121, Urban Enterprise Zone Authority Policies, was adopted as R.1988 d.565, effective December 5, 1988. See: 20 N.J.R. 2358(a), 20 N.J.R. 3020(a). Subchapter 2, Discretionary Extension of 50 Percent Sales Tax Exemption to Urban Enterprise Zone Municipalities, was adopted as R.1992 d.591, effective December 11, 1991. See: 23 N.J.R. 1893(b), 23 N.J.R. 3761(a).

Pursuant to Executive Order No. 66(1978), Chapter 121, Urban Enterprise Zone Authority Policies, was readopted as R.1993 d.645, effective November 14, 1993. See: 25 N.J.R. 4582(a), 25 N.J.R. 5933(b).

Pursuant to Executive Order No. 66(1978), Chapter 121, Urban Enterprise Zone Authority Policies, was readopted as R.1998 d.567, effective November 10, 1998. See: 30 N.J.R. 3375(a), 30 N.J.R. 4247(a).

Chapter 121, Urban Enterprise Zone Authority Policies, was re-adopted as R.2004 d.178, effective April 1, 2004. See: Source and Effective Date. See, also, section annotations.

Subchapter 3, Energy Sales Tax Exemption Program, was adopted as new rules by R.2005 d.143, effective May 16, 2005. See: 37 N.J.R. 237(a), 37 N.J.R. 1739(a).

Pursuant to P.L. 2008, c. 27, §16 (N.J.S.A. 34:1B-225) and by notice of administrative change, Subchapter 1, Urban Enterprise Zone Boundary Amendments, and Subchapter 2, Discretionary Extension of 50 Percent Sales Tax Exemption to Urban Enterprise Zone Municipalities, of Chapter 121 of Title 12A were recodified as Chapter 121 of Title 5, effective January 29, 2009. See: 41 N.J.R. 1016(b).

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**SUBCHAPTER 1. URBAN ENTERPRISE ZONE BOUNDARY AMENDMENTS**

**5:121-1.1 Applicability and scope**

(a) The rules in this subchapter are promulgated by the Urban Enterprise Zone Authority (UEZA) to implement P.L. 1983, ch. 303, the New Jersey Urban Enterprise Zones Act, and to specifically implement the methodology of amending zone boundaries within a municipality.

(b) The Act provides for the establishment of the UEZA which is to designate certain areas of the State as Urban Enterprise Zones (UEZ). The Act also provides that the UEZA exercise continuing review and supervision of the implementation of zone development plans.

(c) Applications and questions concerning a UEZ should be directed to:

Urban Enterprise Zone Program  
New Jersey Department of Community Affairs  
20 West State Street, PO Box 820  
Trenton, New Jersey 08625-0820

Amended by R.2004 d.178, effective May 3, 2004.  
See: 35 N.J.R. 5482(a), 36 N.J.R. 2199(a).

**5:121-1.2 Definitions**

The words and terms used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

“Act” means the New Jersey Urban Enterprise Zones Act, P.L. 1983, ch. 303, N.J.S.A. 52:27H-60 et seq.

“Administrator” means the Executive Director of the Urban Enterprise Zone Program in the New Jersey Department of Community Affairs.

“Authority” or “UEZA” means the New Jersey Urban Enterprise Zone Authority.

“Enterprise zone” or “zone” means an urban enterprise zone designated by the New Jersey UEZA pursuant to this Act.

“Qualified business” means any entity authorized to do business in the State of New Jersey which, at the time of designation as an enterprise zone, is engaged in the active conduct of a trade or business in that zone or an entity which, after that designation but during the designation period, becomes newly engaged in the active conduct of a trade or business in that zone and for which at least 25 percent of its

full-time employees, newly hired during the two years after issuance of the business' certificate of occupancy to work at a business location in the zone, meet one or more of the following criteria:

1. Resident within the zone, within another zone or within the municipality within which the zone or any other zone is located; or
2. Unemployed for at least a year prior to being hired and residing in New Jersey, or recipients of New Jersey public assistance programs for at least one year prior to being hired; or
3. Determined to be economically disadvantaged pursuant to the Jobs Training Partnership Act, Pub.L. 97-300 (29 U.S.C. §§ 1501 et seq.)

"Qualifying municipality" means any municipality in which there was, in the last full calendar year immediately preceding the year in which application for enterprise zone designation is submitted pursuant to section 14 of the Act, an annual average of at least 2,000 unemployed persons, and in which average annual unemployment rate for that year exceeded the State average annual unemployment rate; except that a municipality which qualifies for State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) shall qualify if its municipal average unemployment rate for that year exceeded the State average annual unemployment rate. The annual average of unemployed persons and the average annual unemployment rates shall be estimated for the relevant calendar year by the Office of Labor Statistics, Division of Planning and Research of the State Department of Labor and Workforce Development.

"Zone development corporation" means a nonprofit corporation or association created by the governing body of a qualifying municipality to formulate and propose a preliminary zone development plan pursuant to section 9 of the Act.

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

"Zone neighborhood association" means a corporation or association of persons who either are residents of, or have their principal place of employment in, a municipality in which an enterprise zone has been designated pursuant to the Act; which is organized under the provisions of Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes and which has for its principal purpose the encouragement and support of community activities within, or on behalf of, the zone so as to:

1. Stimulate economic activity;
2. Increase or preserve residential amenities; or

3. Otherwise encourage community cooperation in achieving the goals of the zone development plan.

Amended by R.1991 d.591, effective December 16, 1991.  
See: 23 N.J.R. 1893(b), 23 N.J.R. 3761(a).

Stylistic revision.  
Amended by R.2004 d.178, effective May 3, 2004.  
See: 35 N.J.R. 5482(a), 36 N.J.R. 2199(a).

In "Administrator", substituted "Executive Director" for "Administrator" preceding "of the Urban Enterprise Zone Program".

### 5:121-1.3 Standards of eligibility for zone boundary revisions

(a) A qualified municipality shall be eligible to apply for a revision of the urban enterprise zone within that municipality when:

1. The proposed boundary revision will not enlarge the geographic area of the existing zone by more than 10 percent;
2. The expansion and revision of the zone boundaries will not, as based upon the original zone application, significantly alter the percentage within the zone of:
  - i. Unemployment;
  - ii. Persons below the poverty level; or
  - iii. Persons receiving public assistance.

### 5:121-1.4 Application for zone boundary revisions

(a) Each application for a zone boundary revision shall include an analysis of how the proposed zone revision will relieve:

1. Economic distress;
2. High unemployment;
3. Low investment of capital;
4. Blighted conditions;
5. Obsolete or abandoned industrial or commercial structures; and
6. Deteriorating tax base.

(b) Each application for a zone boundary revision shall include a rationale for the boundary change and why the area to be added was not included in prior boundary revision requests or the original application.

(c) Each application for a zone boundary revision shall be accompanied by a resolution from the municipal governing body supporting the request.

### 5:121-1.5 Time for zone boundary revisions

(a) A municipality in which a zone is located may apply for a boundary revision five years or more after the original designation date.