

CHAPTER 120

URBAN ENTERPRISE ZONE AUTHORITY

Authority

N.J.S.A. 52:27H-60 et seq., specifically 52:27H-65.

Source and Effective Date

R.1993 d.416, effective July 27, 1993.
See: 25 N.J.R. 2645(b), 25 N.J.R. 3837(a).

Executive Order No. 66(1978) Expiration Date

Chapter 120, Urban Enterprise Zone Authority, expires on July 27, 1998.

Chapter Historical Note

Chapter 120, Urban Enterprise Zone Authority, Subchapter 1, was adopted as R.1988 d.431, effective September 6, 1988. See: 20 N.J.R. 1336(a), 20 N.J.R. 2307(a).

Subchapter 2, Business Certification for Zone Business Benefits, was adopted as R.1989 d.376, effective July 17, 1989. See: 21 N.J.R. 693(a), 21 N.J.R. 2043(a).

Pursuant to Executive Order No. 66(1978), Chapter 120 was readopted as R.1993 d.416. See: Source and Effective Date. See also, section annotations for specific rulemaking activity.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. URBAN ENTERPRISE ZONE PROGRAM

- 12A:120-1.1 Applicability and scope
- 12A:120-1.2 Definitions
- 12A:120-1.3 Application for zone business benefits
- 12A:120-1.4 Time for application for zone business benefits
- 12A:120-1.5 Zone business benefits eligibility
- 12A:120-1.6 Good faith waiver

SUBCHAPTER 2. BUSINESS CERTIFICATION FOR ZONE BUSINESS BENEFITS

- 12A:120-2.1 Applicability and scope
- 12A:120-2.2 Definitions
- 12A:120-2.3 Reapplication for zone business benefits
- 12A:120-2.4 Time for reapplication for zone business benefits
- 12A:120-2.5 Alternative qualified small business recertification
- 12A:120-2.6 Acceptance as a recertified qualified zone business
- 12A:120-2.7 Standards for conditional zone business recertification
- 12A:120-2.8 Time for application for conditional zone business recertification
- 12A:120-2.9 Application procedures for conditional zone business recertification
- 12A:120-2.10 Conditional recertification as an eligible zone business
- 12A:120-2.11 Denial of recertification or conditional recertification of a qualified zone business
- 12A:120-2.12 Procedure for appealing denial of recertification or conditional recertification

SUBCHAPTER 1. URBAN ENTERPRISE ZONE PROGRAM

12A:120-1.1 Applicability and scope

(a) The rules in this subchapter are promulgated by the Urban Enterprise Zone Authority (UEZA) to implement N.J.S.A. 52:27H-60 (P.L. 1983, ch. 303), the New Jersey Urban Enterprise Zones Act.

(b) The Act provides for the establishment of an UEZA which is to designate certain areas of the State as Urban Enterprise Zones (UEZ). The Act also provides that the UEZA provide continuing review of the implementation of the Act and report annually to the Governor and the Legislature on the effectiveness of UEZ's in addressing the conditions cited in the Act, including any recommendations for legislation to improve the effectiveness of operation of the UEZ's.

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

Urban Enterprise Program
New Jersey Department of Commerce and Economic Development
20 West State Street
Trenton, New Jersey 08625

12A:120-1.2 Definitions

The following words and terms, when used in this subchapter, 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).

“Administrator” means the administrator of the Urban Enterprise Program in the Department of Commerce and Economic Development.

“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 Urban Enterprise Zone Authority pursuant to the 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 occu-

pany to work at a business location in the zone, meet one or more of the following criteria:

1. Resident within the zone or within the municipality which the 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 the 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 exceeds 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.

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

12A:120-1.3 Application for zone business benefits

Any business which desires to receive zone business benefits shall forward to the administrator a letter specifying the benefits which it wants to receive, a letter of endorsement from the municipality for the business to receive the benefits, a certification that the business is located in the zone, and any other additional information requested by the administrator.

12A:120-1.4 Time for application for zone business benefits

A business may apply for zone business benefits at any time after the business to be located in the zone agrees with the administrator or his or her designee to provide an increase in permanent full-time employment in the zone.

12A:120-1.5 Zone business benefits eligibility

(a) Qualified businesses within a zone shall be eligible to receive all benefits provided for under the Act as approved by the UEZA for the specific zone.

(b) The UEZA in determining whether a business shall be approved as a qualified business shall:

1. Review data compiled by the United States and New Jersey Departments of Labor and private industry councils created under the Federal Job Training Partnership Act, and any other relevant sources, which bears on the availability to the business, in the area in which it is or will be located, of potential employees who meet the criteria set forth in N.J.S.A. 52:27H-62(c)(1), (2), or (3); and

2. At the time the business applies for qualified business designation under N.J.S.A. 52:27H-62(c), review the business' employee turnover experience for the two years preceding its application and estimate the number of new positions to be created by the business during the two years after the date of its zone certificate of occupancy.

12A:120-1.6 Good faith waiver

(a) If the UEZA determines that an applicant for qualified business status or a previously qualified business is unable in good faith to meet the definition of qualified business (see N.J.A.C. 12A:120-1.2) because an insufficient number of persons satisfying the criteria of N.J.S.A. 52:27H-62(c)(1), (2), and (3), and the workforce requirements of the business are available within the business's geographical area, the UEZA, in its discretion may reduce the requirement below 25 percent for that business conditioned upon the agreement of the business to implement any one or more of the following actions:

1. Sponsor and fund development and training programs in high schools, vocational or technical schools, or continuing education facilities which serve the zone city and which primarily develop basic or entry level job skills;