

COMMUNITY AFFAIRS

URBAN ENTERPRISE ZONE AUTHORITY

Urban Enterprise Zone Authority Policies

Proposed Readoption: N.J.A.C. 5:121 (formerly N.J.A.C. 12A:121)

Authorized By: Urban Enterprise Zone Authority, Kathleen G. Kube,
Acting Executive Director

Authority: N.J.S.A. 52:27H-65

Proposal Number: PRN 2009-

Calendar: Reference: See Summary below for explanation of exception to calendar
requirement..

Submit written comments by _____, 2009 to:

Kathleen G. Kube
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Urban Enterprise Zone Authority
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URBAN ENTERPRISE ZONE AUTHORITY

by: _____

Kathleen G. Kube, Acting Executive Director

The agency proposal follows.

Summary

Pursuant to N.J.S.A. 52:14B-5.1, the Urban Enterprise Zone Authority Policy
rules, N.J.A.C. 5:121 (formerly 12A:121), are scheduled to expire on October 1, 2009.

The Authority has reviewed these rules and finds that they continue to be necessary for the purpose for which they were promulgated and is therefore proposing that they be readopted without change.

The rules are promulgated by the New Jersey Urban Enterprise Zone Authority, which is responsible for implementing the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 *et seq.*, and associated programs. The purpose of these rules is to encourage economic development in certain areas of specifically-designated municipalities.

Subchapter 1 sets forth the standards of eligibility for zone boundary revisions (N.J.A.C. 5:121-1.3); requires analysis of how the proposed boundary revision would relieve economic distress, high unemployment, low investment of capital, blighted conditions and obsolete or abandoned industrial or commercial structures and deteriorating tax base (N.J.A.C. 5:121-1.4); establishes the time for zone boundary revisions (N.J.A.C. 5:121-1.5); and provides the standards used to evaluate an application for boundary revision (N.J.A.C. 5:121-1.6).

Subchapter 2 extends the 50 percent sales tax exemption to those urban enterprise zone municipalities that did not have them at the time of the original adoption of the rules (N.J.A.C. 5:121-2.1), sets forth the application requirements for the exemption (N.J.A.C. 5:121-2.2); establishes the time for application (N.J.A.C. 5:121-2.3); and provides for the application evaluation (N.J.A.C. 5:121-2.4).

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

Readoption of these rules would continue the positive social impact of encouraging creation of additional employment opportunities for residents of urban enterprise zones and the municipalities in which they are located and of facilitating municipal efforts to attract business to the zones.

Economic Impact

The economic impact of the program has been, and will continue to be, positive, in that it provides enhanced economic development opportunities for economically-depressed municipalities. These opportunities will continue to result in sounder economic development within those municipalities by broadening and strengthening their tax bases. The State incurs, and will continue to incur, certain administrative costs. A portion of State sales tax revenue generated from sales within the zones is set aside to provide service improvements within the zones.

Federal Standards Statement

No Federal standards analysis is required because this rule is not being readopted under the authority of, or in order to implement, comply with or participate in any program established under, Federal law or a State statute that incorporates or refers to Federal law, standards or requirements.

Jobs Impact

The Authority anticipates that jobs will continue to be generated within as a result of the readoption of this subchapter

Agricultural Industry Impact

The Department does not anticipate any impact upon the agricultural industry as a result of the readoption of this subchapter.

Regulatory Flexibility Statement

Some of the businesses participating in the Urban Enterprise Zone Program are “small businesses,” as defined in the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 *et seq.* There may be a positive economic impact upon such small businesses. However, these rules pertain to municipalities seeking to participate in the Urban Enterprise Zone program and, as such, do not impose any reporting, recordkeeping or compliance obligations on small businesses.

Smart Growth Impact

Readoption of this chapter would continue a program that provides incentives for economic development in urban areas and would thereby further the implementation of the State Development and Redevelopment Plan and the achievement of “smart growth.”

Smart Growth Development Impact

Since the rules proposed for readoption only concern incentives for commercial development in urban enterprise zones, there is an extreme unlikelihood that they would evoke a change upon housing production within planning areas one and two or within designated centers under the State Development and Redevelopment Plan.

Housing Affordability Impact

Since the rules proposed for readoption only concern incentives for commercial development in urban enterprise zones, there is an extreme unlikelihood that they would evoke a change in the average costs associated with housing.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 5:121.