

## Christie takes action, calls UEZ a 'failed experiment'

By **Andrew George**, September 12, 2016 at 3:00 AM



Gov. Chris Christie conditionally vetoed a measure that would have extended the UEZ program. - (PHOTO COURTESY THE GOVERNOR'S OFFICE)

Calling them a “failed 30-year experiment,” Gov. Chris Christie recently conditionally vetoed a measure that would have extended the lifespan of the state’s 32 Urban Enterprise Zones by another 10 years.

A UEZ designation allows a distressed municipality to only charge half of the state’s 7 percent sales tax in an effort to draw customers and drum up business in economically challenged areas.

The immediate impact of Christie’s decision will be seen at the end of this year, when UEZ designations are set to sunset in Newark, Camden, Plainfield, Trenton and Bridgeton.

Christie, noting UEZs were meant to be temporary and not permanent, said the program was set to cost the state \$2.33 billion over the next decade in lost revenue.

The move has infuriated Assemblyman Reed Gusciora (D-Trenton), the bill’s primary sponsor.

“In effect, the governor is telling the city of Trenton, as well as many others, to ‘drop dead,’” said Gusciora. “Over the past year, Gov. Christie has made it very clear where his priorities and loyalties lie. It’s clear that he doesn’t care about New Jersey, her people or her problems. This move is actively detrimental to thousands of businesses across the state, not only those who benefit directly through tax breaks, but those countless others who rely on them for supplies to conduct their operations.”

Gusciora added that Christie “removed all passages in the legislation with any bite, and in effect, created an entirely different bill,” thus rendering the notion that the veto was conditional as “laughable.”

“Ending the UEZ program is going to force hundreds of establishments to close up or move, and will cost thousands their jobs and livelihood,” Gusciora said. “It spells utter chaos for our revitalizing urban areas, which will see the precious progress they’ve made in the past 30 years reversed. It is a bona fide step in the wrong direction, though I suppose that sums up most of his tenure.”

“Over the years, the UEZ program has helped attract both new businesses and consumers and provided a much-needed boost for cities struggling to reinvigorate once-thriving business districts,” added Assemblywoman Elizabeth Muoio (D-Trenton). “It makes little economic sense to suddenly halt this momentum.”

But John Boyd Jr., principal of the Princeton-based Boyd Company, argues that UEZ designations are by no means drivers of urban revitalization and, instead, a drain on state coffers.

“Urban turnaround successes in Newark, Paterson, Jersey City and Camden have nothing to do with UEZ and everything to do with incentives and smart industry attraction efforts at the state and regional level, and bigger-picture human resource trends that favor an urban setting for recruiting millennials,” Boyd said.

**E-mail to:** [andrewg@njbiz.com](mailto:andrewg@njbiz.com)

**On Twitter:** @andrgeorge

## Also Popular on NJBIZ

- **Editorial: Christie makes right call to nix Pa. tax deal**
- **Developers bring Summit office building to full occupancy with series of leases**
- **Marcus & Millichap sell South Jersey Wawa for \$7.02M**
- **Triple Play: What businesses must know about taxes before the election**



### Andrew George

Follow [@AndrGeorge](#)

Andrew George covers the Statehouse from NJBIZ's Trenton bureau. Born and raised in N.J., Andrew has also spent time as a reporter in D.C., Texas and Pa. His email is [andrewg@njbiz.com](mailto:andrewg@njbiz.com).

---

**+ Leave a Comment**

---

**0 Comments**

---