

[Second Reprint]

ASSEMBLY, No. 5378

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED FEBRUARY 27, 2025

Sponsored by:

Assemblyman AL ABDELAZIZ

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

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District 22 (Somerset and Union)

Senator BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

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District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Senators Zwicker and McKnight

SYNOPSIS

Modifies provisions of Cultural Arts Incentives Program, New Jersey Aspire Program, and Grow New Jersey Program; eliminates Community-Anchored Development Program.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.

(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning State economic development policy, amending
2 various parts of the statutory law, and repealing sections 43
3 through 53 of P.L.2020, c.156.

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

7
8 1. Section 2 of P.L.2023, c.197 (C.34:1B-384) is amended to
9 read as follows:

10 2. The Legislature finds and declares that:

11 a. The New Jersey Economic Development Authority can
12 effectively utilize cultural arts institution facilities as catalysts for
13 broad economic development in targeted communities. Under the
14 legislation, facilities engaged in the cultural, educational, or artistic
15 enrichment of the people of this State are provided with the
16 opportunity to facilitate targeted development, utilizing proceeds
17 from the sale of State tax credits. This approach harnesses the
18 ability of cultural arts institution facilities to attract visitors and
19 businesses to the State by leveraging the incalculable economic and
20 cultural benefits of building and supporting world class cultural arts
21 institutions.

22 b. Projects involving the development or rehabilitation of a
23 cultural arts institution facility are inherently beneficial to the State
24 because they provide vital contributions to the communities in
25 which they are located, and together the arts community provides
26 immeasurable economic and cultural benefits to the State.

27 c. **【Through a competitive application process, a cultural arts**
28 **institution will make its case for an amount of tax credits necessary**
29 **for a project to be able to establish occupancy costs at a competitive**
30 **level.】** (Deleted by amendment, P.L. , c.) (pending before the
31 Legislature as this bill)

32 d. The Legislature declares that two principal objectives
33 underscore the policy approach of this legislation: first, that
34 providing spaces for arts and culture to flourish will result in
35 thriving communities; and second, the State must help to provide
36 these spaces through an incentives program that better reflects the
37 economics of arts and culture facilities and that the current suite of
38 real estate programs cannot succeed in this endeavor.

39 (cf: P.L.2023, c.197, s.2)

40
41 2. Section 3 of P.L.2023, c.197 (C.34:1B-385) is amended to
42 read as follows:

43 3. As used in P.L.2023, c.197 (C.34:1B-383 et al.):

44 "Affiliate" means an entity that directly or indirectly controls, is
45 under common control with, or is controlled by a cultural arts

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 AAP committee amendments adopted May 15, 2025.

²Senate SBA committee amendments adopted June 26, 2025.

1 institution. Control exists in all cases in which the entity is a
2 member of a controlled group of corporations as defined pursuant to
3 section 1563 of the federal Internal Revenue Code (26 U.S.C.
4 s.1563) or the entity is an organization in a group of organizations
5 under common control that is subject to the regulations applicable
6 to organizations pursuant to subsection (b) or (c) of section 414 of
7 the federal Internal Revenue Code (26 U.S.C. s.414). A cultural
8 arts institution may establish by clear and convincing evidence, as
9 determined by the authority, that control exists in situations
10 involving lesser percentages of ownership if the cultural arts
11 institution shall have control, at a minimum, of all aspects of
12 compliance with this program. An affiliate of a cultural arts
13 institution may contribute to the project cost and may satisfy the
14 requirement for site control during construction and the eligibility
15 period, but in no event shall the tax credit certificate be issued to
16 any affiliate.

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

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

22 "Cultural arts institution" means a governmental entity or
23 nonprofit or governmental economic or community development
24 entity incorporated pursuant to Title 15 of the Revised Statutes or
25 Title 15A of the New Jersey Statutes, operating on a not-for-profit
26 basis, and having ²[the] a ²[primary] mission ²[and specific policy
27 goal]² of ², or experience in,² cultural, educational, or artistic
28 enrichment of the people of this State. A "cultural arts institution"
29 shall include a for-profit business seeking a tax credit for a cultural
30 arts institution facility open to the public provided that the cultural
31 arts institution facility is receiving a federal historic rehabilitation
32 tax credit pursuant to section 47 of the federal Internal Revenue
33 Code of 1986, 26 U.S.C. s.47, or a tax credit pursuant to the
34 "Historic Property Reinvestment Act," sections 2 through 8 of
35 P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276). A "cultural
36 arts institution" shall include ²[the National Park Service] any
37 nonprofit that operates a museum or memorial honoring New Jersey
38 veterans of foreign military conflicts² . A "cultural arts institution"
39 shall also include a developer that has a partnership agreement with
40 ²[any of the foregoing] the National Park Service² .

41 "Cultural arts institution facility" means an existing or proposed
42 facility within this State, operated and maintained by a cultural arts
43 institution ²or the National Park Service². A "cultural arts institution
44 facility" includes, without limitation, an aquarium, botanical
45 society, historical society, library, museum, gallery, performing arts
46 center, national historical park, ²war memorial or museum,² or any
47 related facility that is principally for the support and benefit of any
48 of the foregoing.

1 "Cultural arts project" means a capital project for the
2 construction or improvement of a cultural arts institution facility
3 that is located in the State for which a cultural arts institution is to
4 be awarded tax credits by the authority under the program pursuant
5 to a tax credit agreement, provided that the project for which the tax
6 credits are awarded will result in a capital investment of at least
7 \$5,000,000.

8 "Director" means the Director of the Division of Taxation in the
9 Department of the Treasury.

10 "Eligibility period" means the period during which a cultural arts
11 institution may claim, sell, transfer, or otherwise use a tax credit
12 under the program, beginning with the tax period in which the
13 authority accepts certification of the cultural arts institution that it
14 has met the capital investment requirements of the program and
15 extending thereafter for a term of at least five years.

16 "Eligible position" means a full-time position in an entity in this
17 State which the entity has filled with a full-time employee. An
18 eligible position shall not include an independent contractor or a
19 consultant.

20 "Government-restricted municipality" means a municipality in
21 this State with a municipal revitalization index distress score of at
22 least 75, that met the criteria for designation as an urban aid
23 municipality in the 2019 State fiscal year, and that, on the effective
24 date of P.L.2020, c.156, is subject to financial restrictions imposed
25 pursuant to the "Municipal Stabilization and Recovery Act,"
26 P.L.2016, c.4 (C.52:27BBB-1 et seq.), or is restricted in its ability
27 to levy property taxes on property in that municipality as a result of
28 the State of New Jersey owning or controlling property representing
29 at least 25 percent of the total land area of the municipality or as a
30 result of the federal government of the United States owning or
31 controlling at least 50 acres of the total land area of the
32 municipality, which is dedicated as a national natural landmark.

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

38 **["Operating reserve" means an unrestricted fund balance set**
39 **aside to stabilize a nonprofit's finances to mitigate against**
40 **unexpected events, losses of income, and large unbudgeted**
41 **expenses.】**

42 "Program" means the Cultural Arts Incentives Program
43 established pursuant to section 4 of P.L.2023, c.197 (C.34:1B-386).

44 "Project cost" means the costs incurred in connection with a
45 cultural arts project by a cultural arts institution until the issuance
46 of a permanent certificate of occupancy, or until such other time
47 specified by the authority, for a specific investment or
48 improvement, including the costs relating to lands, buildings,
49 improvements, real or personal property, or any interest therein,

1 including leases discounted to present value, including lands under
2 water, riparian rights, space rights, and air rights acquired, owned,
3 developed or redeveloped, constructed, reconstructed, rehabilitated,
4 or improved, any environmental remediation costs, plus costs not
5 directly related to construction, including capitalized interest paid to
6 third parties, of an amount not to exceed 20 percent of the total
7 costs, and the cost of infrastructure improvements, including
8 ancillary infrastructure projects. The fees associated with the
9 application or administration of tax credits under P.L.2023, c.197
10 (C.34:1B-383 et al.) shall not constitute a project cost. ²[The
11 project cost shall not include costs incurred by a cultural arts
12 institution for construction activities undertaken prior to the date of
13 application for the program.]²

14 "Project financing gap" means the part of the total project cost,
15 including reasonable and appropriate return on investment, that
16 remains to be financed after all other sources of capital have been
17 accounted for, including, but not limited to capital contributed by
18 the cultural arts institution, which shall not be less than 20 percent
19 of the total project cost, and investor or financial entity capital or
20 loans; provided, however, that for a cultural arts project located in a
21 government-restricted municipality, the capital contributed by the
22 cultural arts institution shall not be less than 10 percent of the total
23 project cost.

24 "Qualified incentive tract" means a. a population census tract
25 having a poverty rate of 20 percent or more; or b. a census tract in
26 which the median family income for the census tract does not
27 exceed 80 percent of the greater of the statewide median family
28 income or the median family income of the metropolitan statistical
29 area in which the census tract is situated.

30 "Tax credit agreement" means a tax credit agreement entered into
31 pursuant to section 8 of P.L.2023, c.197 (C.34:1B-390) between the
32 authority and a cultural arts institution.

33 "Work First New Jersey program" means the Work First New
34 Jersey program established pursuant to P.L.1997, c.38 (C.44:10-55
35 et seq.).

36 (cf: P.L.2023, c.197, s.3)

37

38 3. Section 4 of P.L.2023, c.197 (C.34:1B-386) is amended to
39 read as follows:

40 4. a. The Cultural Arts Incentives Program is established as a
41 program under the jurisdiction of the New Jersey Economic
42 Development Authority. The board shall certify an eligible cultural
43 arts institution based on the requirements of section 5 of P.L.2023,
44 c.197 (C.34:1B-387), and may approve the award of a tax credit to a
45 cultural arts institution pursuant to the provisions of P.L.2023,
46 c.197 (C.34:1B-383 et al.). The value of all tax credits approved by
47 the authority to cultural arts institutions under the program shall be
48 subject to the limitations set forth in section 98 of P.L.2020, c.156
49 (C.34:1B-362). Any tax credit awarded under the program may be

1 utilized by a cultural arts institution for the same project in
2 conjunction with a tax credit award made pursuant to the "New
3 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
4 c.156 (C.34:1B-322 through C.34:1B-335); provided, however, that
5 any tax credit awarded under the program shall not be considered to
6 be developer contributed capital for the purposes of calculating the
7 project financing gap for an incentive award under the "New Jersey
8 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
9 (C.34:1B-322 through C.34:1B-335).

10 b. (1) The authority shall administer the program to incentivize
11 the establishment of cultural arts projects by a cultural arts
12 institution independently or in collaboration with one or more
13 governmental entities. A cultural arts project involving the
14 development or rehabilitation of a cultural arts institution facility
15 shall be eligible for a tax credit award in an amount not to exceed
16 100 percent of eligible project costs¹, except, in the case of a
17 cultural arts institution operating on a not-for-profit basis, the tax
18 credit award may include up to 100 percent of such cultural arts
19 institution's appropriate operating reserve as determined by the
20 authority². The value of tax credits approved by the authority
21 under the program for a cultural arts project shall not exceed
22 \$75,000,000 per cultural arts project.

23 (2) (a) A cultural arts institution shall sell and transfer the tax
24 credits awarded under the program, or adopt a plan to use such tax
25 credits in order to finance the completion of the cultural arts
26 project. A cultural arts institution receiving tax credits under the
27 program shall use the proceeds derived from the sale or financing of
28 the tax credits to make an equity investment in, or secure other
29 financial support for, the cultural arts project that will permit the
30 cultural arts institution to develop the cultural arts project and to
31 attract tenants, owners, investors, lenders, partners, collaborators,
32 and other beneficial parties to the cultural arts project. The
33 authority shall evaluate each proposed cultural arts project to
34 determine the likelihood of the project's success. A cultural arts
35 institution shall submit to the authority an independent market study
36 showing there is demand for a cultural arts institution facility at the
37 proposed project site and that it is expected to be successful. The
38 authority may procure third party consultants to determine a
39 project's likelihood of success.

40 (b) Consistent with an applicable tax credit agreement, a tax
41 credit awarded to a cultural arts institution may be applied against
42 tax liability otherwise due pursuant to section 5 of P.L.1945, c.162
43 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
44 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
45 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.
46 (cf: P.L.2023, c.197, s.4)

47

48 4. Section 5 of P.L.2023, c.197 (C.34:1B-387) is amended to
49 read as follows:

1 5. a. A cultural arts institution shall be eligible to receive a tax
2 credit under the program only if the cultural arts institution is
3 eligible pursuant to subsection b. of this section and submits a
4 program application to the authority that results in completion of a
5 cultural arts project.

6 b. At the time of application, a cultural arts institution seeking
7 tax credits pursuant to the program shall demonstrate to the
8 authority:

9 (1) that the proposed cultural arts project will result in a capital
10 investment of at least \$5,000,000 ², which may include, for a
11 project for which an applicant has commenced construction before
12 the submission of an application, costs incurred before the date of
13 application, provided that such costs would have otherwise
14 qualified as project costs²;

15 (2) the structure and terms of the financial, corporate, and real
16 estate instruments to be utilized to successfully complete the
17 cultural arts project and then , unless the cultural arts institution
18 facility is to be operated by the National Park Service ²or a
19 developer that has a partnership agreement with the cultural arts
20 institution]², operate the cultural arts **[project]** institution facility;

21 (3) that construction has not commenced at the site of the
22 cultural arts project prior to submitting an application, unless;

23 (a) the authority determines that the cultural arts project would
24 not be completed without an award of tax credits under the
25 program; or

26 (b) the construction activities are limited to general
27 maintenance, ²[necessary repairs,] demolition, environmental
28 assessment, environmental investigation, and environmental
29 remediation;

30 (4) the value of the tax credit that is necessary in each year of the
31 eligibility period, in order for the cultural arts institution to finance
32 the establishment of the cultural arts project;

33 (5) the total aggregate value of the tax credits for the entire
34 eligibility period that is necessary in order for the cultural arts
35 institution to finance the establishment of the cultural arts project;

36 (6) that the cultural arts project shall comply with the standards
37 established by the authority through regulation based on the green
38 building manual prepared by the Commissioner of Community
39 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
40 regarding the use of renewable energy, energy-efficient technology,
41 and non-renewable resources in order to reduce environmental
42 degradation and encourage long-term cost reduction;

43 (7) that the cultural arts project shall comply with the authority's
44 affirmative action requirements, adopted pursuant to section 4 of
45 P.L.1979, c.303 (C.34:1B-5.4);

46 (8) a description of the significant economic, social, planning,
47 employment, and other benefits that would accrue to the State,
48 county, or municipality from the cultural arts project;

1 (9) that during the eligibility period, each worker employed to
2 perform construction work and building services work at the
3 cultural arts project shall be paid not less than the prevailing wage
4 rate for the worker's craft or trade, as determined by the
5 Commissioner of Labor and Workforce Development pursuant to
6 P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379
7 (C.34:11-56.58 et seq.). In the event the cultural arts project
8 constitutes a lease of more than 55 percent of a single facility, these
9 requirements shall apply to construction work and building services
10 work at the entire facility. In the event the cultural arts project
11 constitutes a lease of more than 35 percent of a single facility, these
12 requirements shall apply to construction work at the entire facility;

13 (10) that ²["during the eligibility period,"], unless the cultural arts
14 institution facility is to be operated by the National Park Service,²
15 the cultural arts institution shall ²["partner with one or more local
16 community organizations that provide"] either:

17 (a) provide² support and services to Work First New Jersey
18 program recipients ²["], in order to provide work activity
19 opportunities and other appropriate services to Work First New
20 Jersey program recipients, which activities and services may
21 include, but shall not be limited to: work-study programs,
22 internships, sector-based contextualized literacy training, skills-
23 based training in growth industries in the State, and job retention
24 and advancement services"] during the eligibility period; or

25 (b) have provided support and services to Work First New Jersey
26 program recipients on or after December 21, 2023²;

27 (11) that the timing of the award of tax credits under the program
28 shall allow for the successful completion and operation of the
29 cultural arts project demonstrated through an independent market
30 study submitted by the applicant showing there is demand for a
31 cultural arts institution facility at the proposed project site and that
32 it is expected to be successful; and that the cultural arts institution
33 has a strong prior track record of success or an independent analysis
34 demonstrates that a newly formed cultural arts institution will be
35 successful;

36 (12) a project financing gap exists, or the authority determines
37 that the cultural arts project will generate a below market rate of
38 return. The authority shall evaluate past and projected fundraising
39 efforts of the cultural arts institution to determine whether a project
40 financing gap exists;

41 (13) that, unless the cultural arts institution facility is to be
42 operated by the National Park Service ²["or a developer that has a
43 partnership agreement with the cultural arts institution"]², the
44 cultural arts institution will have ownership of, or lease space in, the
45 cultural arts institution facility and operate or hold an operating
46 agreement for at least the eligibility period; and

47 (14) that the cultural arts institution will have at least 20 percent
48 equity in the cultural arts project, which equity interest may include

1 amounts contributed through government grants, not including
2 economic subsidies provided by the authority, received by the
3 cultural arts institution; provided, however, for a cultural arts
4 project located in a government-restricted municipality, the equity
5 required shall not be less than 10 percent.

6 c. Prior to the board considering an application submitted by a
7 cultural arts institution, the authority shall confirm with the
8 Department of Labor and Workforce Development, the Department
9 of Environmental Protection, and the Department of the Treasury
10 whether the cultural arts institution is in substantial good standing
11 with the respective department, or has entered into an agreement
12 with the respective department that includes a practical corrective
13 action plan. The cultural arts institution shall certify that any
14 contractors or subcontractors that will perform work at the cultural
15 arts project: (1) are registered as required by "The Public Works
16 Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et
17 seq.); (2) have not been debarred by the Department of Labor and
18 Workforce Development from engaging in or bidding on Public
19 Works Contracts in the State; and (3) possess a tax clearance
20 certificate issued by the Division of Taxation in the Department of
21 the Treasury. The authority may also contract with an independent
22 third party to perform a background check on a cultural arts
23 institution.

24 (cf: P.L.2023, c.197, s.5)

25
26 5. Section 7 of P.L.2023, c.197 (C.34:1B-389) is amended to
27 read as follows:

28 7. a. The authority shall [award tax credits under the program
29 through a competitive application process consisting of at least one
30 award round each year. The authority shall provide notice to the
31 public of the opening and closing dates for submission of program
32 applications on the authority's Internet website] conduct a review of
33 applications on a rolling basis, unless the authority determines that
34 demand is likely to exceed available tax credits, at which time the
35 authority may implement a competitive application process whereby
36 the authority shall evaluate all applications submitted by a date
37 certain as if all were submitted on that date.

38 b. [The authority shall review applications for tax credits
39 submitted to the authority by the deadline date of the award round
40 and shall evaluate each application as if it were received on the
41 deadline date, without providing any preference for early
42 submissions. To determine priority for an award of a tax credit, all
43 applications for cultural arts projects that satisfy the criteria set
44 forth in sections 5 through 7 of P.L.2023, c.197 (C.34:1B-387
45 through 34:1B-389) in a given award round shall be ranked on the
46 basis of a scoring system developed by the authority, in
47 consultation with the New Jersey State Council on the Arts. Prior
48 to the commencement of an award round, the authority shall
49 determine the minimum score for the award round that each

1 applicant is required to attain to be eligible for a tax credit.】 To
2 receive a tax credit award, a cultural arts institution shall be
3 required to meet a minimum score, as determined by the authority
4 pursuant to this section.

5 c. The scoring system developed by the authority pursuant to
6 【subsection b. of】 this section shall assess applications for tax
7 credits based on 【competitive】 criteria, which shall include, but
8 shall not be limited to:

9 (1) the amount of tax credits requested by the cultural arts
10 institution compared to the amount of tax credits required for the
11 completion of the cultural arts project;

12 (2) how the cultural arts project will advance State, regional, and
13 local goals concerning the development of arts and cultural
14 facilities in underserved communities;

15 (3) the relationship of the cultural arts project to a
16 comprehensive local development strategy, including its relation to
17 other development and redevelopment projects in the municipality;

18 (4) the degree to which the cultural arts project enhances and
19 promotes job creation and economic development;

20 (5) the extent of economic and related social distress in the
21 municipality and the immediate area surrounding the cultural arts
22 project, including whether the cultural arts project is located in a
23 qualified incentive tract or other areas of the State identified from
24 time to time by the authority in rules;

25 (6) the quality and number of new full-time jobs that will be
26 created by the cultural arts institution; and

27 (7) if the cultural arts institution has a board of directors, the
28 extent to which that board of directors is diverse and representative
29 of the community in which the cultural arts project is located.

30 d. Notwithstanding the provisions of subsection c. of this
31 section, the authority may adopt, pursuant to the provisions of the
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
33 seq.), rules and regulations adjusting 【competitive】 the criteria
34 required under the program when necessary to respond to
35 conditions in the State.

36 e. Prior to the award of a tax credit, the authority shall confirm
37 with the Department of Labor and Workforce Development, the
38 Department of Environmental Protection, and the Department of the
39 Treasury that the cultural arts institution is in substantial good
40 standing with the respective department, or has entered into an
41 agreement with the respective department that includes a practical
42 corrective action plan for the cultural arts institution and the
43 cultural arts institution shall confirm that any contractors and
44 subcontractors performing work at the cultural arts project: (1) are
45 registered as required by "The Public Works Contractor
46 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
47 not been debarred by the Department of Labor and Workforce
48 Development from engaging in or bidding on Public Works

1 Contracts in the State; and (3) possess a tax clearance certificate
2 issued by the Division of Taxation in the Department of the
3 Treasury. Provided that all parties are in compliance with this
4 subsection, the authority shall allocate tax credits to cultural arts
5 projects according to the cultural arts projects' scores and until
6 either the available tax credits are exhausted or all cultural arts
7 projects obtaining the minimum score receive a tax credit,
8 whichever occurs first. If insufficient funding exists to fully fund
9 all eligible cultural arts projects, a cultural arts project may be
10 offered a partial tax credit valued at less than what is provided for
11 in paragraph (1) of subsection b. of section 4 of P.L.2023, c.197
12 (C.34:1B-386).

13 f. Applications that do not receive the minimum score
14 established by the authority **【for that award round】** shall not receive
15 further consideration for a tax credit by the authority **【in that award**
16 **round】** for that application; however, a cultural arts institution may
17 **【revise or complete】** submit a new application **【to be submitted in a**
18 **subsequent award round】**.

19 g. **【If a cultural arts institution declines a tax credit offered by**
20 **the authority, the authority shall offer the tax credit to the applicant**
21 **with the application having the next highest score, and having**
22 **obtained at least the minimum score in that award round.】** (Deleted
23 by amendment, P.L. , c.) (pending before the Legislature as
24 this bill)

25 (cf: P.L.2023, c.197, s.7)

26
27 6. Section 8 of P.L.2023, c.197 (C.34:1B-390) is amended to
28 read as follows:

29 8. a. Following approval and selection of an application pursuant
30 to sections 6 and 7 of P.L.2023, c.197 (C.34:1B-388 and 34:1B-
31 389), the authority shall enter into a tax credit agreement with the
32 cultural arts institution.

33 b. (1) A tax credit agreement shall specify the amount of the tax
34 credit that the authority shall award to the cultural arts institution
35 and specify the duration of the eligibility period, which shall be no
36 less than five years and shall not exceed 10 years. The tax credit
37 agreement shall provide an estimated date of completion for the
38 cultural arts project and include a requirement for periodic progress
39 reports through completion, including the submittal of executed
40 financing commitments and documents or agreements that evidence
41 site control.

42 (2) If, as a result of a default under the tax credit agreement, the
43 authority rescinds a tax credit in the same calendar year in which
44 the authority approved the tax credit, then the authority may assign
45 the tax credit to another applicant that attained the minimum score
46 determined pursuant to section 7 of P.L.2023, c.197 (C.34:1B-389).

47 c. The terms of the tax credit agreement shall:

- 1 (1) provide for a verification of project financing at the time the
2 cultural arts institution provides executed financing commitments to
3 the authority and a verification of the cultural arts institution's
4 projected cash flow at the time of certification that the project is
5 completed;
 - 6 (2) specify that the authority or the State may purchase tax
7 credits offered for sale by a cultural arts institution for 90 percent of
8 the stated value of the tax credit before considering any further
9 discounting to present value which shall be permitted;
 - 10 (3) at a minimum, require a cultural arts institution to provide
11 oversight of the cultural arts project through ongoing reporting by
12 the cultural arts institution to the authority;
 - 13 (4) specify other measures through which the authority shall
14 ensure oversight of outstanding tax credits, and, in the event that a
15 cultural arts institution fails to meet its obligations under the tax
16 credit agreement or any program requirement, including any
17 representations made by the cultural arts institution during the
18 [competitive award rounds conducted pursuant to section 7 of
19 P.L.2023, c.197 (C.34:1B-389)] application process, establish the
20 right of the authority to reduce, rescind, or recapture tax credits in
21 the authority's discretion; and
 - 22 (5) at a minimum, require that the cultural arts institution adopt
23 specific nondiscrimination policies for the operation of a cultural
24 arts project.
- 25 d. The tax credit agreement shall include a requirement that the
26 chief executive officer of the authority receive annual reports from
27 the cultural arts institution. As part of the authority's review of the
28 annual reports required from each cultural arts institution, the
29 authority shall confirm with the Department of Environmental
30 Protection, the Department of Labor and Workforce Development,
31 and the Department of the Treasury that the cultural arts institution
32 is in substantial good standing with the respective department, or
33 has entered into an agreement with such department that includes a
34 practical corrective action plan for the cultural arts institution; and
35 the cultural arts institution shall confirm that any contractors and
36 subcontractors performing work at the cultural arts project: (1) are
37 registered as required by "The Public Works Contractor
38 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
39 not been debarred by the Department of Labor and Workforce
40 Development from engaging in or bidding on Public Works
41 Contracts in the State; and (3) possess a tax clearance certificate
42 issued by the Division of Taxation in the Department of the
43 Treasury. The tax credit agreement shall include a provision that
44 the cultural arts institution shall forfeit the tax credit in any year in
45 which an uncured default exists under the tax credit agreement, or
46 the cultural arts institution is neither in substantial good standing
47 with the Department of Environmental Protection, the Department
48 of Labor and Workforce Development, or the Department of the
49 Treasury nor has entered into a practical corrective action plan. The

1 tax credit agreement shall, however, allow the authority to extend,
2 in individual cases, the deadline for any annual reporting
3 requirement.

4 e. A cultural arts institution shall, as required at the discretion
5 of the authority, submit to the authority satisfactory evidence of
6 actual project costs, as certified by a certified public accountant,
7 evidence of a temporary certificate of occupancy, or other event
8 evidencing project completion. The cultural arts institution, or an
9 authorized agent of the cultural arts institution, shall certify under
10 the penalty of perjury that the information provided pursuant to this
11 subsection is true.

12 (cf: P.L.2023, c.197, s.8)

13

14 7. Section 9 of P.L.2023, c.197 (C.34:1B-391) is amended to
15 read as follows:

16 9. a. Up to the limits established in paragraph (1) of subsection b.
17 of section 4 of P.L.2023, c.197 (C.34:1B-386), and in accordance
18 with a tax credit agreement, beginning upon the receipt of
19 occupancy permits for any portion of the cultural arts project, or
20 upon any other event evidencing project completion as set forth in
21 the tax credit agreement, a cultural arts institution of such approved
22 cultural arts project shall be awarded a tax credit. No more than the
23 amount of tax credits equal to the total credit amount awarded under
24 the program divided by the duration of the eligibility period in years
25 may be taken in any tax period.

26 b. A cultural arts institution that is awarded a tax credit under
27 P.L.2023, c.197 (C.34:1B-383 et al.) shall, commencing in the year
28 in which the tax credit is awarded, and each year thereafter for the
29 remainder of the eligibility period, submit a report indicating
30 whether the cultural arts institution is aware of any condition, event,
31 or act that would cause the cultural arts institution not to be in
32 compliance with the tax credit agreement, the representations made
33 to the authority during the **【competitive award rounds conducted**
34 **pursuant to section 7 of P.L.2023, c.197 (C.34:1B-389)】** application
35 process, or the provisions of P.L.2023, c.197 (C.34:1B-383 et al.)
36 and any additional reporting requirements contained in the tax
37 credit agreement or tax credit certificate. The cultural arts
38 institution or an authorized agent of the cultural arts institution shall
39 certify under the penalty of perjury that the information provided
40 pursuant to this subsection is true.

41 c. (1) Upon receipt and review of each report submitted during
42 the eligibility period, the authority shall provide to the cultural arts
43 institution and the Director of the Division of Taxation in the
44 Department of the Treasury a certificate of compliance indicating
45 the amount of tax credits awarded to the cultural arts institution,
46 that the cultural arts institution may:

47 (a) offer for sale through the provision of a tax credit transfer
48 certificate pursuant to section 10 of P.L.2023, c.197 (C.34:1B-392);
49 or

(b) use as collateral or to secure any financial instrument approved by the authority to provide financing for the cultural arts project, if that use is in accordance with rules and regulations adopted by the authority to govern the use of program tax credits.

(2) Upon receipt by the director of the certificate of compliance, the director shall coordinate with the cultural arts institution and the authority to provide the cultural arts institution with a tax credit transfer certificate, as described in section 10 of P.L.2023, c.197 (C.34:1B-392), or a tax credit certificate for the value awarded by the authority for that year that the cultural arts institution may use as provided in paragraph (1) of this subsection and in accordance with the rules adopted pursuant to subparagraph (b) of paragraph (1) of this subsection.

(cf: P.L.2023, c.197, s.9)

8. Section 10 of P.L.2023, c.197 (C.34:1B-392) is amended to read as follows:

10. a. A cultural arts institution may apply to the director and the chief executive officer of the authority for a tax credit transfer certificate, covering one or more years. The tax credit transfer certificate, upon receipt thereof by the cultural arts institution from the director and the chief executive officer of the authority, may be sold or assigned, in full or in part in an amount not less than \$25,000, in the privilege period during which the cultural arts institution receives the tax credit transfer certificate from the director, to another person who may apply the credit against a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5.

b. The cultural arts institution shall not sell or assign, including a collateral assignment, a tax credit transfer certificate allowed under this section for consideration received by the cultural arts institution of less than 85 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The tax credit transfer certificate issued to a cultural arts institution by the director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to P.L.2023, c.197 (C.34:1B-383 et al.) and any other terms and conditions that the director may prescribe; provided, however, that the holder of a tax credit certificate may transfer all or part of the tax credit amount, on or after the date of issuance of the tax credit transfer certificate, for use by the transferee in the tax period for which it was issued, and the transferee may first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in this subsection, without the need to amend the tax return for the tax period for which the credit was issued, subject to the provisions of this section. A transferee

1 may carry forward **【all or part of the tax】** an unused credit
2 **【amount】** for use in any of the next five successive tax periods, and
3 the unused credit shall expire thereafter. Notwithstanding any
4 provision of this section to the contrary, the amount of tax credits
5 that may be claimed by the transferee in any tax period shall not
6 exceed the total tax credit amount divided by the duration of the
7 eligibility period in years.

8 c. A purchaser or assignee of a tax credit transfer certificate
9 pursuant to this section shall not make any subsequent transfers,
10 assignments, or sales of the tax credit transfer certificate.

11 d. The authority shall publish on its Internet website the
12 following information concerning each tax credit transfer certificate
13 approved by the authority and the director pursuant to this section:

14 (1) the name of the transferor;

15 (2) the name of the transferee;

16 (3) the value of the tax credit transfer certificate;

17 (4) the State tax against which the transferee may apply the tax
18 credit; and

19 (5) the consideration received by the transferor.

20 (cf: P.L.2023, c.197, s.10)

21
22 9. Section 11 of P.L.2023, c.197 (C.34:1B-393) is amended to
23 read as follows:

24 11. a. Notwithstanding the provisions of the "Administrative
25 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
26 contrary, the chief executive officer of the authority shall, in
27 consultation with the New Jersey State Council on the Arts, adopt,
28 immediately upon filing with the Office of Administrative Law,
29 such rules and regulations as the chief executive officer deems
30 necessary to implement the provisions of P.L.2023, c.197 (C.34:1B-
31 383 et al.), which rules and regulations shall be effective for a
32 period not to exceed 365 days after the date of the filing. Before
33 the expiration of the rules and regulations, the chief executive
34 officer, in consultation with the New Jersey State Council on the
35 Arts, shall amend, adopt, or readopt the rules and regulations in
36 accordance with the requirements of the "Administrative Procedure
37 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

38 b. Notwithstanding the provisions of the "Administrative
39 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
40 contrary, the chief executive officer of the authority shall, in
41 consultation with the New Jersey State Council on the Arts, adopt,
42 immediately upon filing with the Office of Administrative Law,
43 such rules and regulations as the chief executive officer deems
44 necessary to implement the provisions of P.L. , c. (pending
45 before the Legislature as this bill), which rules and regulations shall
46 be effective for a period not to exceed 365 days after the date of the
47 filing. Before the expiration of the rules and regulations, the chief
48 executive officer, in consultation with the New Jersey State Council
49 on the Arts, shall amend, adopt, or readopt the rules and regulations

1 in accordance with the requirements of the "Administrative
2 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
3 (cf: P.L.2023, c.197, s.11)
4

5 10. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
6 read as follows:

7 98. a. The combined value of all tax credits awarded under the
8 "Historic Property Reinvestment Act," sections 2 through 8 of
9 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
10 "Brownfields Redevelopment Incentive Program Act," sections 9
11 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
12 the "New Jersey Innovation Evergreen Act," sections 20 through 34
13 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
14 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
15 (C.34:1B-303 through 34:1B-310); [the "New Jersey Community-
16 Anchored Development Act," sections 43 through 53 of P.L.2020,
17 c.156 (C.34:1B-311 through 34:1B-321);] the "New Jersey Aspire
18 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
19 322 through 34:1B-335); the "Emerge Program Act," sections 68
20 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
21 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
22 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); and the "Next
23 New Jersey Program Act," P.L.2024, c.49 (C.34:1B-362 et seq.)
24 shall not exceed an overall cap of \$11.5 billion over a nine-year
25 period, subject to the conditions and limitations set forth in this
26 section. Of this \$11.5 billion, \$2.5 billion shall be reserved for
27 transformative projects approved under the Aspire Program.

28 b. (1) The total value of tax credits awarded under any
29 constituent program of the "New Jersey Economic Recovery Act of
30 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
31 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), and
32 the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-362
33 et seq.), shall be subject to the following limitations, except as
34 otherwise provided in subsection c. of this section:

35 (a) for tax credits awarded under the "Historic Property
36 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
37 (C.34:1B-270 through 34:1B-276), the total value of tax credits
38 annually awarded during each of the first six years of the nine-year
39 period shall not exceed \$50 million;

40 (b) for tax credits awarded under the "Brownfields
41 Redevelopment Incentive Program Act," sections 9 through 19 of
42 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
43 of tax credits annually awarded during each of the first six years of
44 the nine-year period shall not exceed \$50 million;

45 (c) for tax credits awarded under the "New Jersey Innovation
46 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
47 (C.34:1B-288 through 34:1B-302), the total value of tax credits
48 annually awarded during each of the first six years of the nine-year
49 period shall not exceed \$60 million and the total value of tax credits

1 awarded over the entirety of the nine-year period shall not exceed
2 \$300,000,000;

3 (d) for tax credits awarded under the "Food Desert Relief Act,"
4 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
5 34:1B-310), the total value of tax credits annually awarded during
6 each of the first six years of the nine-year period shall not exceed
7 \$40 million;

8 (e) for tax credits awarded under the ["New Jersey Community-
9 Anchored Development Act," sections 43 through 53 of P.L.2020,
10 c.156 (C.34:1B-311 through 34:1B-321), and the] "Cultural Arts
11 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
12 total value of tax credits awarded during the nine-year period shall
13 not exceed \$1,200,000,000; [provided, however, tax credits shall
14 not be available under the "New Jersey Community-Anchored
15 Development Act," sections 43 through 53 of P.L.2020, c.156
16 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
17 Beginning January 1, 2026, the authority shall annually award tax
18 credits under the "New Jersey Community-Anchored Development
19 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
20 through 34:1B-321), valuing no greater than \$130 million for
21 projects located in the 13 northern counties of the State, and the
22 authority shall annually award tax credits valuing no greater than
23 \$70 million for projects located in the eight southern counties of the
24 State. If during any year of operation of the "New Jersey
25 Community-Anchored Development Act," sections 43 through 53 of
26 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
27 awards tax credits pursuant to the program in an amount less than
28 the annual limitation for projects located in northern counties or
29 southern counties, as applicable, the uncommitted portion of the
30 annual limitation shall be available to be deployed by the authority
31 in a subsequent year without consideration to the county in which a
32 project is located;]

33 (f) for tax credits awarded under the "New Jersey Aspire
34 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
35 322 through 34:1B-335), and the "Emerge Program Act," sections
36 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
37 including tax credits awarded for transformative projects, the total
38 value of tax credits annually awarded during each of the first six
39 years of the nine-year period shall not exceed \$1.1 billion. If the
40 authority awards tax credits in an amount less than the annual
41 limitation, then the uncommitted portion of the annual limitation
42 shall be made available for qualified offshore wind projects
43 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
44 pursuant to subparagraph (h) of this paragraph, projects awarded a
45 tax credit pursuant to the "Next New Jersey Program Act,"
46 P.L.2024, c.49 (C.34:1B-362 et seq.), pursuant to subparagraph (k)
47 of this paragraph ², cultural arts institutions awarded a tax credit
48 pursuant to the "Cultural Arts Incentives Program Act," P.L.2023,

1 c.197 (C.34:1B-383 et al.), pursuant to subparagraph (l) of this
2 paragraph², or New Jersey studio partners, New Jersey film-lease
3 production companies, and taxpayers, other than New Jersey studio
4 partners and New Jersey film-lease production companies awarded
5 under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and
6 C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and
7 subsection d. of this section. During each of the first six years of
8 the nine-year period, the authority shall annually award tax credits
9 valuing no greater than \$715 million for projects located in the
10 northern counties of the State, and the authority shall annually
11 award tax credits valuing no greater than \$385 million for projects
12 located in the southern counties of the State under the "New Jersey
13 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
14 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
15 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
16 during any of the first six years of the nine-year period, the
17 authority awards tax credits under the "New Jersey Aspire Program
18 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
19 through 34:1B-335), and the "Emerge Program Act," sections 68
20 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
21 less than the annual limitation for projects located in northern
22 counties or southern counties, as applicable, the uncommitted
23 portion of the annual limitation shall be available to be deployed by
24 the authority in a subsequent year, provided that the uncommitted
25 portion of tax credits shall be awarded for projects located in the
26 applicable geographic area, except that (i) after the completion of
27 the third year of the nine-year period, the authority may deploy 50
28 percent of the uncommitted portion of tax credits for any previous
29 year without consideration to the county in which a project is
30 located; and (ii) after the completion of the sixth year of the nine-
31 year period, the authority may deploy all available tax credits,
32 including the uncommitted portion of the annual limitation for any
33 previous year, without consideration to the county in which a
34 project is located;

35 (g) except as provided in subparagraph (j) of this paragraph, for
36 tax credits awarded for transformative projects under the "New
37 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
38 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
39 credits awarded during the nine-year period shall not exceed \$2.5
40 billion. The total value of tax credits awarded for transformative
41 projects in a given year shall not be subject to an annual limitation,
42 except that the total value of tax credits awarded to any
43 transformative project shall not exceed \$400 million;

44 (h) from the tax credits made available, pursuant to
45 subparagraph (f) of this paragraph, to the "New Jersey Aspire
46 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
47 322 through 34:1B-335), and the "Emerge Program Act," sections
48 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
49 including tax credits awarded for transformative projects, an

1 amount not to exceed \$350,000,000 shall be made available for
2 qualified offshore wind projects awarded a credit pursuant to
3 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
4 years of the nine-year period;

5 (i) beginning in fiscal year 2023, from the tax credits made
6 available, pursuant to subparagraph (f) of this paragraph, to the
7 "New Jersey Aspire Program Act," sections 54 through 67 of
8 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
9 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
10 (C.34:1B-336 et al.), not including tax credits awarded for
11 transformative projects, additional amounts shall be made available
12 for New Jersey studio partners, New Jersey film-lease production
13 companies, and taxpayers, other than New Jersey studio partners
14 and New Jersey film-lease production companies pursuant to
15 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
16 12b);

17 (j) beginning in fiscal year 2024, from the tax credits made
18 available, pursuant to subparagraph (f) of this paragraph, to the
19 "New Jersey Aspire Program Act," sections 54 through 67 of
20 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
21 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
22 336 et al.), not including tax credits awarded for transformative
23 projects, an amount not to exceed \$500,000,000 may be annually
24 transferred for the award to transformative projects under the "New
25 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
26 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
27 remaining allocation of tax credits otherwise available for
28 transformative projects, pursuant to subparagraph (g) of this
29 paragraph, is less than \$1,000,000,000; and (ii) the authority board
30 determines that the transfer of tax credits is warranted based on
31 such criteria as the authority deems appropriate, which may include
32 the criteria set forth in paragraph (2) of this subsection. If a transfer
33 of tax credits is made pursuant to this subparagraph, the authority
34 shall award no greater than 65 percent of the tax credits transferred
35 pursuant to this subparagraph to transformative projects located in
36 the northern counties of the State and no greater than 35 percent of
37 the tax credits transferred pursuant to this subparagraph to
38 transformative projects located in the southern counties of the State;
39 ²[and]²

40 (k) beginning in fiscal year 2025, from the tax credits made
41 available, pursuant to subparagraph (f) of this paragraph, to the
42 "New Jersey Aspire Program Act," sections 54 through 67 of
43 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
44 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
45 336 et al.), but not including tax credits awarded for transformative
46 projects, an amount not to exceed \$500,000,000 shall be made
47 available for projects awarded a tax credit pursuant to the "Next
48 New Jersey Program Act," P.L.2024, c.49 (C.34:1B-362 et seq.)²;
49 and

1 (l) beginning in fiscal year 2026, from the tax credits made
2 available, pursuant to subparagraph (f) of this paragraph, to the
3 "New Jersey Aspire Program Act," sections 54 through 67 of
4 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
5 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
6 336 et al.), but not including tax credits awarded for transformative
7 projects, an amount not to exceed \$500,000,000 shall be made
8 available for cultural arts institutions awarded a tax credit pursuant
9 to the "Cultural Arts Incentives Program Act," P.L.2023, c.197
10 (C.34:1B-383 et al.)².

11 (2) The authority may in any given year determine that it is in
12 the State's interest to approve an amount of tax credits in excess of
13 the annual limitations set forth in paragraph (1) of this subsection,
14 but in no event more than \$200,000,000 in excess of the annual
15 limitation, upon a determination by the authority board that such
16 increase is warranted based on specific criteria that may include:

17 (i) the increased demand for opportunities to create or retain
18 employment and investment in the State as indicated by the volume
19 of project applications and the amount of tax credits being sought
20 by those applications;

21 (ii) the need to protect the State's economic position in the event
22 of an economic downturn;

23 (iii) the quality of project applications and the net economic
24 benefit to the State and municipalities associated with those
25 applications;

26 (iv) opportunities for project applications to strengthen or protect
27 the competitiveness of the State under the prevailing market
28 conditions;

29 (v) enhanced access to employment and investment for
30 underserved populations in distressed municipalities and qualified
31 incentives tracts;

32 (vi) increased investment and employment in high-growth
33 technology sectors and in projects that entail collaboration with
34 education institutions in the State;

35 (vii) increased development proximate to mass transit facilities;

36 (viii) any other factor deemed relevant by the authority.

37 c. In the event that the authority in any year approves projects
38 for tax credits in an amount less than the annual limitations set forth
39 in paragraph (1) of subsection b. of this section, then the
40 uncommitted portion of the annual limitation shall be available to
41 be deployed by the authority in future years for projects under the
42 same program; provided however, that in no event shall the
43 aggregate amount of tax credits approved be in excess of the overall
44 cap of \$11.5 billion, and in no event shall the uncommitted portion
45 of the annual limitation for any previous year be deployed after the
46 conclusion of the nine-year period.

47 d. Notwithstanding the provisions of any other law to the
48 contrary, the uncommitted balance of the total value of tax credits
49 authorized for award by the authority pursuant to subparagraph (f)

1 of paragraph (1) of subsection b. of this section to the "New Jersey
2 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
3 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
4 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
5 available for tax credits allowed to New Jersey studio partners, New
6 Jersey film-lease production companies, and taxpayers, other than
7 New Jersey studio partners and New Jersey film-lease production
8 companies pursuant to sections 1 and 2 of P.L.2018, c.56
9 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
10 including tax credits allowed through the granting of tax credit
11 transfer certificates, made available to New Jersey studio partners,
12 New Jersey film-lease production companies, and taxpayers, other
13 than New Jersey studio partners and New Jersey film-lease
14 production companies pursuant to this subsection shall be as
15 follows:

16 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
17 partners and \$250,000,000 for New Jersey film-lease production
18 companies;

19 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
20 partners and \$250,000,000 for New Jersey film-lease production
21 companies; and

22 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
23 partners, \$250,000,000 for New Jersey film-lease production
24 companies, and \$300,000,000 for taxpayers, other than New Jersey
25 studio partners and New Jersey film-lease production companies.

26 If the value of tax credits, including tax credits allowed through
27 the granting of tax credit transfer certificates, approved to New
28 Jersey studio partners and New Jersey film-lease production
29 companies in any fiscal year pursuant to this subsection is less than
30 the cumulative total amount of tax credits permitted to be approved
31 in that fiscal year, the authority shall certify the amount of the
32 remaining tax credits available for approval to each such category
33 in that fiscal year, and shall increase the cumulative total amount of
34 tax credits permitted to be approved for New Jersey studio partners
35 and New Jersey film-lease production companies in the subsequent
36 fiscal year by the certified amount remaining for each such category
37 from the prior fiscal year.

38 (cf: P.L.2024, c.49, s.10)

39

40 ¹¶11. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended
41 to read as follows:

42 89. a. The Director of the Division of Taxation in the Department
43 of the Treasury may purchase unused tax credits awarded under a
44 program listed in subsection b. of this section, including tax credit
45 transfer certificates issued by the director in lieu of a tax credit
46 allowed under such programs. The director shall not pay
47 consideration in excess of 75 percent of the credit amount to be
48 purchased, except for a credit awarded under the "Emerge Program
49 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et

1 al.), which shall be subject to the provisions of paragraph (4) of
2 subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345).

3 b. The Director of the Division of Taxation in the Department
4 of the Treasury may purchase tax credits awarded under the
5 following:

6 (1) the "Historic Property Reinvestment Act," sections 1 through
7 8 of P.L.2020, c.156 (C.34:1B-269 through C.34:1B-276);

8 (2) the "Brownfield Redevelopment Incentive Program Act,"
9 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
10 C.34:1B-287);

11 (3) the "New Jersey Innovation Evergreen Act," sections 20
12 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

13 (4) the "Food Desert Relief Act," sections 35 through 42 of
14 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

15 (5) **the "New Jersey Community-Anchored Development Act,"**
16 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
17 C.34:1B-321); **】** (Deleted by amendment, P.L. , c.) (pending
18 before the Legislature as this bill)

19 (6) the "New Jersey Aspire Program Act," sections 54 through
20 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

21 (7) the " Emerge Program Act," sections 68 through 81 of
22 P.L.2020, c.156 (C.34:1B-336 et al.);

23 (8) the Grow New Jersey Assistance Program established
24 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

25 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

26 (10) the State Economic Redevelopment and Growth Grant
27 program established pursuant to section 5 of P.L.2009, c.90
28 (C.52:27D-489e);

29 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b); and

30 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b).

31 (cf: P.L.2020, c.156, s.89)**】¹**

32
33 ¹11. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended
34 to read as follows:

35 89. a. The Director of the Division of Taxation in the Department
36 of the Treasury may purchase unused tax credits awarded under a
37 program listed in subsection b. of this section, including tax credit
38 transfer certificates issued by the director in lieu of a tax credit
39 allowed under such programs. The director shall not pay
40 consideration in excess of 75 percent of the credit amount to be
41 purchased, except for a credit awarded under:

42 (1) the "Emerge Program Act," sections 68 through 81 of
43 P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the
44 provisions of paragraph (4) of subsection d. of section 77 of
45 P.L.2020, c.156 (C.34:1B-345);

46 (2) the "New Jersey Aspire Program Act," sections 54 through
47 67of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as
48 amended and supplemented, for which the director shall pay an

1 amount equal to 85 percent of the credit amount, provided that the
 2 issuance date of the tax credit certificate or tax credit transfer
 3 certificate to the developer or the holder of such certificate occurred
 4 at least one year prior to the date of application to the director, and
 5 further provided that, if the application to the director is submitted
 6 after the sixth year of the eligibility period, the amount in excess of
 7 the reasonable and appropriate rate of return on investment that the
 8 developer is required to pay pursuant to subsection c. of section 60
 9 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent; or

10 (3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197
 11 (C.34:1B-383 et al.), for which the director shall pay an amount
 12 equal to 85 percent of the credit amount, provided that the issuance
 13 date of the tax credit certificate or tax credit transfer certificate to
 14 the developer or the holder of such certificate occurred at least one
 15 year prior to the date of application to the director.

16 b. The Director of the Division of Taxation in the Department
 17 of the Treasury may purchase tax credits awarded under the
 18 following:

19 (1) the "Historic Property Reinvestment Act," sections 2 through
 20 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276);

21 (2) the "Brownfield Redevelopment Incentive Program Act,"
 22 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
 23 34:1B-287);

24 (3) the "New Jersey Innovation Evergreen Act," sections 20
 25 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302);

26 (4) the "Food Desert Relief Act," sections 35 through 42 of
 27 P.L.2020, c.156 (C.34:1B-303 through 34:1B-310);

28 (5) **the "New Jersey Community-Anchored Development Act,"**
 29 **sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through**
 30 **34:1B-321);** (Deleted by amendment, P.L. , c.) (pending
 31 before the Legislature as this bill)

32 (6) the "New Jersey Aspire Program Act," sections 54 through
 33 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335);

34 (7) the " Emerge Program Act," sections 68 through 81 of
 35 P.L.2020, c.156 (C.34:1B-336 et al.);

36 (8) the Grow New Jersey Assistance Program established
 37 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

38 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

39 (10) the State Economic Redevelopment and Growth Grant
 40 program established pursuant to section 5 of P.L.2009, c.90
 41 (C.52:27D-489e);

42 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);

43 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b); and

44 (13) the "Cultural Arts Incentives Program Act," P.L.2023,
 45 c.197 (C.34:1B-383 et al.).¹

46 (cf: P.L.2025, c.2, s.9)

47
 48 12. Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is amended to
 49 read as follows:

1 1. a. The New Jersey Economic Development Authority shall
2 adopt rules and regulations requiring that not less than the
3 prevailing wage rate be paid to workers employed in the
4 performance of any construction contract, including contracts for
5 millwork fabrication, undertaken in connection with authority
6 financial assistance or any of its projects, those projects which it
7 undertakes pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.), or
8 undertaken to fulfill any condition of receiving authority financial
9 assistance, including the performance of any contract to construct,
10 renovate or otherwise prepare a facility for operations which are
11 necessary for the receipt of authority financial assistance, unless the
12 work performed under the contract is performed on a facility owned
13 by a landlord of the entity receiving the assistance and less than 35
14 percent of the facility is leased by the entity at the time of the
15 contract and under any agreement to subsequently lease the facility.
16 The prevailing wage rate shall be the rate determined by the
17 Commissioner of Labor and Workforce Development pursuant to
18 the provisions of P.L.1963, c.150 (C.34:11-56.25 et seq.). For the
19 purposes of this section, "authority financial assistance" means any
20 loan, loan guarantee, grant, incentive, tax exemption or other
21 financial assistance that is approved, funded, authorized,
22 administered or provided by the authority to any entity and is
23 provided before, during or after completion of a project, including
24 but not limited to, all authority financial assistance received by the
25 entity pursuant to the "Business Employment Incentive Program
26 Act," P.L.1996, c.26 (C.34:1B-124 et al.) that enables the entity to
27 engage in a construction contract, but this section shall not be
28 construed as requiring the payment of the prevailing wage for
29 construction commencing more than two years after an entity has
30 executed with the authority a commitment letter regarding authority
31 financial assistance and the first payment or other provision of the
32 assistance is received.

33 b. The New Jersey Economic Development Authority shall
34 adopt rules and regulations requiring that not less than the
35 prevailing wage rate be paid to workers employed in the
36 performance of any contract, for construction, demolition,
37 remediation, removal of hazardous substances, alteration, custom
38 fabrication, repair work, or maintenance work, including painting
39 and decorating, or excavation, grading, pile driving, concrete form,
40 or other types of foundation work in connection with the ["New
41 Jersey Community-Anchored Development Act," sections 43
42 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
43 the] "New Jersey Aspire Program Act," sections 54 through 67 of
44 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), and the "New
45 Jersey Emerge Program Act," sections 68 through 81 of P.L.2020,
46 c.156 (C.34:1B-336 et al.). The requirements of this subsection
47 shall apply to any site preparation work performed 24 months prior
48 to and during the incentive eligibility period of any project
49 receiving tax credits under the ["New Jersey Community-Anchored

1 Development Act," sections 43 through 53 of P.L.2020, c.156
2 (C.34:1B-311 through C.34:1B-321), the】 "New Jersey Aspire
3 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
4 322 through C.34:1B-335), and the "New Jersey Emerge Program
5 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et
6 al.), in which there is a continuity of ownership in the site of the
7 redevelopment project, including work undertaken to fulfill any
8 condition of receiving tax credits under the programs. Work that is
9 subject to the requirements of this subsection shall include the
10 performance of any contract for construction, demolition,
11 remediation, removal of hazardous substances, alteration, custom
12 fabrication, repair work, or maintenance work, including painting
13 and decorating, or excavation, grading, pile driving, concrete form,
14 or other types of foundation work undertaken on a facility for
15 operations which are necessary for the receipt of tax credits under
16 the 【"New Jersey Community-Anchored Development Act,"
17 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
18 C.34:1B-321), the】 "New Jersey Aspire Program Act," sections 54
19 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335),
20 and the "New Jersey Emerge Program Act," sections 68 through 81
21 of P.L.2020, c.156 (C.34:1B-336 et al.), unless the work performed
22 under the contract is performed on a facility owned by a landlord of
23 the entity receiving the tax credit and less than 35 percent of the
24 facility is leased by the entity at the time of the contract and under
25 any agreement to subsequently lease the facility. The prevailing
26 wage rate shall be the rate determined by the Commissioner of
27 Labor and Workforce Development pursuant to the provisions of
28 P.L.1963, c.150 (C.34:11-56.25 et seq.), and all contractors and
29 subcontractors subject to the prevailing wage requirement set forth
30 in this section shall be registered with the Department of Labor and
31 Workforce Development pursuant to the provisions of section 5 of
32 P.L.1999, c.238 (C.34:11-56.52). An applicant for tax credits under
33 the 【"New Jersey Community-Anchored Development Act,"
34 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
35 C.34:1B-321), the】 "New Jersey Aspire Program Act," sections 54
36 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335),
37 and the "New Jersey Emerge Program Act," sections 68 through 81
38 of P.L.2020, c.156 (C.34:1B-336 et al.), shall certify under penalty
39 of perjury as part of its application that all construction contracts
40 undertaken on any project in connection with an award under the
41 programs comply with the prevailing wage requirements of this
42 subsection. If at any time the authority determines that the
43 developer made a material misrepresentation regarding compliance
44 with the provisions of this subsection on the developer's
45 application, the developer shall forfeit 35 percent of the tax credits
46 allowed under the programs, and pay to the affected workers back

1 wages in an amount that compensates the workers at the prevailing
2 wage rate for the work performed.
3 (cf: P.L.2020, c.156, s.112)

4
5 ²13. Section 55 of P.L.2020, c.156 (C.34:1B-323) is amended to
6 read as follows:

7 55. As used in sections 54 through 67 of P.L.2020, c.156
8 (C.34:1B-322 through 34:1B-335):

9 "Agency" means the New Jersey Housing and Mortgage Finance
10 Agency established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.).

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

13 "Aviation district" means all areas within the boundaries of the
14 Atlantic City International Airport, established pursuant to section 24
15 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
16 Administration William J. Hughes Technical Center and the area
17 within a one-mile radius of the outermost boundary of the Atlantic
18 City International Airport and the Federal Aviation Administration
19 William J. Hughes Technical Center, and the Trenton-Mercer Airport,
20 established pursuant to R.S.40:8-2 and the area within a one-mile
21 radius of the outermost boundary of the Trenton-Mercer Airport.

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

25 "Building services" means any cleaning or routine building
26 maintenance work, including but not limited to sweeping, vacuuming,
27 floor cleaning, cleaning of rest rooms, collecting refuse or trash,
28 window cleaning, securing, patrolling, or other work in connection
29 with the care or securing of an existing building, including services
30 typically provided by a door-attendant or concierge. "Building
31 services" shall not include any skilled maintenance work, professional
32 services, or other public work for which a contractor is required to pay
33 the "prevailing wage" as defined in section 2 of P.L.1963, c.150
34 (C.34:11-56.26).

35 "Cash flow" means the profit or loss that an investment property
36 earns from rent, deposits, and other fees after financial obligations,
37 such as debt, maintenance, government payments, and other expenses,
38 have been paid.

39 "Collaborative workspace" means coworking, accelerator,
40 incubator, or other shared working environments that promote
41 collaboration, interaction, socialization, and coordination among
42 tenants through the clustering of multiple businesses or individuals.
43 For this purpose, the collaborative workspace shall be the greater of:
44 2,500 of dedicated square feet or 10 percent of the total property on
45 which the redevelopment project is situated. The collaborative
46 workspace shall include a community manager, be focused on
47 collaboration among the community members, and include regularly
48 scheduled education events for the community members. The

1 collaborative workspace shall also include a physical open space that
2 supports the engagement of its community members.

3 "Commercial project" means a redevelopment project, which is
4 predominantly commercial and, if located in a government-restricted
5 municipality, contains 25,000 or more square feet, or if located in any
6 other municipality, contains 50,000 or more square feet of office and
7 retail space, industrial space, or film studios, professional stages,
8 television studios, recording studios, screening rooms, or other
9 infrastructure for film production, and may include a parking
10 component. The term "commercial project" includes a redevelopment
11 project comprised solely of a health care or health services center,
12 which contains not less than 10,000 square feet devoted to health care
13 or health services, and which may include a parking component. The
14 term "commercial project" also includes an industrial space that is
15 predominantly used for warehouse distribution or fulfillment centers if
16 the eligible project cost includes at least \$10,000,000 in environmental
17 remediation costs.

18 "Developer" means a person who enters or proposes to enter into
19 an incentive award agreement pursuant to the provisions of section 60
20 of P.L.2020, c.156 (C.34:1B-328), including, but not limited, to a
21 lender that completes a redevelopment project, operates a
22 redevelopment project, or completes and operates a redevelopment
23 project.

24 "Director" means the Director of the Division of Taxation in the
25 Department of the Treasury.

26 "Distressed municipality" means a municipality that is qualified to
27 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 Act
30 (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 serious
33 fiscal distress, a SDA municipality, or a municipality in which a major
34 rail station is located.

35 "Economic development incentive" means a financial incentive,
36 awarded by the authority, or agreed to between the authority and a
37 business or person, for the purpose of stimulating economic
38 development or redevelopment in New Jersey, including, but not
39 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
40 credit, or other tax expenditure.

41 "Eligibility period" means the period not to exceed 10 years, as
42 specified in an incentive award agreement during which a developer
43 may claim a tax credit under the program, as such period shall be
44 determined by the authority pursuant to subsection b. of section 60 of
45 P.L.2020, c.156 (C.34:1B-328), provided that a developer may elect a
46 period not to exceed five years for a project located in a government-
47 restricted municipality or for a special mission non-profit project.

48 "Enhanced area" means (1) a municipality that contains an urban
49 transit hub, as defined in section 2 of P.L.2007, c.346 (C.34:1B-208);

(2) the five municipalities with the highest poverty rates according to the 2017 Municipal Revitalization Index; and (3) the three municipalities with the highest percentage of SNAP recipients according to the 2017 Municipal Revitalization Index.

"Environmental remediation costs" means any costs incurred by a developer in the completion of any actions necessary to investigate, clean up, or respond to a known, suspected, or threatened discharge of contaminants, including, as necessary, the preliminary assessment, site investigation, remedial investigation, and remedial action, pursuant to sections 23 through 43 and section 45 of P.L.1993, c.139 (C.58:10B-1 et seq.).

"Food delivery source" means access to nutritious foods, such as fresh fruits and vegetables, through grocery operators, including, but not limited to a full-service supermarket or grocery store, and other healthy food retailers of at least 16,000 square feet, including, but not limited to, a prepared food establishment selling primarily nutritious ready-to-serve meals.

"Food desert community" means a physically contiguous area in the State in which residents have limited access to nutritious foods, such as fresh fruits and vegetables, and that has been designated as a food desert community pursuant to subsection b. of section 38 of P.L.2020, c.156 (C.34:1B-306).

"Government-restricted municipality" means a municipality in this State with a municipal revitalization index distress score of at least 75, that met the criteria for designation as an urban aid municipality in the 2019 State fiscal year, and that, on the effective date of P.L.2020, c.156 (C.34:1B-269 et al.), is subject to financial restrictions imposed pursuant to the "Municipal Stabilization and Recovery Act," P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is restricted in its ability to levy property taxes on property in that municipality as a result of the State of New Jersey owning or controlling property representing at least 25 percent of the total land area of the municipality or as a result of the federal government of the United States owning or controlling at least 50 acres of the total land area of the municipality, which is dedicated as a national natural landmark. The term "government-restricted municipality" also includes any municipality that: has a population greater than 50,000 and less than 60,000 according to the latest federal decennial census, is designated as the county seat of a county of the second class with a population greater than 800,000 according to the latest federal decennial census, and has an MRI distress score of 62.1; has a population greater than 70,000 and less than 100,000 according to the latest federal decennial census, is designated as the county seat of a county of the second class with a population greater than 515,000 and less than 525,000 according to the latest federal decennial census, and has an MRI distress score of 100; or contains the intersection of Interstate 280 and the Garden State Parkway, and corresponding land areas occupied by such highways under the ownership or control of the federal government of the United States or of this State within its municipal boundary, and has an MRI distress score of 55.5.

1 "Health care or health services center" means an establishment that
2 consists of not less than 10,000 square feet devoted to health care or
3 health services, where patients are admitted for or seek examination
4 and treatment by one or more physicians, dentists, psychologists, or
5 other medical practitioners, and which is located in a municipality with
6 an MRI distress score of at least 50, a distressed municipality, or a
7 qualified incentive tract, or is located on land owned by the federal
8 government of the United States on or before December 31, 2005.

9 "Hospitality establishment" means a hotel, motel, or any business,
10 however organized, that sells food, beverages, or both for consumption
11 by patrons on the premises.

12 "Incentive area" means an aviation district; a port district; an area
13 designated pursuant to the "State Planning Act," P.L.1985, c.398
14 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan), Planning
15 Area 2 (Suburban), or a Designated Center under the State
16 Development and Redevelopment Plan; an area designated as a
17 brownfield site pursuant to the "Brownfield and Contaminated Site
18 Remediation Act," sections 23 through 43 and section 45 of P.L.1993,
19 c.139 (C.58:10B-1 et seq.); and an area of not less than 100 acres for
20 which a licensed site remediation professional has certified
21 environmental remediation costs, as defined in this section and in
22 accordance with the "Site Remediation Reform Act," sections 1
23 through 29 of P.L.2009, c.60 (C.58:10C-1 et seq.), in an amount not
24 less than \$10,000,000, provided that any portion of such area is located
25 in an area that otherwise qualifies as an incentive area.

26 "Incentive award" means an award of tax credits to reimburse a
27 developer for all or a portion of the project financing gap of a
28 redevelopment project pursuant to the provisions of sections 54
29 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335).

30 "Incentive award agreement" means the contract executed between
31 a developer and the authority pursuant to section 60 of P.L.2020, c.156
32 (C.34:1B-328), which sets forth the terms and conditions under which
33 the developer may receive the incentive awards authorized pursuant to
34 the provisions of sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
35 322 through 34:1B-335).

36 "Incubator facility" means a commercial property, which contains
37 5,000 or more square feet of office, laboratory, or industrial space,
38 which is located near, and presents opportunities for collaboration
39 with, a research institution, teaching hospital, college, or university,
40 and within which at least 75 percent of the gross leasable area is
41 restricted for use by one or more technology startup companies.

42 "Individuals with special needs" means individuals with mental
43 illness, individuals with physical or developmental disabilities, and
44 individuals in other emerging special needs groups identified by the
45 authority, based on guidelines established for the administration of the
46 Special Needs Housing Trust Fund established pursuant to section 1 of
47 P.L.2005, c.163 (C.34:1B-21.25a) or developed in consultation with
48 other State agencies.

1 "Labor harmony agreement" means an agreement between a
2 business that serves as the owner or operator of a retail establishment,
3 hospitality establishment, or distribution center and one or more labor
4 organizations, which requires, for the duration of the agreement: that
5 any participating labor organization and its members agree to refrain
6 from picketing, work stoppages, boycotts, or other economic
7 interference against the business; and that the business agrees to
8 maintain a neutral posture with respect to efforts of any participating
9 labor organization to represent employees at an establishment or other
10 unit in the retail establishment, hospitality establishment, or
11 distribution center, agrees to permit the labor organization to have
12 access to the employees, and agrees to guarantee to the labor
13 organization the right to obtain recognition as the exclusive collective
14 bargaining representatives of the employees in an establishment or unit
15 at the retail establishment, hospitality establishment, or distribution
16 center by demonstrating to the New Jersey State Board of Mediation,
17 Division of Private Employment Dispute Settlement, or a mutually
18 agreed-upon, neutral, third party that a majority of workers in the unit
19 have shown their preference for the labor organization to be their
20 representative by signing authorization cards indicating that
21 preference. The labor organization or organizations shall be from a list
22 of labor organizations which have requested to be on the list and which
23 the Commissioner of Labor and Workforce Development has
24 determined represent substantial numbers of retail establishment,
25 hospitality establishment, or distribution center employees in the State.

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

33 "Major cultural institution" means a public or nonprofit institution,
34 not including an institution of higher education, within this State that
35 engages in the cultural, intellectual, scientific, environmental,
36 educational, or artistic enrichment of the people of this State, and
37 which institution is designated by the board as a major cultural
38 institution.

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

43 "Minimum environmental and sustainability standards" means
44 standards established by the authority in accordance with the green
45 building manual prepared by the Commissioner of Community Affairs
46 pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6), regarding
47 the use of renewable energy, energy-efficient technology, and non-
48 renewable resources to reduce environmental degradation and
49 encourage long-term cost reduction.

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

8 "MRI distress score" means a municipal revitalization index
9 distress score, as documented in the 2023 Municipal Revitalization
10 Index developed by the Department of Community Affairs.

11 "Municipal Revitalization Index" means the index by the
12 Department of Community Affairs ranking New Jersey's
13 municipalities according to eight separate indicators that measure
14 diverse aspects of social, economic, physical, and fiscal conditions in
15 each locality.

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

18 the "Port of New York District" of the Port Authority of New York
19 and New Jersey, as defined in Article II of the Compact Between the
20 States of New York and New Jersey of 1921; or

21 a 15-mile radius of the outermost boundary of each marine
22 terminal facility established, acquired, constructed, rehabilitated, or
23 improved by the South Jersey Port District established pursuant to
24 "The South Jersey Port Corporation Act," P.L.1968, c.60 (C.12:11A-1
25 et seq.).

26 "Program" means the New Jersey Aspire Program established by
27 section 56 of P.L.2020, c.156 (C.34:1B-324).

28 "Project cost" or "eligible project cost" means the costs incurred in
29 connection with a redevelopment project by a developer until the
30 issuance of a permanent certificate of occupancy, or until such other
31 time specified by the authority, for a specific investment or
32 improvement, including the costs relating to lands, except the cost of
33 acquiring such lands, buildings, improvements, real or personal
34 property, or any interest therein, including leases discounted to present
35 value, including lands under water, riparian rights, space rights, and air
36 rights acquired, owned, developed or redeveloped, constructed,
37 reconstructed, rehabilitated, or improved, any environmental
38 remediation costs, plus costs not directly related to construction,
39 including capitalized interest paid to third parties, of an amount not to
40 exceed 20 percent of the total costs and the cost of infrastructure
41 improvements, including ancillary infrastructure projects. When 100
42 percent of the residential units constructed in a residential project are
43 reserved for occupancy by low- and moderate-income households, the
44 term "project cost" shall also include the developer fees paid before
45 acquiring permanent financing, as well as the deferred developer fees
46 approved pursuant to the rules established by the agency. In addition
47 to the foregoing, the term "project cost" shall include, for a
48 redevelopment project located in a government-restricted municipality,
49 land costs in an amount not to exceed 20 percent of the eligible project

1 cost. The fees associated with the application or administration of a
2 grant under sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
3 through 34:1B-335) shall not constitute a project cost.

4 "Project financing gap" means the part of the total project cost,
5 including reasonable and appropriate return on investment, that
6 remains to be financed after all other sources of capital have been
7 accounted for, including, but not limited to developer contributed
8 capital, which shall not be less than 20 percent of the total project cost,
9 and investor or financial entity capital or loans for which the
10 developer, after making all good faith efforts to raise additional
11 capital, certifies that additional capital cannot be raised from other
12 sources on a non-recourse basis, provided, however, that for a
13 redevelopment project located in a government-restricted municipality,
14 the developer contributed capital shall not be less than 10 percent of
15 the total project cost. Developer contributed capital may consist of
16 cash, deferred development fees, costs for project feasibility incurred
17 within the 12 months prior to application, property value less any
18 mortgages when the developer owns the project site, and any other
19 investment by the developer in the project deemed acceptable by the
20 authority, as provided by regulations promulgated by the authority.
21 Property value shall be valued at the lesser of: (i) the purchase price,
22 provided the property was purchased pursuant to an arm's length
23 transaction within 12 months of application; or (ii) the value as
24 determined by a current appraisal.

25 "Project labor agreement" means a form of pre-hire collective
26 bargaining agreement covering terms and conditions of a specific
27 project that satisfies the requirements set forth in section 5 of
28 P.L.2002, c.44 (C.52:38-5).

29 "Qualified incentive tract" means a population census tract having
30 a poverty rate of 20 percent or more or a census tract in which the
31 median family income for the census tract does not exceed 80 percent
32 of the greater of the Statewide median family income or the median
33 family income of the metropolitan statistical area in which the census
34 tract is situated.

35 "Quality childcare facility" is a child care center licensed by the
36 Department of Children and Families or a registered family child care
37 home with the Department of Human Services, operating
38 continuously, which has not been subject to an enforcement action,
39 and which has and maintains a licensed capacity for children age 13
40 years or younger who attend for less than 24 hours a day.

41 "Reasonable and appropriate return on investment" means the
42 discount rate at which the present value of the future cash flows of an
43 investment equals the cost of the investment. In determining the
44 "reasonable and appropriate return on investment," an investment shall
45 not include any federal, State, or local tax credits. For a residential
46 project that utilizes federal low-income housing tax credits awarded by
47 the agency, the "reasonable and appropriate return on investment"
48 shall be based on the approval of deferred developer fees pursuant to
49 the rules established by the agency. In the event that a residential

1 project, which utilizes federal low-income housing tax credits awarded
2 by the agency, generates returns on equity other than federal or local
3 grants or proceeds from the sale of federal or local tax credits, the
4 "reasonable and appropriate return on investment" shall be based on
5 both the discount rate at which the present value of the future cash
6 flows of an investment equal the cost of the investment for the entire
7 project, and when evaluating only the units financed with federal low-
8 income housing tax credits awarded by the agency, the approval of
9 deferred developer fees pursuant to the rules established by the
10 agency.

11 "Redevelopment project" means a specific construction project or
12 improvement or phase of a project or improvement undertaken by a
13 developer, owner or tenant, or both, and any ancillary infrastructure
14 project. A redevelopment project may involve construction or
15 improvement upon lands, buildings, improvements, or real and
16 personal property, or any interest therein, including lands under water,
17 riparian rights, space rights, and air rights, acquired, owned, developed
18 or redeveloped, constructed, reconstructed, rehabilitated, or improved.

19 "Residential project" means a redevelopment project that is
20 predominantly residential, intended for multi-family residency, and
21 may include a parking component.

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

24 "SDA municipality" means a municipality in which an SDA
25 district is situated.

26 "Special mission non-profit project" means a project located in a
27 government-restricted municipality or in an enhanced area that: serves
28 a special mission, as determined by the authority, to accomplish the
29 public purpose of a non-profit that is a developer of or is affiliated
30 with the project and includes no more than 100 units of 100 percent
31 supportive housing units for tenants requiring special needs or social
32 services, which social services may include licensed social workers,
33 and no more than 25,000 square feet of commercial space for the
34 provision of on-site social service programs that require a license from
35 the Department of Children and Families as a licensed child care
36 center. Special mission non-profit projects shall be exempt from the
37 net benefit test requirement, affordable housing requirements, and the
38 requirement to provide a market study as part of its application to the
39 authority.

40 "Technology startup company" means a for-profit business that has
41 been in operation fewer than seven years at the time that it initially
42 occupies or expands in a qualified business facility and is developing
43 or possesses a proprietary technology or business method of a high
44 technology or life science-related product, process, or service, which
45 proprietary technology or business method the business intends to
46 move to commercialization. The business shall be deemed to have
47 begun operation on the date that the business first hired at least one
48 employee in a full-time position.

1 "Total project cost" means the costs incurred in connection with
2 the redevelopment project by the developer until the issuance of a
3 permanent certificate of occupancy, or upon such other event
4 evidencing project completion as set forth in the incentive grant
5 agreement, for a specific investment or improvement.

6 "Tourism destination project" means a non-gaming business
7 facility that will be among the most visited privately owned or
8 operated tourism or recreation sites in the State, and which has been
9 determined by the authority to be in an area appropriate for
10 development and in need of economic development incentive
11 assistance, including a non-gaming business within an established
12 Tourism District with a significant impact on the economic viability of
13 that district.

14 "Transit hub" means an urban transit hub, as defined in section 2 of
15 P.L.2007, c.346 (C.34:1B-208), that is located within an eligible
16 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-208)
17 and is located within a qualified incentive area.

18 "Transit hub municipality" means a Transit Village or a
19 municipality: which qualifies for State aid pursuant to P.L.1978, c.14
20 (C.52:27D-178 et seq.), or which has continued to be a qualified
21 municipality thereunder pursuant to P.L.2007, c.111, and in which 30
22 percent or more of the value of real property was exempt from local
23 property taxation during tax year 2006. The percentage of exempt
24 property shall be calculated by dividing the total exempt value by the
25 sum of the net valuation which is taxable and that which is tax exempt.

26 "Transit Village" means a municipality that has been designated as
27 a transit village by the Commissioner of Transportation and the Transit
28 Village Task Force.²

29 (cf: P.L.2025, c.2, s.1)

30
31 ²14. Section 65 of P.L.2020, c.156 (C.34:1B-333) is amended to
32 read as follows:

33 65. a. As used in this section, "transformative project" means a
34 redevelopment project: that has a project financing gap; that has a total
35 project cost of at least \$150,000,000; that includes 200,000 or more
36 square feet of new or substantially renovated industrial, commercial,
37 or residential space for a project located in a government-restricted
38 municipality, that includes 250,000 or more square feet of film studios,
39 professional stages, television studios, recording studios, screening
40 rooms, or other infrastructure for film production, that includes
41 300,000 or more square feet of new or substantially renovated
42 industrial, commercial, or residential space for a project located in an
43 enhanced area, or that includes 500,000 or more square feet of new or
44 substantially renovated industrial, commercial, or residential space for
45 any other project; and, for a commercial project, that is of special
46 economic importance as measured by the level of new jobs, new
47 capital investment, opportunities to leverage leadership in a high-
48 priority targeted industry, or other state priorities as determined by the
49 authority pursuant to rules and regulations promulgated to implement

1 this section. Notwithstanding the provisions of subsection b. of
2 section 14 of P.L.2023, c.98 (C.34:1B-335.1) to the contrary, for
3 applications submitted on and after the effective date of P.L.2023, c.98
4 (C.34:1B-335.1 et al.), if the redevelopment project is located entirely
5 on land designated by the Department of Environmental Protection as
6 a brownfield development area pursuant to section 7 of P.L.2005,
7 c.223 (C.58:10B-25.1), and the eligible project cost of the
8 redevelopment project includes at least \$15,000,000 in environmental
9 remediation costs, the redevelopment project shall constitute a project
10 of special economic importance. For applications submitted on or
11 after the effective date of P.L. , c. (pending before the Legislature
12 as this bill), the redevelopment project shall constitute a project of
13 special economic importance if the redevelopment project is a health
14 care or health services center that: is associated with, and located on,
15 the same complex as a new or existing university, academic, or
16 medical research center, institution, or facility; is an establishment that
17 is associated with a National Cancer Institute Designated
18 Comprehensive Cancer Center that is engaged in cancer research; is a
19 transformative expansion of healthcare services by an academic
20 medical and research center located in a distressed municipality that is
21 adjacent to existing clinical facilities; or is a project located at a State-
22 designated trauma center. A transformative project may be completed
23 in phases, which phases may be determined by the authority based on
24 factors such as written architectural plans and specifications completed
25 before or during the physical work, certificates of occupancy, or
26 financial and operational plans. The criteria developed by the
27 authority shall include, but shall not be limited to:

28 (1) the extent to which the proposed transformative project would
29 create modern facilities that enhance the State's competitiveness in
30 attracting targeted industries;

31 (2) (a) for a residential project, the construction of 700 or more
32 new residential units;

33 (b) for a mixed-use residential project containing fewer than 700
34 new residential units:

35 (i) the construction of 200 or more new residential units if the
36 project is located in a government-restricted municipality, 300 or more
37 new residential units if the project is located in an enhanced area, or
38 400 or more new residential units for all other mixed-use projects; and

39 (ii) the construction of 30,000 square feet or more of commercial
40 space, which commercial space may include retail space; and

41 (c) (Deleted by amendment, P.L.2025, c.2)

42 (d) for a residential project, 20 percent of the new residential units
43 shall be constructed for occupancy by low- and moderate-income
44 households with affordability controls as adopted by the authority, in
45 consultation with the agency, in accordance with paragraph (2) of
46 subsection a. of section 56 of P.L.2020, c.156 (C.34:1B-324), except
47 that a residential project receiving a federal historic rehabilitation tax
48 credit pursuant to section 47 of the federal Internal Revenue Code of
49 1986, 26 U.S.C. s.47, or a tax credit pursuant to the "Historic Property

1 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-
2 270 through 34:1B-276), shall be exempt from the affordability
3 controls related to bedroom distribution; and

4 (3) the extent to which the proposed project would leverage the
5 competitive economic development advantages of the State's mass
6 transit assets, higher education assets, and other economic
7 development assets in attracting or retaining both employers and
8 skilled workers generally or in targeted industries.

9 A "transformative project" shall not include a redevelopment
10 project at which more than 50 percent of the premises is occupied by
11 one or more businesses engaged in final point of sale retail.

12 b. (1) The authority may award incentive awards to transformative
13 projects in accordance with the provisions of sections 55 through 67 of
14 P.L.2020, c.156 (C.34:1B-323 through 34:1B-335).

15 (2) (a) For transformative projects completed in phases, the
16 developer shall enter into a transformative phase agreement with the
17 authority.

18 (b) As used in this subsection, "transformative phase agreement"
19 shall mean a sub-agreement of the incentive award agreement that
20 governs the timing, capital investment, and other applicable details of
21 the respective phase of a phased project.

22 (3) Notwithstanding the provisions of section 57 of P.L.2020,
23 c.156 (C.34:1B-325), or any other section of P.L.2020, c.156
24 (C.34:1B-269 et al.) to the contrary, a transformative project shall be
25 completed, and the developer shall be issued a certificate of occupancy
26 for the transformative project facilities by the applicable enforcing
27 agency, within five years of executing the incentive award agreement,
28 except that the authority may, in its discretion, extend this deadline by
29 up to one additional year. For transformative projects completed in
30 phases, the transformative project shall be completed, and the
31 developer shall be issued certificates of occupancy for all phases of the
32 transformative project facilities by the applicable enforcing agency,
33 within 10 years of executing either the incentive award agreement or
34 the first transformative phase agreement corresponding to the
35 transformative project.

36 (4) Notwithstanding the provisions of sections 55 and 60 of
37 P.L.2020, c.156 (C.34:1B-323 and C.34:1B-328), or any other section
38 of P.L.2020, c.156 (C.34:1B-269 et al.) to the contrary, each phase of a
39 transformative project completed in phases shall have a separate
40 eligibility period. After completing each phase, the developer shall
41 submit a certification that the phase is completed. If the authority
42 approves the certification, the tax credit allowed to the developer shall
43 be increased by the tax credit amount corresponding to that phase.
44 Notwithstanding the different eligibility periods for each phase, all
45 conditions and requirements applicable during an eligibility period
46 pursuant to sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323
47 through 34:1B-335) shall apply to the entire transformative project
48 until the end of the eligibility period for the last phase.

1 (5) Notwithstanding the provisions of section 60 of P.L.2020,
2 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
3 (C.34:1B-269 et al.) to the contrary, for a transformative project
4 completed in phases, a review of the project financing gap shall be
5 performed at the certification of completion of each phase, and the
6 authority shall re-evaluate the developer's rate of return in the seventh
7 year and at the end of the eligibility period for the last phase, provided
8 that the authority may also re-evaluate the developer's rate of return
9 during the fifth year of any earlier phase.

10 (6) A transformative project receiving an incentive award pursuant
11 to this section, other than a project that includes 250,000 or more
12 square feet of film studios, professional stages, television studios,
13 recording studios, screening rooms or other infrastructure for film
14 production, shall be located in an incentive area, a distressed
15 municipality, a government-restricted municipality, or an enhanced
16 area. A transformative project receiving an incentive award pursuant
17 to this section that includes 250,000 or more square feet of film
18 studios, professional stages, television studios, recording studios,
19 screening rooms, or other infrastructure for film production may be
20 located anywhere in the State. The authority shall not consider an
21 application for a transformative project unless the applicant submits
22 with its application a letter evidencing support for the transformative
23 project from the governing body of the municipality in which the
24 transformative project is located.

25 c. The authority shall review the transformative project cost,
26 evaluate and validate the project financing gap estimated by the
27 developer, and conduct a State fiscal impact analysis to ensure that the
28 overall public assistance provided to the transformative project will
29 result in a net positive benefit to the State. In determining whether a
30 transformative project will result in a net positive benefit to the State,
31 the authority shall not consider the value of any taxes exempted,
32 abated, rebated, or retained under the "Five-Year Exemption and
33 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), the "Long
34 Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.), the
35 "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
36 (C.52:27H-60 et seq.), or any other law that has the effect of lowering
37 or eliminating the developer's State or local tax liability. The
38 determination made pursuant to this subsection shall be based on the
39 potential tax liability of the developer without regard for potential tax
40 losses if the developer were to locate in another state. The authority
41 shall assess the cost of these reviews to the applicant. A developer
42 shall pay to the authority the full amount of the direct costs of an
43 analysis concerning the developer's application for an incentive award
44 that a third party retained by the authority performs, if the authority
45 deems such retention to be necessary. The authority shall evaluate the
46 net economic benefits on a present value basis under which the
47 requested tax credit allocation amount is discounted to present value at
48 the same discount rate as the projected benefits from the
49 implementation of the proposed transformative project for which an

1 award of tax credits is being sought. Projects that are predominantly
2 residential or that qualify as special mission non-profit projects shall
3 be excluded from the calculation of the net benefit test required
4 pursuant to this subsection.

5 d. In determining net benefits for any business or person
6 considering locating in a transformative project and applying to
7 receive from the authority any other economic development incentive
8 subsequent to the award of transformative project tax credits pursuant
9 to section 65 of P.L.2020, c.156 (C.34:1B-333), the authority shall not
10 credit the business or person with any benefit that was previously
11 credited to the transformative project pursuant to section 65 of
12 P.L.2020, c.156 (C.34:1B-333).

13 e. The authority shall administer the credits awarded pursuant to
14 this section in accordance with the provisions of sections 62 and 63 of
15 P.L.2020, c.156 (C.34:1B-330 and C.34:1B-331).

16 f. Prior to allocating an incentive award to a developer, the
17 authority shall confirm with the Department of Labor and Workforce
18 Development, the Department of Environmental Protection, and the
19 Department of the Treasury that the developer is in substantial good
20 standing with the respective department, or the developer has entered
21 into an agreement with the respective department that includes a
22 practical corrective action plan, and the developer shall certify that
23 each contractor or subcontractor performing work at the transformative
24 project: (1) is registered as required by "The Public Works Contractor
25 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has not
26 been debarred by the Department of Labor and Workforce
27 Development from engaging in or bidding on Public Works Contracts
28 in the State; and (3) possesses a tax clearance certificate issued by the
29 Division of Taxation in the Department of the Treasury. The authority
30 may also contract with an independent third party to perform a
31 background check on the developer.

32 g. Notwithstanding the limitation on incentive awards set forth in
33 subsection b. of section 61 and section 98 of P.L.2020, c.156
34 (C.34:1B-329 and C.34:1B-362) to the contrary, the authority may
35 allow a developer of a transformative project a tax credit in an amount
36 not to exceed the lesser of:

37 (1) (a) (i) 85 percent of the eligible project cost for a
38 transformative project that is located in a government-restricted
39 municipality, which municipality qualified as a government-restricted
40 municipality prior to the effective date of P.L.2025, c.2 (C.34:1B-
41 335.3 et al.); or

42 (ii) 80 percent of the eligible project cost for a transformative
43 project that is located in a government-restricted municipality, which
44 municipality did not qualify as a government-restricted municipality
45 prior to the effective date of P.L.2025, c.2 (C.34:1B-335.3 et al.);

46 (b) 60 percent of the eligible project cost for a residential
47 transformative project that receives a four-percent allocation from the
48 federal Low Income Housing Tax Credit Program administered by the
49 agency or a transformative project that is located in a qualified

1 incentive tract, enhanced area, or a municipality with a Municipal
2 Revitalization Index score of at least 50; or

3 (c) 50 percent of the eligible project cost for any other
4 transformative project;

5 (2) the total value of the project financing gap; or

6 (3) \$400,000,000 except that for a transformative project that is
7 developed in phases, the \$400,000,000 limitation on incentive awards
8 set forth in this paragraph shall apply to the total aggregate award for
9 all phases of the transformative project.²

10 (cf: P.L.2025, c.2, s.8)

11
12 ²15. Section 6 of P.L.2011, c.149 (C.34:1B-247) is amended to
13 read as follows:

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

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

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

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

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

29 b. (1) A business shall submit an application for tax credits prior
30 to July 1, 2019. The authority shall not approve an application for tax
31 credits unless the application was submitted prior to July 1, 2019.

32 (2) (a) A business shall submit its documentation indicating that it
33 has met the capital investment and employment requirements and all
34 conditions of approvals specified in the incentive agreement for
35 certification of its tax credit amount, to the authority's satisfaction,
36 within three years following the date of approval of its application by
37 the authority. The authority shall have the discretion to grant two six-
38 month extensions of this deadline. If the authority accepts the
39 documentation, the authority shall request that the Division of
40 Taxation in the Department of the Treasury issue a tax credit based on
41 the approved documentation to be used by the business during the
42 eligibility period. Except as provided in subparagraphs (b) and (c) of
43 this paragraph, in no event shall the incentive effective date occur later
44 than four years following the date of approval of an application by the
45 authority.

46 (b) As of the effective date of P.L.2017, c.314, a business which
47 applied for the tax credit prior to July 1, 2014 under P.L.2011, c.149
48 (C.34:1B-242 et al.), shall submit its documentation to the authority no
49 later than July 28, 2019, indicating that it has met the capital

1 investment and employment requirements specified in the incentive
2 agreement for certification of its tax credit amount.

3 (c) If the Governor declares an emergency, then the chief
4 executive officer of the authority shall have the discretion to grant an
5 extension for the duration of the emergency and the board of the
6 authority, upon recommendation of the chief executive officer, may
7 grant two additional six-month extensions; provided that (i) the
8 extensions are due to the economic disruption caused by the
9 emergency; (ii) the project is delayed due to unforeseeable acts related
10 to the project beyond the eligible business's control and without its
11 fault or negligence; (iii) the eligible business is using best efforts, with
12 all due diligence, to proceed with the completion of the project and the
13 submission of the certification; and (iv) the eligible business has made,
14 and continues to make, all reasonable efforts to prevent, avoid,
15 mitigate, and overcome the delay.

16 (3) Full-time employment for an accounting or privilege period
17 shall be determined as the average of the monthly full-time
18 employment for the period.

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

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

26 The credit amount may be taken by the tax certificate holder for
27 the tax period for which it was issued or may be carried forward for
28 use by the tax certificate holder in any of the next 20 successive tax
29 periods and shall expire thereafter. The tax certificate holder may
30 transfer the tax credit amount on or after the date of issuance or at any
31 time after the date of issuance for use by the transferee in the tax
32 period for which it was issued or in any of the next 20 successive tax
33 periods. In the case of a tax certificate received after the end of the tax
34 period for which the tax certificate was issued, whether by transfer or
35 original issuance, a tax certificate holder or transferee shall not be
36 required to amend the tax return for the tax period for which the tax
37 certificate was issued or any successive tax period if the credit is first
38 applied in the tax period in which it was issued or in a succeeding tax
39 period, as authorized in subsection k. of this section, and subject to the
40 carry-forward provision in this section. Notwithstanding the
41 foregoing, no more than the amount of tax credits equal to the total
42 credit amount, divided by the duration of the eligibility period, in
43 years, may be taken in any tax period.

44 A business may elect to suspend its obligations for the 2020, 2021,
45 2022, 2023, or 2024 tax period, or any combination thereof, **【**due to
46 the COVID-19 pandemic,**】** provided that the business shall make such
47 election in writing to the authority **【**before the issuance of the tax
48 credit for the corresponding tax year**】** no later than December 31, 2025

1 and such suspension shall extend the term of the eligibility period by a
2 corresponding amount of time. The authority shall amend the incentive
3 agreement, and the business shall execute the amended incentive
4 agreement within the time period provided by the authority. The
5 amended incentive agreement shall provide that the failure to submit
6 the annual report due to the suspension shall not be a forfeiture or an
7 uncertified tax period.

8 (2) Credits granted to a partnership shall be passed through to the
9 partners, members, or owners, respectively, pro-rata or pursuant to an
10 executed agreement among the partners, members, or owners
11 documenting an alternate distribution method provided to the Director
12 of the Division of Taxation in the Department of the Treasury
13 accompanied by any additional information as the director may
14 require.

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

20 (4) In order to respond to the profoundly negative impact of the
21 COVID-19 pandemic on the State's economy and finances, the
22 authority may request a tax certificate holder, at the tax certificate
23 holder's discretion, to defer the application of a credit amount allowed
24 pursuant to this section to a later tax period. Upon request, the
25 authority and the tax certificate holder shall negotiate the terms of the
26 deferral, which shall hold the certificate holder harmless, which will be
27 made in the incentive agreement or as an addendum to the incentive
28 agreement.

29 d. (1) If, in any tax period, the business reduces the total number of
30 full-time employees in its Statewide workforce by more than 20
31 percent from the number of full-time employees in its Statewide
32 workforce in the last tax period prior to the credit amount approval
33 under section 3 of P.L.2011, c.149 (C.34:1B-244), then the business
34 shall forfeit its credit amount for that tax period and each subsequent
35 tax period, until the first tax period for which documentation
36 demonstrating the restoration of the business's Statewide workforce to
37 the threshold levels required by the incentive agreement has been
38 reviewed and approved by the authority, for which tax period and each
39 subsequent tax period the full amount of the credit shall be allowed.

40 (2) If, in any tax period, the number of full-time employees
41 employed by the business at the qualified business facility located
42 within a qualified incentive area drops below 80 percent of the number
43 of new and retained full-time jobs specified in the incentive
44 agreement, then the business shall forfeit its credit amount for that tax
45 period and each subsequent tax period, until the first tax period for
46 which documentation demonstrating the restoration of the number of
47 full-time employees employed by the business at the qualified business
48 facility to 80 percent of the number of jobs specified in the incentive
49 agreement.

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

7 (b) In connection with a regional distribution facility of foodstuffs,
8 the business entity or entities which own or lease the facility shall
9 qualify as a business regardless of: (i) the type of the business entity or
10 entities which own or lease the facility; (ii) the ownership or leasing of
11 the facility by more than one business entity; or (iii) the ownership of
12 the business entity or entities which own or lease the facility. The
13 ownership or leasing, whether by members, shareholders, partners, or
14 other owners of the business entity or entities, shall be treated as
15 ownership or leasing by affiliates. The members, shareholders,
16 partners, or other ownership or leasing participants and others that are
17 tenants in the facility shall be treated as affiliates for the purpose of
18 counting the full-time employees and capital investments in the
19 facility. The business entity or entities may distribute credits to
20 members, shareholders, partners, or other ownership or leasing
21 participants in accordance with their respective interests. If the
22 business entity or entities or their members, shareholders, partners, or
23 other ownership or leasing participants lease space in the facility to
24 members, shareholders, partners, or other ownership or leasing
25 participants or others as tenants in the facility, the leases shall be
26 treated as a lease to an affiliate, and the business entity or entities shall
27 not be subject to forfeiture of the credits. For the purposes of this
28 section, leasing shall include subleasing and tenants shall include
29 subtenants.

30 (4) (a) For a project located within a Garden State Growth Zone, if,
31 in any tax period, the number of full-time employees employed by the
32 business at the qualified business facility located within a qualified
33 incentive area increases above the number of full-time employees
34 specified in the incentive agreement, then the business shall be entitled
35 to an increased base credit amount for that tax period and each
36 subsequent tax period, for each additional full-time employee added
37 above the number of full-time employees specified in the incentive
38 agreement, until the first tax period for which documentation
39 demonstrating a reduction of the number of full-time employees
40 employed by the business at the qualified business facility, at which
41 time the tax credit amount will be adjusted accordingly pursuant to this
42 section.

43 (b) For a project located within a Garden State Growth Zone which
44 qualifies under the "Municipal Rehabilitation and Economic Recovery
45 Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which contains a
46 Tourism District as established pursuant to section 5 of P.L.2011, c.18
47 (C.5:12-219) and regulated by the Casino Reinvestment Development
48 Authority, and which qualifies for a tax credit pursuant to
49 subsubparagraph (ii) of subparagraphs (a) through (e) of paragraph (6)

1 of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246), if, in
2 any tax period the number of full-time employees employed by the
3 business at the qualified business facility located within a qualified
4 incentive area increases above the number of full-time employees
5 specified in the incentive agreement such that the business shall then
6 meet the minimum number of employees required in subparagraph (b),
7 (c), (d), or (e) of paragraph (6) of subsection d. of section 5 of
8 P.L.2011, c.149 (C.34:1B-246), then the authority shall recalculate the
9 total tax credit amount per full-time job by using the certified capital
10 investment of the project allowable under the applicable
11 subsubparagraph and the number of full-time jobs certified on the date
12 of the recalculation and applying those numbers to subparagraph (b),
13 (c), (d), or (e) of paragraph (6) of subsection d. of section 5 of
14 P.L.2011, c.149 (C.34:1B-246), until the first tax period for which
15 documentation demonstrating a reduction of the number of full-time
16 employees employed by the business at the qualified business facility,
17 at which time the tax credit amount shall be adjusted accordingly
18 pursuant to this section.

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

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

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

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

40 g. A business that has entered into an incentive agreement may
41 request before December 31, 2024 to terminate the incentive
42 agreement, commencing with the 2020 tax period or any subsequent
43 tax period ending on or before December 31, 2024, due to the COVID-
44 19 public health emergency; provided that the business shall submit a
45 certification from the business's chief executive officer or equivalent
46 officer stating that the termination is due, directly or indirectly, to the
47 public health emergency and describing the impact of the public health
48 emergency on the business. All credits for the tax period in which the
49 termination occurs and all subsequent tax periods shall be forfeited,

1 provided however that any credits of the business shall remain
2 unaffected. A termination agreement executed by the authority and
3 business shall not be amended.

4 h. A business that has entered into an incentive agreement may
5 request, before December 31, 2024, to reduce the number of new or
6 retained full-time jobs specified in the incentive agreement based on a
7 certification of the business of the eligible positions at the qualified
8 business facility commencing with the 2020 tax period and, at the
9 discretion of the business, whether the reduction shall continue for
10 each subsequent tax period remaining in the eligibility period,
11 provided that the business maintains the minimum number of new or
12 retained full-time jobs required to be eligible pursuant to subsection c.
13 of section 3 of P.L.2011, c.149 (C.34:1B-244). The reduction in
14 employment shall first apply to the number of new full-time
15 employees, and then shall apply to the number of retained full-time
16 employees.

17 The authority shall calculate a new tax credit total amount for the
18 2020 tax period and the remainder of the eligibility period based on the
19 reduced employment and shall amend the incentive agreement to
20 reflect the recalculated award amount. In no event shall the
21 modification result in an increase in employment or tax credit amount.

22 i. Following the termination of the public health emergency
23 declared by the Governor pursuant to Executive Order No. 103 of
24 2020, as extended, a business that has entered into an incentive
25 agreement may elect, before March 31, 2024, to waive, for the period
26 beginning on July 1, 2022 and ending on March 31, 2024, the
27 requirement that a full-time employee who is employed by the
28 business shall spend at least 60 percent of the employee's time at the
29 qualified business facility; provided, however, that a business that
30 makes such an election shall satisfy the following criteria:

31 (1) any full-time employee employed by the business shall spend
32 at least 10 percent of the employee's time at the qualified business
33 facility for the 2023 tax period and, if elected by the business, the 2024
34 tax period through March 31, 2024; and

35 (2) following the receipt by the business of its tax credit certificate
36 or tax credit transfer certificate for the 2022 tax period, the business
37 shall make a payment of an amount equal to five percent of the amount
38 of tax credit the business receives for the 2022 tax period through
39 March 31, 2024, which payment shall be made to the authority, and
40 which payment the authority shall hold and make available for the
41 provision of loans, guarantees, equity investments, and grants, or other
42 forms of financing to support small business and downtown or
43 commercial corridor activation activities within the municipality in
44 which the qualified business facility is located, as may be designated
45 by the chief executive officer of the authority. Such funds shall be
46 deployed by the authority within 12 months of the authority's receipt
47 of the funds, and the authority shall issue a report each fiscal year to
48 the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
49 19.1), detailing how the funds were distributed.

1 j. Notwithstanding the provisions of section 2 of P.L.2011, c.149
2 (C.34:1B-243) or any other law or regulation to the contrary,
3 beginning on April 1, 2024, and for all subsequent tax periods, a
4 business located outside an enhanced area or government-restricted
5 municipality, as those terms are defined in section 69 of P.L.2020,
6 c.156 (C.34:1B-337) that has entered into an incentive agreement with
7 the authority may elect to waive the requirement that a full-time
8 employee who is employed by the business shall spend at least 60
9 percent of the employee's time at the qualified business facility,
10 provided, however, that a business that makes this election shall satisfy
11 the following criteria:

12 (1) for a qualified business facility located outside an enhanced
13 area or government-restricted municipality, as those terms are defined
14 in section 69 of P.L.2020, c.156 (C.34:1B-337), any full-time
15 employee employed by the business shall spend at least 40 percent of
16 the employee's time at the qualified business facility during the tax
17 period;

18 (2) the business shall extend by two years the term of its
19 commitment period beyond the time set forth in the incentive
20 agreement; and

21 (3) at the time the business submits its tax credit certificate
22 certification for the tax period, the business shall make a non-
23 refundable payment of an amount equal to 10 percent of the amount of
24 the maximum annual tax credit that the business is eligible to receive
25 for the tax period, which payment shall be made to the authority and
26 which payment the authority shall hold and make available for the
27 provision of loans, guarantees, equity investments, and grants or other
28 forms of financing to support small business and downtown or
29 commercial corridor activation activities within enhanced areas or
30 government-restricted municipalities, as those terms are defined in
31 section 69 of P.L.2020, c.156 (C.34:1B-337), as may be designated by
32 the chief executive officer of the authority. Such funds shall be
33 deployed by the authority within 12 months of the authority's receipt
34 of the funds, and the authority shall issue a report each fiscal year to
35 the Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
36 19.1), detailing how the funds were distributed.

37 k. Notwithstanding the provisions of any law to the contrary, the
38 credit amount may first be taken by the tax certificate holder for the
39 tax period for which it was issued, for the tax period in which it was
40 issued, or in any tax period during the commitment period set forth in
41 the incentive agreement. The tax certificate holder may transfer the
42 tax credit amount on or after the date of issuance for use by the
43 transferee in the tax period for which it was issued, for the tax period
44 in which it was issued, or in any of the next three successive tax
45 periods. The tax certificate holder or transferee may first use the credit
46 against tax liabilities in the tax period in which it was issued or in a
47 succeeding tax period, as authorized in this subsection, without being
48 required to amend the tax return for the taxpayer for which the credit
49 was issued, subject to the provisions of this section. Notwithstanding

1 the foregoing, no more than the amount of tax credits equal to the total
2 credit amount, divided by the duration of the tax credit term, in years,
3 may be taken in any tax period.

4 1. Notwithstanding the provisions of subsection b. of this section
5 or any law or regulation to the contrary, a business that has elected to
6 modify its obligations under an incentive agreement pursuant to
7 P.L.2022, c.134 may request, before December 31, 2024, to reduce the
8 number of Statewide employees specified in the incentive agreement,
9 provided the business certifies that the business is requesting to reduce
10 the number of new or retained full-time jobs specified in the incentive
11 agreement commencing with the 2020 tax period and, at the discretion
12 of the business, whether the reduction shall continue for each
13 subsequent tax period remaining in the eligibility period.²

14 (cf: P.L.2024, c.40, s.4)

15

16 ²**[13.]** 16.² Sections 43 through 53 of P.L.2020, c.156
17 (C.34:1B-311 through C.34:1B-321) are repealed.

18

19 ²**[14.]** 17.² This act shall take effect immediately.