

CHAPTER 111
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AN ACT concerning the use of tax credits for certain housing programs, amending P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

C.52:18A-263 Purchase of unused tax credits.

89. a. The Director of the Division of Taxation in the Department of the Treasury may purchase unused tax credits awarded under a program listed in paragraphs (1) through (5) or paragraphs (7) through (12) of subsection b. of this section and shall purchase unused tax credits awarded under a program listed in paragraphs (6), (13), and (14) of subsection b. of this section, including tax credit transfer certificates issued by the director in lieu of a tax credit allowed under such programs. The director shall not pay consideration in excess of 75 percent of the credit amount to be purchased, except for a credit awarded under:

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

(2) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as amended and supplemented, for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director, and further provided that, if the application to the director is submitted after the sixth year of the eligibility period, the amount in excess of the reasonable and appropriate rate of return on investment that the developer is required to pay pursuant to subsection c. of section 60 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent;

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

(4) the "Garden State Film and Digital Media Jobs Act," P.L.2018, c.56 (C.54:10A-5.39b et al.), for which the director shall pay an amount equal to 95 percent of the credit amount 1for any original application approved by the authority on or after January 1, 2026, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the taxpayer, which taxpayer is a New Jersey studio partner or the holder of such certificate originally issued to a New Jersey studio partner, occurred at least one year prior to the date of application to the director and provided that the director shall purchase such certificates valued at no more than a cumulative amount of \$80,000,000 in State fiscal year 2026, \$160,000,000 in State fiscal year 2027, \$240,000,000 in State fiscal year 2028, and \$200,000,000 in each State fiscal year thereafter, subject to the conditions in this paragraph. If an application to the director for the purchase of tax credits otherwise qualifies pursuant to this paragraph, but the value of tax credits for which the director receives applications exceeds the maximum cumulative amount for the State fiscal year in which the application is made, the director shall purchase the remaining tax credits in the State fiscal year next following the State fiscal year in which the application is made, provided that the director shall not purchase a cumulative amount above

the maximum cumulative amount for the respective State fiscal year. No payments shall be made pursuant to this paragraph unless the following conditions are met: full funding is provided for the fiscal year to satisfy the requirement in Article VIII, Section IV, paragraph 1 of the New Jersey Constitution that the Legislature provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of children in the State between the ages of five and 18 years; full payment of the contributions required by law for the fiscal year is made to the State-administered retirement systems; and the annual appropriations act for the State fiscal year maintains a budgetary surplus of no less than 12 percent of total appropriations from the General Fund and the Property Tax Relief Fund.

b. The Director of the Division of Taxation in the Department of the Treasury may or shall, subject to the provisions of subsection a. of this section, purchase tax credits awarded under the following:

- (1) the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);
- (2) the "Brownfield Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through C.34:1B-287);
- (3) the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);
- (4) the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);
- (5) the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321);
- (6) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);
- (7) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.);
- (8) the Grow New Jersey Assistance Program established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);
- (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);
- (10) the State Economic Redevelopment and Growth Grant program established pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e);
- (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);
- (12) section 2 of P.L.2018, c.56 (C.54A:4-12b);
- (13) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.);
- (14) the "Garden State Film and Digital Media Jobs Act," P.L.2018, c.56 (C.54:10A-5.39b et al.); and
- (15) sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110).

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

C.34:1B-362 Combined value, all tax credits.

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program Act," sections 54 through

67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); and P.L.2025, c.111 (C.55:14K-106 et al.) shall not exceed an overall cap of \$11.5 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), and P.L.2025, c.111 (C.55:14K-106 et al.), shall be subject to the following limitations, except as otherwise provided in subsection c. of this section:

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

(b) (i) for tax credits awarded under the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$50 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$100,000,000;

(ii) from the tax credits made available to the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of \$200,000,000 in tax credits shall be allocated to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

(c) for tax credits awarded under the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$60 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$300,000,000;

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

(e) for tax credits awarded under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the total value of tax credits awarded during the nine-year period shall not exceed \$1,200,000,000, provided, however, tax credits shall not be available under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-

321), until January 1, 2026. Beginning January 1, 2026, the authority shall annually award tax credits under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), valuing no greater than \$130 million for projects located in the 13 northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$70 million for projects located in the eight southern counties of the State. If during any year of operation of the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority awards tax credits pursuant to the program in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year without consideration to the county in which a project is located;

(f) for tax credits awarded under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$1.1 billion. If the authority awards tax credits in an amount less than the annual limitation, then the uncommitted portion of the annual limitation shall be made available for qualified offshore wind projects awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this paragraph, projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), pursuant to subparagraph (k) of this paragraph, or New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and subsection d. of this section. During each of the first six years of the nine-year period, the authority shall annually award tax credits valuing no greater than \$715 million for projects located in the northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$385 million for projects located in the southern counties of the State under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first six years of the nine-year period, the authority awards tax credits under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year, provided that the uncommitted portion of tax credits shall be awarded for projects located in the applicable geographic area, except that (i) after the completion of the third year of the nine-year period, the authority may deploy 50 percent of the uncommitted portion of tax credits for any previous year without consideration to the county in which a project is located; and (ii) after the completion of the sixth year of the nine-year period, the authority may deploy all available tax credits, including the uncommitted portion of the annual limitation for any previous year, without consideration to the county in which a project is located;

(g) except as provided in subparagraph (j) of this paragraph, for tax credits awarded for transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits awarded during the nine-year period shall not exceed \$2.5 billion. The total value of tax credits awarded for

transformative projects in a given year shall not be subject to an annual limitation, except that the total value of tax credits awarded to any transformative project shall not exceed \$400 million;

(h) from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed \$350,000,000 shall be made available for qualified offshore wind projects awarded a credit pursuant to section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three years of the nine-year period;

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

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

(k) beginning in fiscal year 2025, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 shall be made available for projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); and

(l) once the tax credits allocated for competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110) pursuant to subsubparagraph (ii) of subparagraph (b) of this paragraph are exhausted, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, the sum of \$300,000,000 shall be made available to the New Jersey Housing and Mortgage Finance Agency, established pursuant to

P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). The amount made available pursuant to this subparagraph shall be allocated in annual installments, each of which is not to exceed the cap set forth in paragraph (3) of subsection a. of section 4 of P.L.2025, c.111 (C.55:14K-107), as needed to conduct auctions pursuant to that section. All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented.

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

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

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

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

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

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

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

(vii) increased development proximate to mass transit facilities;

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

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

d. Notwithstanding the provisions of any other law to the contrary, the uncommitted balance of the total value of tax credits authorized for award by the authority pursuant to subparagraph (f) of paragraph (1) of subsection b. of this section to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made available for tax credits allowed to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to New Jersey studio partners, New

Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this subsection shall be as follows:

- (1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;
- (2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and
- (3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

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

C.55:14K-106 Definitions.

3. As used in sections 4 through 7 of P.L.2025, c.111 (C.55:14K-107 through 55:14K-110):

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

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

"Distressed older suburban municipality" means a municipality that is not designated by the agency as a targeted urban municipality, and that, in the determination of the agency, meets at least four of the following criteria:

- has experienced a sustained drop in income levels compared to the region;
- has an elevated percentage of residents living below 100 percent of the poverty line, adjusted for family size, established and adjusted under section 673 of the federal "Community Services Block Grant Act," (42 U.S.C. s.9902);
- experiences high rates of unemployment or low labor force participation rates;
- has a large share of homes built before 1960 and elevated rates of residential property vacancy and abandonment;
- experiences stagnant or declining property values;
- experiences declining commercial ratables; and
- experiences declining municipal capacity as a consequence of budget stress.

"Four-Percent Low Income Housing Tax Credit" means the four-percent allocation from the federal Low Income Housing Tax Credit program established pursuant to section 42 of the federal Internal Revenue Code (26 U.S.C. s.42).

"Low- and moderate-income housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to less than 80 percent of the median gross household income for households of the same size within the housing region in which the housing is located.

"Middle-income workforce housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home

ownership and rental costs and occupied or reserved for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located.

"Targeted urban municipality" means the same as that term is defined by the agency pursuant to N.J.A.C.5:80-33.2, or successor regulation.

C.55:14K-107 Tax credits to be sold by the New Jersey Housing and Mortgage Finance Agency, competitive auctions.

4. a. (1) Beginning on the effective date of P.L.2025, c.111 (C.55:14K-106 et al.), the agency shall sell up to \$500,000,000 in tax credits over the course of no more than six years.

(2) The competitive auctions shall be conducted in a manner consistent with the processes set forth in section 24 of P.L.2020, c.156 (C.34:1B-292), as determined by the agency. The agency shall be permitted to join or be added to any contracts that the New Jersey Economic Development Authority has utilized for its auctions, although auctions held for the purposes of administering P.L.2025, c.111 (C.55:14K-106 et al.) shall not be counted towards the limitation imposed pursuant to subsection d. of section 24 of P.L.2020, c.156 (C.34:1B-292) and the requirement on purchasers under paragraph (3) of subsection b. of section 24 of P.L.2020, c.156 (C.34:1B-292) shall not apply. The agency shall deposit funds received at an auction pursuant to this subsection minus those reserved for administrative or operational costs into a nonlapsing account established and maintained by the agency for the purposes of administering P.L.2025, c.111 (C.55:14K-106 et al.).

(3) The agency shall be limited to selling \$100,000,000 in tax credits annually and shall not sell tax credits for less than 80 percent of the tax credit amount.

b. (1) (a) Fifty percent of the proceeds deposited into the nonlapsing account created pursuant to paragraph (2) of subsection a. of this section shall be reserved for use by the agency for the purposes of providing financial assistance to create middle-income workforce housing. Fifty percent of the proceeds deposited into the nonlapsing account created pursuant to paragraph (2) of subsection a. of this section shall be reserved for use by the agency for the purposes of providing financial assistance to create low- and moderate-income housing toward the fulfillment of a municipality's current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

(b) The 50 percent set asides established by subparagraph (a) of this paragraph for monies deposited into the nonlapsing account in each program funding year, pursuant to paragraph (2) of subsection a. of this section, shall remain in effect until December 31 of that year. If any funds deposited into the nonlapsing account during that program funding year remain unreserved for qualified projects subject to the set asides after December 31 of the program funding year when the monies are deposited, the set aside shall no longer apply to those funds, which may then be used for any qualified project under sections 4 through 7 of P.L.2025, c.111 (C.55:14K-107 through 55:14K-110). The initial program funding year shall begin on July 1, 2025, and shall conclude on December 31, 2025. Each subsequent program funding year shall conform to the calendar year.

(c) In the distribution of proceeds pursuant to this section for the purposes of providing financial assistance to create low- and moderate-income housing toward the fulfillment of a municipality's current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.), the agency shall prioritize an application for development that is in a distressed older suburban municipality, as defined in section 3 of P.L.2025, c.111 (C.55:14K-106).

(d) Housing created pursuant to this section may include, but shall not be limited to, new construction or the rehabilitation or construction of residential units within multiple dwellings.

(e) Following the enactment of P.L.2025, c.111 (C.55:14K-106 et al.), the agency shall promptly and actively promote the middle-income workforce housing component of the housing program established pursuant to this section to ensure that a substantial range of potential applicants to obtain funding to provide middle-income workforce housing are made aware of the program. The promotion efforts of the agency shall include, but shall not be limited to: the provision of information sessions on the program and application process and the provision of technical assistance to applicants in completing the application process.

(2) The agency shall promulgate guidelines for a housing program to fulfill the purposes of this section within 90 days following the effective date of P.L.2025, c.111 (C.55:14K-106 et al.) to govern the application and award processes for qualified projects seeking funds deposited under P.L.2025, c.111 (C.55:14K-106 et al.). In addition to any other eligibility requirements that the agency deems appropriate, the project financing subsidy authorized under this section shall only be made available to projects in receipt of a Four-Percent Low Income Housing Tax Credit administered by the agency.

(3) The agency may utilize up to five percent of the proceeds to reimburse for administrative and operational costs, including contracts necessary to hold the auction.

C.55:14K-108 Tax credit purchaser, contract, New Jersey Housing and Mortgage Finance Agency.

5. A purchaser that submits a successful bid for the purchase of tax credits pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) shall enter into a contract with the agency that includes payment information and the commitments made by the purchaser in its auction bid. A purchaser that submits a successful bid for the purchase of tax credits pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) shall pay by wire transfer the amount specified in its auction bid to the agency. Upon receipt thereof, the Executive Director of the agency shall notify the director to issue tax credits in the amount approved. Failure by the purchaser to pay the amount agreed upon on time shall disqualify the purchaser from purchasing the tax credits and the agency may reassign the right to purchase the credits to another bidder. Failure by the purchaser to adhere to the commitments made in its auction bid shall disqualify the purchaser from participating in future auctions and may result in the recapture of a portion of the tax credits.

C.55:14K-109 Tax credit purchaser, application, State tax liability, privilege period.

6. a. A purchaser shall apply a credit awarded pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) against the purchaser's State tax liability due 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 for the current privilege period as of the date of the approval of the credits. A purchaser may carry forward an unused credit resulting from the limitations of subsection b. of this section, if necessary, for use in the seven privilege periods next following the privilege period for which the credit is awarded.

b. The director shall prescribe the order of priority of the application of the credits awarded under section 4 of P.L.2025, c.111 (C.55:14K-107) and any other credits allowed by law. The amount of a credit applied under section 4 of P.L.2025, c.111 (C.55:14K-107) against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with any other credits allowed by law, shall not reduce the tax liability of the purchaser to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

C.55:14K-110 Tax credit transfer certificate, selling, assigning abilities, limitations.

7. a. A purchaser may apply to the agency and the director for a tax credit transfer certificate in lieu of the purchaser being allowed to apply any amount of the tax credit against the purchaser's State tax liability. A tax credit may be sold or assigned, in full or in part, to another person that may have 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. The tax credit transfer certificate provided to the purchaser shall include a statement waiving the purchaser's right to claim the credit that the purchaser has elected to sell or assign.

b. The purchaser shall not sell or assign a tax credit transfer certificate allowed under this section for consideration received by the purchaser of less than 80 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 purchaser by the director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to section 6 of P.L.2025, c.111 (C.55:14K-109) and any other terms and conditions that the director may prescribe.

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

d. Ten percent of the consideration received by a purchaser from the sale or assignment of a tax credit transfer certificate pursuant to this section shall be remitted to the director and deposited in the General Fund of the State.

e. The agency shall publish on its Internet website the following information concerning each tax credit transfer certificate approved by the agency and the director pursuant to this section:

- (1) the name of the transferor;
- (2) the name of the transferee;
- (3) the value of the tax credit transfer certificate;
- (4) the State tax against which the transferee may apply the tax credit; and
- (5) the consideration received by the transferor.

8. This act shall take effect immediately.

Approved July 22, 2025.