

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 1779

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 8, 2026

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 1779.

As amended and reported, this bill establishes the Downtown Economic Growth Program (program) for the purpose of providing financial and technical assistance to businesses located in downtown areas within certain small municipalities.

The bill directs the New Jersey Economic Development Authority (authority) to establish the program, in consultation with the Department of Community Affairs and the New Jersey Business Action Center. The bill authorizes the governing body of a small municipality to designate a “downtown area” within the municipality. With this designation, the municipality sets forth its policy and plan for addressing the economic conditions in the downtown area. Specifically, the bill defines “small municipality” as any municipality with a population under 11,000 persons, which municipality: (1) is designated as a county seat; (2) contains an opportunity zone; or (3) is at least 70 percent developed, according to a Department of Environmental Protection data set.

The bill provides corporation business tax credits and gross income tax credits for businesses located in a downtown area that participate in the program based upon criteria to be determined by the authority. The credits are to equal 15 percent of the cost of employee compensation expenses related to participating in the program as determined by the authority pursuant to the bill.

The bill also requires the authority to establish the “Downtown Economic Growth Assistance Fund” for the purpose of providing loans, loan guarantees, and technical assistance to area businesses located within the designated downtown area of a participating small municipality. Under the bill, the authority is permitted to decide the terms of any loan or loan guarantee, as well as the amount of any technical assistance, which is provided through the program. The bill requires the authority to issue an annual report to the Governor and Legislature on the impact of the program.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) amend the definition of “small municipality” to include any municipality with a population under 11,000 persons, which municipality: is designated as a county seat; contains an opportunity zone; or is at least 70 percent developed, according to a Department of Environmental Protection data set. As introduced, the bill defined this term to include a municipality that, along with the other conditions, is over 70 percent developed, according to a Department of Environmental Protection data set; and

(2) make technical changes.