

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2231

# STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2010

The Senate Budget and Appropriations committee reports favorable Senate Bill No. 2231.

The bill would amend the law (P.L.2010, c.57) concerning the development of offshore wind projects to add the port district of the Port Authority of New York and New Jersey to the definition of "wind energy zones." This change would allow tax credits for the development of qualified wind energy facilities in the port district.

#### FISCAL IMPACT:

The EDA is currently authorized, under the "Offshore Wind Economic Development Act," P.L.2010, c.57, to provide up to \$100 million in tax credits for the development of qualified wind energy facilities in wind energy zones. By adding the port district of the Port Authority of New York and New Jersey to the definition of "wind energy zones," this bill would allow qualified wind energy facilities in the port district to be eligible for the tax credits.

This bill would not change the total amount of tax credits the EDA is authorized to provide, and, accordingly, would not affect the General Fund through the issuance of additional corporation business tax credits. The development of qualified wind energy facilities in the port district could potentially lead to increased economic development activity in that area; however, it is too early to determine if, and to what degree, the development of wind energy projects will benefit the State's economy, and to what extent those benefits will offset the aforementioned tax credits. It is also too early to determine to what extent expanding the definition of "wind energy zones" to include the port district of the Port Authority of New York and New Jersey may also serve to reduce the amounts available for other eligible qualified wind energy facilities from this funding source.