

SENATE, No. 2880

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED MAY 14, 2015

Sponsored by:

Senator RAYMOND J. LESNIAK

District 20 (Union)

SYNOPSIS

Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey.

CURRENT VERSION OF TEXT

As introduced.



S2880 LESNIAK

2

1 AN ACT concerning tax credits for certain purposes under the
2 Economic Redevelopment and Growth Grant Program and
3 amending P.L.2009, c.90.

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

7
8 1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
9 read as follows:

10 3. As used in sections 3 through 18 of P.L.2009, c.90
11 (C.52:27D-489c et al.):

12 "Applicant" means a developer proposing to enter into a
13 redevelopment incentive grant agreement.

14 "Ancillary infrastructure project" means structures or
15 improvements that are located within the incentive area but outside
16 the project area of a redevelopment project, including, but not
17 limited to, docks, bulkheads, parking garages, freight rail spurs,
18 roadway overpasses, and train station platforms, provided a
19 developer or municipal redeveloper has demonstrated that the
20 redevelopment project would not be economically viable or
21 promote the use of public transportation without such
22 improvements, as approved by the State Treasurer.

23 "Authority" means the New Jersey Economic Development
24 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
25 4).

26 "Aviation district" means the area within a one-mile radius of the
27 outermost boundary of the "Atlantic City International Airport,"
28 established pursuant to section 24 of P.L.1991, c.252 (C.27:25A-
29 24).

30 "Deep poverty pocket" means a population census tract having a
31 poverty level of 20 percent or more, and which is located within the
32 incentive area and has been determined by the authority to be an
33 area appropriate for development and in need of economic
34 development incentive assistance.

35 "Developer" means any person who enters or proposes to enter
36 into a redevelopment incentive grant agreement pursuant to the
37 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
38 successors or assigns, including but not limited to a lender that
39 completes a redevelopment project, operates a redevelopment
40 project, or completes and operates a redevelopment project. A
41 developer also may be a municipal government **[or]**, a
42 redevelopment agency as defined in section 3 of P.L.1992, c.79
43 (C.40A:12A-3), or Rutgers, the State University of New Jersey.

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

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.

1 "Disaster recovery project" means a redevelopment project
2 located on property that has been wholly or substantially damaged
3 or destroyed as a result of a federally-declared disaster, and which
4 is located within the incentive area and has been determined by the
5 authority to be in an area appropriate for development and in need
6 of economic development incentive assistance.

7 "Distressed municipality" means a municipality that is qualified
8 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
9 municipality under the supervision of the Local Finance Board
10 pursuant to the provisions of the "Local Government Supervision
11 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
12 identified by the Director of the Division of Local Government
13 Services in the Department of Community Affairs to be facing
14 serious fiscal distress, a SDA municipality, or a municipality in
15 which a major rail station is located.

16 "Eligibility period" means the period of time specified in a
17 redevelopment incentive grant agreement for the payment of
18 reimbursements to a developer, which period shall not exceed 20
19 years, with the term to be determined solely at the discretion of the
20 applicant.

21 "Eligible revenue" means the property tax increment and any
22 other incremental revenues set forth in section 11 of P.L.2009, c.90
23 (C.52:27D-489k), except in the case of a Garden State Growth
24 Zone, in which such property tax increment and any other
25 incremental revenues are calculated as those incremental revenues
26 that would have existed notwithstanding the provisions of the "New
27 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
28 (C.52:27D-489p et al.).

29 "Garden State Growth Zone" or "growth zone" means the four
30 New Jersey cities with the lowest median family income based on
31 the 2009 American Community Survey from the US Census, (Table
32 708. Household, Family, and Per Capita Income and Individuals,
33 and Families Below Poverty Level by City: 2009); or a municipality
34 which contains a Tourism District as established pursuant to section
35 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
36 Reinvestment Development Authority.

37 "Highlands development credit receiving area or redevelopment
38 area" means an area located within an incentive area and designated
39 by the Highlands Council for the receipt of Highlands Development
40 Credits under the Highlands Transfer Development Rights Program
41 authorized under section 13 of P.L.2004, c.120 (C.13:20-13).

42 "Incentive grant" means reimbursement of all or a portion of the
43 project financing gap of a redevelopment project through the State
44 or a local Economic Redevelopment and Growth Grant program
45 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
46 or C.52:27D-489e).

47 "Infrastructure improvements in the public right-of-way" mean
48 public structures or improvements located in the public right of way

1 that are located within a project area or that constitute an ancillary
2 infrastructure project, either of which are dedicated to or owned by
3 a governmental body or agency upon completion, or any required
4 payment in lieu of **such** the structures, improvements or projects,
5 or any costs of remediation associated with **such** the structures,
6 improvements or projects, and that are determined by the authority,
7 in consultation with applicable State agencies, to be consistent with
8 and in furtherance of State public infrastructure objectives and
9 initiatives.

10 "Low-income housing" means housing affordable according to
11 federal Department of Housing and Urban Development or other
12 recognized standards for home ownership and rental costs and
13 occupied or reserved for occupancy by households with a gross
14 household income equal to 50 percent or less of the median gross
15 household income for households of the same size within the
16 housing region in which the housing is located.

17 "Major rail station" means a railroad station located within a
18 qualified incentive area which provides access to the public to a
19 minimum of six rail passenger service lines operated by the New
20 Jersey Transit Corporation.

21 "Moderate-income housing" means housing affordable,
22 according to United States Department of Housing and Urban
23 Development or other recognized standards for home ownership
24 and rental costs, and occupied or reserved for occupancy by
25 households with a gross household income equal to more than 50
26 percent but less than 80 percent of the median gross household
27 income for households of the same size within the housing region in
28 which the housing is located.

29 "Municipal redeveloper" means a municipal government or a
30 redevelopment agency acting on behalf of a municipal government
31 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3) that is an
32 applicant for a redevelopment incentive grant agreement.

33 "Municipal Revitalization Index" means the 2007 index by the
34 Office for Planning Advocacy within the Department of State
35 measuring or ranking municipal distress.

36 "Project area" means land or lands located within the incentive
37 area under common ownership or control including through a
38 redevelopment agreement with a municipality, or as otherwise
39 established by a municipality or a redevelopment agreement
40 executed by a State entity to implement a redevelopment project.

41 "Project cost" means the costs incurred in connection with the
42 redevelopment project by the developer until the issuance of a
43 permanent certificate of occupancy, or until such other time
44 specified by the authority, for a specific investment or
45 improvement, including the costs relating to receiving Highlands
46 Development Credits under the Highlands Transfer Development
47 Rights Program authorized pursuant to section 13 of P.L.2004,
48 c.120 (C.13:20-13), lands, buildings, improvements, real or

1 personal property, or any interest therein, including leases
2 discounted to present value, including lands under water, riparian
3 rights, space rights and air rights acquired, owned, developed or
4 redeveloped, constructed, reconstructed, rehabilitated or improved,
5 any environmental remediation costs, plus costs not directly related
6 to construction, of an amount not to exceed 20 percent of the total
7 costs, capitalized interest paid to third parties, and the cost of
8 infrastructure improvements, including ancillary infrastructure
9 projects, and, for projects located in a Garden State Growth Zone
10 only, the cost of infrastructure improvements including any
11 ancillary infrastructure project and the amount by which total
12 project cost exceeds the cost of an alternative location for the
13 redevelopment project, but excluding any particular costs for which
14 the project has received federal, State, or local funding.

15 "Project financing gap" means:

16 a. the part of the total project cost, including return on
17 investment, that remains to be financed after all other sources of
18 capital have been accounted for, including, but not limited to,
19 developer-contributed capital, which shall not be less than 20
20 percent of the total project cost, which may include the value of any
21 existing land and improvements in the project area owned or
22 controlled by the developer, and the cost of infrastructure
23 improvements in the public right-of-way, subject to review by the
24 State Treasurer, and investor or financial entity capital or loans for
25 which the developer, after making all good faith efforts to raise
26 additional capital, certifies that additional capital cannot be raised
27 from other sources on a non-recourse basis; and

28 b. the amount by which total project cost exceeds the cost of an
29 alternative location for the out-of-State redevelopment project.

30 "Project revenue" means all rents, fees, sales, and payments
31 generated by a project, less taxes or other government payments.

32 "Property tax increment" means the amount obtained by:

33 **[(1)]** a. multiplying the general tax rate levied each year by the
34 taxable value of all the property assessed within a project area in
35 the same year, excluding any special assessments; and

36 **[(2)]** b. multiplying that product by a fraction having a
37 numerator equal to the taxable value of all the property assessed
38 within the project area, minus the property tax increment base, and
39 having a denominator equal to the taxable value of all property
40 assessed within the project area.

41 For the purpose of this definition, "property tax increment base"
42 means the aggregate taxable value of all property assessed which is
43 located within the redevelopment project area as of October 1st of
44 the year preceding the year in which the redevelopment incentive
45 grant agreement is authorized.

46 "Qualified incubator facility" means a commercial building
47 located within an incentive area: which contains 100,000 or more
48 square feet of office, laboratory, or industrial space; which is

1 located near, and presents opportunities for collaboration with, a
2 research institution, teaching hospital, college, or university; and
3 within which, at least 75 percent of the gross leasable area is
4 restricted for use by one or more technology startup companies
5 during the commitment period.

6 "Qualified residential project" means a redevelopment project
7 that is predominantly residential and includes multi-family
8 residential units for purchase or lease, or dormitory units for
9 purchase or lease, having a total project cost of at least
10 \$17,500,000, if the project is located in any municipality with a
11 population greater than 200,000 according to the latest federal
12 decennial census, or having a total project cost of at least
13 \$10,000,000 if the project is located in any municipality with a
14 population less than 200,000 according to the latest federal
15 decennial census, or is a disaster recovery project, or having a total
16 project cost of \$5,000,000 if the project is in a Garden State Growth
17 Zone.

18 "Qualifying economic redevelopment and growth grant incentive
19 area" or "incentive area" means:

- 20 a. an aviation district;
- 21 b. a port district;
- 22 c. a distressed municipality; or
- 23 d. an area (1) designated pursuant to the "State Planning Act,"
24 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
 - 25 (a) Planning Area 1 (Metropolitan);
 - 26 (b) Planning Area 2 (Suburban); or
 - 27 (c) Planning Area 3 (Fringe Planning Area);
- 28 (2) located within a smart growth area and planning area
29 designated in a master plan adopted by the New Jersey
30 Meadowlands Commission pursuant to subsection (i) of section 6 of
31 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
32 adopted by the New Jersey Meadowlands Commission pursuant to
33 section 20 of P.L.1968, c.404 (C.13:17-21);
- 34 (3) located within any land owned by the New Jersey Sports and
35 Exposition Authority, established pursuant to P.L.1971, c.137
36 (C.5:10-1 et seq.), within the boundaries of the Hackensack
37 Meadowlands District as delineated in section 4 of P.L.1968, c.404
38 (C.13:17-4);
- 39 (4) located within a regional growth area, a town, village, or a
40 military and federal installation area designated in the
41 comprehensive management plan prepared and adopted by the
42 Pinelands Commission pursuant to the "Pinelands Protection Act,"
43 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 44 (5) located within the planning area of the Highlands Region as
45 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
46 highlands development credit receiving area or redevelopment area;
- 47 (6) located within a Garden State Growth Zone;

- 1 (7) located within land approved for closure under any federal
2 Base Closure and Realignment Commission action; or
- 3 (8) located only within the following portions of the areas
4 designated pursuant to the "State Planning Act," P.L.1985, c.398
5 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning Area),
6 Planning Area 4B (Rural/Environmentally Sensitive) or Planning
7 Area 5 (Environmentally Sensitive) if Planning Area 4A (Rural
8 Planning Area), Planning Area 4B (Rural/Environmentally
9 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
10 located within:
- 11 (a) a designated center under the State Development and
12 Redevelopment Plan;
- 13 (b) a designated growth center in an endorsed plan until the
14 State Planning Commission revises and readopts New Jersey's State
15 Strategic Plan and adopts regulations to revise this definition as it
16 pertains to Statewide planning areas;
- 17 (c) any area determined to be in need of redevelopment pursuant
18 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
19 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
20 P.L.1992, c.79 (C.40A:12A-14);
- 21 (d) any area on which a structure exists or previously existed
22 including any desired expansion of the footprint of the existing or
23 previously existing structure provided such expansion otherwise
24 complies with all applicable federal, State, county, and local
25 permits and approvals;
- 26 (e) the planning area of the Highlands Region as defined in
27 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
28 development credit receiving area or redevelopment area; or
- 29 (f) any area on which an existing tourism destination project is
30 located.
- 31 "Qualifying economic redevelopment and growth grant incentive
32 area" or "incentive area" shall not include any property located
33 within the preservation area of the Highlands Region as defined in
34 the "Highlands Water Protection and Planning Act," P.L.2004,
35 c.120 (C.13:20-1 et al.).
- 36 "Redevelopment incentive grant agreement" means an agreement
37 between, (1) the State and the New Jersey Economic Development
38 Authority and a developer, or (2) a municipality and a developer, or
39 a municipal ordinance authorizing a project to be undertaken by a
40 municipal redeveloper, under which, in exchange for the proceeds
41 of an incentive grant, the developer agrees to perform any work or
42 undertaking necessary for a redevelopment project, including the
43 clearance, development or redevelopment, construction, or
44 rehabilitation of any structure or improvement of commercial,
45 industrial, residential, or public structures or improvements within a
46 qualifying economic redevelopment and growth grant incentive area
47 or a transit village.

1 "Redevelopment project" means a specific construction project
2 or improvement, including lands, buildings, improvements, real and
3 personal property or any interest therein, including lands under
4 water, riparian rights, space rights and air rights, acquired, owned,
5 leased, developed or redeveloped, constructed, reconstructed,
6 rehabilitated or improved, undertaken by a developer, owner or
7 tenant, or both, within a project area and any ancillary infrastructure
8 project including infrastructure improvements in the public right of
9 way, as set forth in an application to be made to the authority. The
10 use of the term "redevelopment project" in sections 3 through 18 of
11 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
12 redevelopment projects located in areas determined to be in need of
13 redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79
14 (C.40A:12A-5 and C.40A:12A-6) but shall also include any work or
15 undertaking in accordance with the "Redevelopment Area Bond
16 Financing Law," sections 1 through 10 of P.L.2001, c.310
17 (C.40A:12A-64 et seq.) or other applicable law, pursuant to a
18 redevelopment plan adopted by a State entity, or as described in the
19 resolution adopted by a public entity created by State law with the
20 power to adopt a redevelopment plan or otherwise determine the
21 location, type and character of a redevelopment project or part of a
22 redevelopment project on land owned or controlled by it or within
23 its jurisdiction, including but not limited to, the New Jersey
24 Meadowlands Commission established pursuant to P.L.1968, c.404
25 (C.13:17-1 et seq.), the New Jersey Sports and Exposition Authority
26 established pursuant to P.L.1971 c.137 (C.5:10-1 et seq.) and the
27 Fort Monmouth Economic Revitalization Authority created
28 pursuant to P.L.2010, c.51 (C.52:27I-18 et seq.).

29 "Redevelopment utility" means a self-liquidating fund created by
30 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
31 489l) to account for revenues collected and incentive grants paid
32 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
33 revenues dedicated to a redevelopment project.

34 "Revenue increment base" means the amounts of all eligible
35 revenues from sources within the redevelopment project area in the
36 calendar year preceding the year in which the redevelopment
37 incentive grant agreement is executed, as certified by the State
38 Treasurer for State revenues, and the chief financial officer of the
39 municipality for municipal revenues.

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

42 "SDA municipality" means a municipality in which an SDA
43 district is **【situate】** situated.

44 "Technology startup company" means a for profit business that
45 has been in operation fewer than five years and is developing or
46 possesses a proprietary technology or business method of a high-
47 technology or life science-related product, process, or service which
48 the business intends to move to commercialization.

1 "Tourism destination project" means a redevelopment project
2 that will be among the most visited privately owned or operated
3 tourism or recreation sites in the State, and which is located within
4 the incentive area and has been determined by the authority to be in
5 an area appropriate for development and in need of economic
6 development incentive assistance.

7 "Transit project" means a redevelopment project located within a
8 1/2-mile radius, or one-mile radius for projects located in a Garden
9 State Growth Zone, surrounding the mid-point of a New Jersey
10 Transit Corporation, Port Authority Transit Corporation, or Port
11 Authority Trans-Hudson Corporation rail, bus, or ferry station
12 platform area, including all light rail stations.

13 "Transit village" means a community with a bus, train, light rail,
14 or ferry station that has developed a plan to achieve its economic
15 development and revitalization goals and has been designated by
16 the New Jersey Department of Transportation as a transit village.

17 "University infrastructure" means any of the following located
18 on the campus of Rutgers, the State University of New Jersey:

19 a. buildings and structures, such as academic buildings,
20 recreation centers, indoor athletic facilities, public works garages,
21 and water and sewer treatment and pumping facilities;

22 b. open space with improvements, such as athletic fields and
23 other outdoor athletic facilities, planned commons, and parks; and

24 c. transportation facilities, such as bus shelters and parking
25 facilities.

26 "Urban transit hub" means an urban transit hub, as defined in
27 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
28 an eligible municipality, as defined in section 10 of P.L.2007, c.346
29 (C.34:1B-208), or all light rail stations and property located within
30 a one-mile radius of the mid-point of the platform area of such a
31 rail, bus, or ferry station if the property is in a qualified
32 municipality under the "Municipal Rehabilitation and Economic
33 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

34 "Vacant commercial building" means any commercial building
35 or complex of commercial buildings having over 400,000 square
36 feet of office, laboratory, or industrial space that is more than 70
37 percent unoccupied at the time of application to the authority or is
38 negatively impacted by the approval of a "qualified business
39 facility," as defined pursuant to section 2 of P.L.2007, c.346
40 (C.34:1B-208), or any vacant commercial building in a Garden
41 State Growth Zone having over 35,000 square feet of office,
42 laboratory, or industrial space, or over 200,000 square feet of
43 office, laboratory, or industrial space in Atlantic, Burlington,
44 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
45 counties available for occupancy for a period of over one year.

46 "Vacant health facility project" means a redevelopment project
47 where a health facility, as defined by section 2 of P.L.1971, c.136
48 (C.26:2H-2), currently exists and is considered vacant. A health

1 facility shall be considered vacant if at least 70 percent of that
2 facility has not been open to the public or utilized to serve any
3 patients at the time of application to the authority.

4 (cf: P.L.2014, c.63, s.7)

5

6 2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
7 read as follows:

8 6. a. Up to the limits established in subsection b. of this section
9 and in accordance with a redevelopment incentive grant agreement,
10 beginning upon the receipt of occupancy permits for any portion of
11 the redevelopment project, or upon such other event evidencing
12 project completion as set forth in the incentive grant agreement, the
13 State Treasurer shall pay to the developer incremental State
14 revenues directly realized from businesses operating on or at the
15 site of the redevelopment project from the following taxes: the
16 Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1
17 et seq.), the tax imposed on marine insurance companies pursuant to
18 R.S.54:16-1 et seq., the tax imposed on insurers generally, pursuant
19 to P.L.1945, c.132 (C.54:18A-1 et seq.), the public utility franchise
20 tax, public utilities gross receipts tax and public utility excise tax
21 imposed on sewerage and water corporations pursuant to P.L.1940,
22 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
23 electric, natural gas, telecommunications, water and sewage
24 utilities, and cable television companies under the jurisdiction of
25 the New Jersey Board of Utilities, or comparable entity, except for
26 those tariffs, fees, or taxes related to societal benefits charges
27 assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any
28 charges paid for compliance with the "Global Warming Response
29 Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy
30 facility assessment unit taxes paid pursuant to section 67 of
31 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
32 public utility and cable television services and commodities, the tax
33 derived from net profits from business, a distributive share of
34 partnership income, or a pro rata share of S corporation income
35 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
36 seq., the tax derived from a business at the site of a redevelopment
37 project that is required to collect the tax pursuant to the "Sales and
38 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
39 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
40 of furniture, fixtures and equipment, or materials for the
41 remediation, the construction of new structures at the site of a
42 redevelopment project, the hotel and motel occupancy fee imposed
43 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
44 portion of the fee imposed pursuant to section 3 of P.L.1968, c.49
45 (C.46:15-7) derived from the sale of real property at the site of the
46 redevelopment project and paid to the State Treasurer for use by the
47 State, that is not credited to the "Shore Protection Fund" or the
48 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New

1 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
2 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
3 assign their ability to apply for the tax credit under this subsection
4 to a non-profit organization with a mission dedicated to attracting
5 investment and completing development and redevelopment
6 projects in a Garden State Growth Zone. The non-profit
7 organization may make an application on behalf of a developer
8 which meets the requirements for the tax credit, or a group of non-
9 qualifying developers, such that these will be considered a unified
10 project for the purposes of the incentives provided under this
11 section.

12 b. (1) Up to an average of 75 percent of the projected annual
13 incremental revenues or 85 percent of the projected annual
14 incremental revenues in a Garden State Growth Zone may be
15 pledged towards the State portion of an incentive grant.

16 (2) In the case of a qualified residential project or a project
17 involving university infrastructure, if the authority determines that
18 the estimated amount of incremental revenues pledged towards the
19 State portion of an incentive grant is inadequate to fully fund the
20 amount of the State portion of the incentive grant, then in lieu of an
21 incentive grant based on such incremental revenue, the developer
22 shall be awarded tax credits equal to the full amount of the
23 incentive grant. The value of all credits approved by the authority
24 pursuant to this paragraph shall not exceed \$600,000,000, of which:

25 (a) \$250,000,000 shall be restricted to qualified residential
26 projects within Atlantic, Burlington, Camden, Cape May,
27 Cumberland, Gloucester, Ocean, and Salem counties, of which
28 \$175,000,000 of the credits shall be restricted to qualified
29 residential projects in a Garden State Growth Zone located within
30 the aforementioned counties, and \$75,000,000 of the credits shall be
31 restricted to qualified residential projects in municipalities with a
32 2007 Municipal Revitalization Index of 400 or higher as of the date
33 of enactment of the "New Jersey Economic Opportunity Act of
34 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
35 the aforementioned counties;

36 (b) **【\$250,000,000】** \$225,000,000 shall be restricted to qualified
37 residential projects located in: (i) urban transit hubs that are
38 commuter rail in nature that otherwise do not qualify under
39 subparagraph (a) of this paragraph, (ii) a Garden State Growth Zone
40 not located in a county mentioned in subparagraph (a) of this
41 paragraph, (iii) disaster recovery projects that otherwise do not
42 qualify under subparagraph (a) of this paragraph, or (iv) SDA
43 municipalities located in Hudson County that were awarded State
44 Aid in State Fiscal Year 2013 through the Transitional Aid to
45 Localities program and otherwise do not qualify under
46 subparagraph (a) of this paragraph;

47 (c) \$75,000,000 shall be restricted to qualified residential
48 projects in distressed municipalities, deep poverty pockets,

1 highlands development credit receiving areas or redevelopment
2 areas, otherwise not qualifying pursuant to subparagraph (a) or (b)
3 of this paragraph; **[and]**

4 (d) \$25,000,000 shall be restricted to qualified residential
5 projects that are located within a qualifying economic
6 redevelopment and growth grant incentive area otherwise not
7 qualifying under subparagraph (a), (b), or (c) of this paragraph; **and**

8 (e) \$25,000,000 shall be restricted to projects involving
9 university infrastructure.

10 For subparagraphs (a) through (d) of this paragraph, not more
11 than \$40,000,000 of credits shall be awarded to any qualified
12 residential project in a deep poverty pocket or distressed
13 municipality, and not more than \$20,000,000 of credits shall be
14 awarded to any other qualified residential project. The developer of
15 a qualified residential project seeking an award of credits towards
16 the funding of its incentive grant shall submit an incentive grant
17 application prior to July 1, 2016 and if approved after the effective
18 date of P.L.2013, c.161 shall submit a temporary certificate of
19 occupancy for **[such]** the project no later than July 28, 2018.
20 Applications for tax credits pursuant to this subsection relating to
21 an ancillary infrastructure project or infrastructure improvement in
22 the public right of way, or both, shall be accompanied with a letter
23 of support relating to the project or improvement by the governing
24 body or agency in which the project is located. Credits awarded to
25 a developer pursuant to this subsection shall be subject to the same
26 financial and related analysis by the authority, the same term of the
27 grant, and the same mechanism for administering the credits, and
28 shall be utilized or transferred by the developer as if **[such]** the
29 credits had been awarded to the developer pursuant to section 35 of
30 P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects
31 thereunder. No portion of the revenues pledged pursuant to the
32 "New Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
33 (C.52:27D-489p et al.) shall be subject to withholding or retainage
34 for adjustment, in the event the developer or taxpayer waives its
35 rights to claim a refund thereof.

36 (3) A developer may apply to the Director of the Division of
37 Taxation in the Department of the Treasury and the chief executive
38 officer of the authority for a tax credit transfer certificate, if the
39 developer is awarded a tax credit pursuant to paragraph (2) of this
40 subsection, covering one or more years, in lieu of the developer
41 being allowed any amount of the credit against the tax liability of
42 the developer. The tax credit transfer certificate, upon receipt
43 thereof by the developer from the director and the chief executive
44 officer of the authority, may be sold or assigned, in full or in part,
45 to any other person that may have a tax liability pursuant to section
46 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945,
47 c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231
48 (C.17:32-15), or N.J.S.17B:23-5. The certificate provided to the

1 developer shall include a statement waiving the developer's right to
2 claim that amount of the credit against the taxes that the developer
3 has elected to sell or assign. The sale or assignment of any amount
4 of a tax credit transfer certificate allowed under this paragraph shall
5 not be exchanged for consideration received by the developer of
6 less than 75 percent of the transferred credit amount before
7 considering any further discounting to present value that may be
8 permitted. Any amount of a tax credit transfer certificate used by a
9 purchaser or assignee against a tax liability shall be subject to the
10 same limitations and conditions that apply to the use of the credit by
11 the developer who originally applied for and was allowed the credit.

12 c. All administrative costs associated with the incentive grant
13 shall be assessed to the applicant and be retained by the State
14 Treasurer from the annual incentive grant payments.

15 d. The incremental revenue for the revenues listed in
16 subsection a. of this section shall be calculated as the difference
17 between the amount collected in any fiscal year from any eligible
18 revenue source included in the State redevelopment incentive grant
19 agreement, less the revenue increment base for that eligible
20 revenue.

21 e. The municipality is authorized to collect any and all
22 information necessary to facilitate grants under this program and
23 remit that information, as may be required from time to time, in
24 order to assist in the calculation of incremental revenue.

25 (cf: P.L.2014, c.63, s.8)

26

27 3. This act shall take effect immediately.

28

29

30

STATEMENT

31

32 This bill transfers \$25 million of the \$600 million in tax credits
33 currently available for qualifying residential projects under the
34 Economic Redevelopment and Growth Grant Program for use by
35 Rutgers, the State University of New Jersey, to finance
36 infrastructure projects on its campus. Under the bill, infrastructure
37 projects that would qualify for the \$25 million may include: 1)
38 buildings and structures; 2) open space with improvements; and 3)
39 transportation facilities.