

**SENATE, No. 2675**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED JULY 6, 2020

**Sponsored by:**  
**Senator M. TERESA RUIZ**  
**District 29 (Essex)**

**SYNOPSIS**

“COVID-19 Economic Recovery Act.”

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning certain State economic development incentive  
2 programs, designated as the “COVID-19 Economic Recovery  
3 Act,” amending P.L.2011, c.149, P.L.2009, c.90, and  
4 supplementing Title 34 of the Revised Statutes.

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

8  
9 1. Section 2 of P.L.2011, c.149 (C.34:1B-243) is amended to  
10 read as follows:

11 2. As used in P.L.2011, c.149 (C.34:1B-242 et seq.):

12 "Affiliate" means an entity that directly or indirectly controls, is  
13 under common control with, or is controlled by the business.  
14 Control exists in all cases in which the entity is a member of a  
15 controlled group of corporations as defined pursuant to section 1563  
16 of the Internal Revenue Code of 1986 (26 U.S.C. s.1563) or the  
17 entity is an organization in a group of organizations under common  
18 control as defined pursuant to subsection (b) or (c) of section 414 of  
19 the Internal Revenue Code of 1986 (26 U.S.C. s.414). A taxpayer  
20 may establish by clear and convincing evidence, as determined by  
21 the Director of the Division of Taxation in the Department of the  
22 Treasury, that control exists in situations involving lesser  
23 percentages of ownership than required by those statutes. An  
24 affiliate of a business may contribute to meeting either the qualified  
25 investment or full-time employee requirements of a business that  
26 applies for a credit under section 3 of P.L.2007, c.346 (C.34:1B-  
27 209).

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

30 "Aviation district" means all areas within the boundaries of the  
31 **["]Atlantic City International Airport,["]** established pursuant to  
32 section 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal  
33 Aviation Administration William J. Hughes Technical Center and  
34 the area within a one-mile radius of the outermost boundary of the  
35 **["]Atlantic City International Airport[""]** and the Federal Aviation  
36 Administration William J. Hughes Technical Center.

37 "Business" means an applicant proposing to own or lease  
38 premises in a qualified business facility that is:

39 a corporation that is subject to the tax imposed pursuant to  
40 section 5 of P.L.1945, c.162 (C.54:10A-5);

41 a corporation that is subject to the tax imposed pursuant to  
42 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),  
43 section 1 of P.L.1950, c.231 (C.17:32-15) or N.J.S.17B:23-5;

44 a partnership;

45 an S corporation;

**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 a limited liability company; or  
2 a non-profit corporation.

3 If the business or tenant is a cooperative or part of a cooperative,  
4 then the cooperative may qualify for credits by counting the full-  
5 time employees and capital investments of its member  
6 organizations, and the cooperative may distribute credits to its  
7 member organizations. If the business or tenant is a cooperative  
8 that leases to its member organizations, the lease shall be treated as  
9 a lease to an affiliate or affiliates.

10 A business shall include an affiliate of the business if that  
11 business applies for a credit based upon any capital investment  
12 made by or full-time employees of an affiliate.

13 "Capital investment" in a qualified business facility means  
14 expenses by a business or any affiliate of the business incurred after  
15 application for:

16 a. site preparation and construction, repair, renovation,  
17 improvement, equipping, or furnishing on real property or of a  
18 building, structure, facility, or improvement to real property;

19 b. obtaining and installing furnishings and machinery,  
20 apparatus, or equipment, including but not limited to material goods  
21 subject to bonus depreciation under sections 168 and 179 of the  
22 federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the  
23 operation of a business on real property or in a building, structure,  
24 facility, or improvement to real property;

25 c. receiving Highlands Development Credits under the  
26 Highlands Transfer Development Rights Program authorized  
27 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13); or

28 d. any of the foregoing.

29 In addition to the foregoing, in a Garden State Growth Zone, the  
30 following qualify as a capital investment: any development,  
31 redevelopment, and relocation costs, including, but not limited to,  
32 site acquisition if made within 24 months of application to the  
33 authority, engineering, legal, accounting, and other professional  
34 services required; and relocation, environmental remediation, and  
35 infrastructure improvements for the project area, including, but not  
36 limited to, on- and off-site utility, road, pier, wharf, bulkhead, or  
37 sidewalk construction or repair.

38 In addition to the foregoing, if a business acquires or leases a  
39 qualified business facility, the capital investment made or acquired  
40 by the seller or owner, as the case may be, if pertaining primarily to  
41 the premises of the qualified business facility, shall be considered a  
42 capital investment by the business and, if pertaining generally to the  
43 qualified business facility being acquired or leased, shall be  
44 allocated to the premises of the qualified business facility on the  
45 basis of the gross leasable area of the premises in relation to the  
46 total gross leasable area in the qualified business facility. The  
47 capital investment described herein may include any capital  
48 investment made or acquired within 24 months prior to the date of

1 application so long as the amount of capital investment made or  
2 acquired by the business, any affiliate of the business, or any owner  
3 after the date of application equals at least 50 percent of the amount  
4 of capital investment, allocated to the premises of the qualified  
5 business facility being acquired or leased on the basis of the gross  
6 leasable area of the premises in relation to the total gross leasable  
7 area in the qualified business facility made or acquired prior to the  
8 date of application.

9 "College or university" means a county college, an independent  
10 institution of higher education, a public research university, or a  
11 State college.

12 "Commitment period" means the period of time that is 1.5 times  
13 the eligibility period for each applicable phase agreement.

14 "County college" means an educational institution established by  
15 one or more counties, pursuant to chapter 64A of Title 18A of the  
16 New Jersey Statutes.

17 **["Deep poverty pocket" means a population census tract having**  
18 **a poverty level of 20 percent or more, and which is located within**  
19 **the qualified incentive area and has been determined by the**  
20 **authority to be an area appropriate for development and in need of**  
21 **economic development incentive assistance.**

22 "Disaster recovery project" means a project located on property  
23 that has been wholly or substantially damaged or destroyed as a  
24 result of a federally-declared disaster which, after utilizing all  
25 disaster funds available from federal, State, county, and local  
26 funding sources, demonstrates to the satisfaction of the authority  
27 that access to additional funding authorized pursuant to the "New  
28 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161  
29 (C.52:27D-489p et al.), is necessary to complete the redevelopment  
30 project, and which is located within the qualified incentive area and  
31 has been determined by the authority to be in an area appropriate  
32 for development and in need of economic development incentive  
33 assistance. **]**

34 "Distressed municipality" means a municipality that is qualified  
35 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a  
36 municipality under the supervision of the Local Finance Board  
37 pursuant to the provisions of the "Local Government Supervision  
38 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality  
39 identified by the Director of the Division of Local Government  
40 Services in the Department of Community Affairs to be facing  
41 serious fiscal distress, a SDA municipality, or a municipality in  
42 which a major rail station is located.

43 "Doctoral university" means a university located within New  
44 Jersey that is classified as a doctoral university under the Carnegie  
45 Classification of Institutions of Higher Education's Basic  
46 Classification methodology on the effective date of P.L.2017, c.221.

47 "Eligibility period" means the period in which a business may  
48 claim a tax credit under the Grow New Jersey Assistance Program

1 for a given project phase, beginning with the tax period in which the  
2 authority accepts certification of the business that it has met the  
3 capital investment and employment requirements of the Grow New  
4 Jersey Assistance Program for the respective project phase and  
5 extending thereafter for a term of not more than 10 years, with the  
6 term to be determined solely at the discretion of the applicant,  
7 provided that the term of the eligibility period may consist of  
8 nonconsecutive tax years if the applicant elects at any time after the  
9 end of the first tax period of the eligibility period to defer the  
10 continuation of the eligibility period to a subsequent tax period.

11 "Eligible position" or "full-time job" means a full-time position  
12 in a business in this State which the business has filled with a **[full-**  
13 **time employee]** person employed by the business for consideration  
14 for at least 35 hours per week, who is primarily located at the  
15 qualified business facility and spends at least the designated portion  
16 of the person's aggregate work hours at the qualified business  
17 facility, which portion shall be designated by the authority annually  
18 after a market determination and which portion shall not exceed 50  
19 percent, and at least 80 percent of person's aggregate work hours in  
20 this State. The portion of aggregate work hours spent at the  
21 qualified business facility shall be initially set at 50 percent. In the  
22 event of a State emergency, the Chief Executive Officer of the  
23 Authority shall have the discretion to waive the requirement that a  
24 person's aggregate work hours are spent at the qualified business  
25 facility.

26 "Full-time employee" means a person:

27 a. who is employed by a business for consideration for at least  
28 35 hours a week, or who renders any other standard of service  
29 generally accepted by custom or practice as full-time employment;  
30 or

31 b. who is employed by a professional employer organization  
32 pursuant to an employee leasing agreement between the business  
33 and the professional employer organization, in accordance with  
34 P.L.2001, c.260 (C.34:8-67 et seq.) for at least 35 hours a week, or  
35 who renders any other standard of service generally accepted by  
36 custom or practice as full-time employment, and whose wages are  
37 subject to withholding as provided in the "New Jersey Gross  
38 Income Tax Act," N.J.S.54A:1-1 et seq.; or

39 c. who is a resident of another State but whose income is not  
40 subject to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
41 et seq. or who is a partner of a business who works for the  
42 partnership for at least 35 hours a week, or who renders any other  
43 standard of service generally accepted by custom or practice as full-  
44 time employment, and whose distributive share of income, gain,  
45 loss, or deduction, or whose guaranteed payments, or any  
46 combination thereof, is subject to the payment of estimated taxes, as  
47 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
48 et seq.; and

1 d. who, except for purposes of the Statewide workforce, is  
2 provided, by the business, with employee health benefits under a  
3 health benefits plan authorized pursuant to State or federal law.

4 With respect to a logistics, manufacturing, energy, defense,  
5 aviation, or maritime business, excluding primarily warehouse or  
6 distribution operations, located in a port district having a container  
7 terminal:

8 the requirement that employee health benefits are to be provided  
9 shall be deemed to be satisfied if the benefits are provided in  
10 accordance with industry practice by a third party obligated to  
11 provide such benefits pursuant to a collective bargaining agreement;

12 full-time employment shall include, but not be limited to,  
13 employees that have been hired by way of a labor union hiring hall  
14 or its equivalent;

15 35 hours of employment per week at a qualified business facility  
16 shall constitute one "full-time employee," regardless of whether or  
17 not the hours of work were performed by one or more persons.

18 **【For any project located in a Garden State Growth Zone which  
19 qualifies under the "Municipal Rehabilitation and Economic  
20 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or any  
21 project located in the Atlantic City Tourism District as established  
22 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated  
23 by the Casino Reinvestment Development Authority, and which  
24 will include a retail facility of at least 150,000 square feet, of which  
25 at least 50 percent will be occupied by either a full-service  
26 supermarket or grocery store, 30 hours of employment per week at a  
27 qualified business facility shall constitute one "full-time employee,"  
28 regardless of whether the hours of work were performed by one or  
29 more persons, and the requirement that employee health benefits are  
30 to be provided shall be deemed to be satisfied if the employees of  
31 the business are covered by a collective bargaining agreement.】**

32 "Full-time employee" shall not include any person who works as  
33 an independent contractor or on a consulting basis for the business,  
34 except that any person working as an independent contractor for the  
35 business shall be deemed a full-time employee if the business  
36 demonstrates to the authority that:

37 a. the person working as an independent contractor for the  
38 business works at least 35 hours per week, or renders any other  
39 standard service generally accepted by custom or practice as full-  
40 time employment, and the person is provided with employee health  
41 benefits under a health benefits plan authorized pursuant to State or  
42 federal law; and

43 b. the business provides documentation to the authority to  
44 permit the authority to verify the compensation paid to, and the time  
45 worked by, the person working as an independent contractor.

46 The business shall provide to the authority an annual report that  
47 identifies the number of persons working as independent contractors  
48 for the business and their contractual or partnering relationship with

1 the business as provided pursuant to subsection i. of section 3 of  
2 P.L.2011, c.149 (C.34:1B-244).

3 Full-time employee shall also not include any person who at the  
4 time of project application works in New Jersey for consideration  
5 for at least 35 hours per week, or who renders any other standard of  
6 service generally accepted by custom or practice as full-time  
7 employment but who prior to project application was not provided,  
8 by the business, with employee health benefits under a health  
9 benefits plan authorized pursuant to State or federal law.

10 "Garden State Create Zone" means the campus of a doctoral  
11 university, and the area within a three-mile radius of the outermost  
12 boundary of the campus of a doctoral university, according to a map  
13 appearing in the doctoral university's official catalog or other  
14 official publication on the effective date of P.L.2017, c.221.

15 "Garden State Growth Zone" or "growth zone" means the four  
16 New Jersey cities with the lowest median family income based on  
17 the 2009 American Community Survey from the US Census, (Table  
18 708. Household, Family, and Per Capita Income and Individuals,  
19 and Families Below Poverty Level by City: 2009); a municipality  
20 which contains a Tourism District as established pursuant to section  
21 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
22 Reinvestment Development Authority; or an aviation district.

23 "Highlands development credit receiving area or redevelopment  
24 area" means an area located within a qualified incentive area and  
25 designated by the Highlands Water Protection and Planning Council  
26 for the receipt of Highlands Development Credits under the  
27 Highlands Transfer Development Rights Program authorized  
28 pursuant to section 13 of P.L.2004, c.120 (C.13:20-13).

29 "Incentive agreement" means the contract between the business  
30 and the authority, which sets forth the terms and conditions under  
31 which the business shall be eligible to receive the incentives  
32 authorized pursuant to the program.

33 "Incentive effective date" means the date the authority issues a  
34 tax credit based on documentation submitted by a business pursuant  
35 to paragraph (1) of subsection b. of section 6 of P.L.2011, c.149  
36 (C.34:1B-247).

37 "Incentive phase agreement" means a sub-agreement of the  
38 incentive agreement that governs the timing, capital investment,  
39 employment levels, and other applicable details of the respective  
40 phase.

41 "Incentive phase agreement effective date" means the date the  
42 authority issues a tax credit for a portion of the total tax credits  
43 awarded proportionate to the number of new full-time jobs created  
44 during the respective phase, based on documentation submitted by a  
45 business pursuant to section 6 of P.L.2011, c.149 (C.34:1B-247).

46 "Independent institution of higher education" means a college or  
47 university incorporated and located in New Jersey, which by virtue  
48 of law or character or license is a nonprofit educational institution

1 authorized to grant academic degrees and which provides a level of  
2 education which is equivalent to the education provided by the  
3 State's public institutions of higher education, as attested by the  
4 receipt of and continuation of regional accreditation by the Middle  
5 States Association of Colleges and Schools, and which is eligible to  
6 receive State aid under the provisions of the Constitution of the  
7 United States and the Constitution of the State of New Jersey, but  
8 does not include any educational institution dedicated primarily to  
9 the education or training of ministers, priests, rabbis or other  
10 professional persons in the field of religion.

11 “Labor harmony agreement” means an agreement between a  
12 business that serves as the owner or operator of a property with a  
13 retail establishment and one or more labor organizations, which  
14 requires, for the duration of the agreement that:

15 a. any participating labor organization and its members agree  
16 to refrain from picketing, work stoppages, boycotts, or other  
17 economic interference against the business; and

18 b. the business agrees to maintain a neutral posture with respect  
19 to efforts of any participating labor organization to represent  
20 employees in the retail establishment, agrees to permit the labor  
21 organization to have access to the employees, and agrees to  
22 guarantee to the labor organization the right to obtain recognition as  
23 the exclusive collective bargaining representatives of the employees  
24 at the retail establishment by demonstrating to the New Jersey State  
25 Board of Mediation, Division of Private Employment Dispute  
26 Settlement, or a mutually agreed-upon, neutral, third-party, that a  
27 majority of workers in the business have shown their preference for  
28 the labor organization to be their representative by signing  
29 authorization cards indicating that preference. The labor  
30 organization or organizations shall be chosen from a list of labor  
31 organizations that have requested to be on the list and that the  
32 Commissioner of Labor and Workforce Development has  
33 determined represent substantial numbers of retail establishment  
34 employees in this State.

35 "Major rail station" means a railroad station located within a  
36 qualified incentive area which provides access to the public to a  
37 minimum of six rail passenger service lines operated by the New  
38 Jersey Transit Corporation.

39 "Mega project" means:

40 a. [a qualified business facility located in a port district  
41 housing a business in the logistics, manufacturing, energy, defense,  
42 or maritime industries, either:

43 (1) having a capital investment in excess of \$20,000,000, and at  
44 which more than 250 full-time employees of the business are  
45 created or retained; or

46 (2) at which more than 1,000 full-time employees of the  
47 business are created or retained;] (Deleted by amendment, P.L. \_\_\_\_,

48 c. ) (pending before the Legislature as this bill)



1        b. **【**a qualified business facility located in an aviation district  
2 housing a business in the aviation industry, in a Garden State  
3 Growth Zone, or in a priority area housing the United States  
4 headquarters and related facilities of an automobile manufacturer,  
5 either:

6        (1) having a capital investment in excess of \$20,000,000, and at  
7 which more than 250 full-time employees of the business are  
8 created or retained, or

9        (2) at which more than 1,000 full-time employees of the  
10 business are created or retained;**】** (Deleted by amendment, P.L. ,  
11 c. ) (pending before the Legislature as this bill)

12        c. **【**a qualified business facility located in an urban transit hub  
13 housing a business of any kind, having a capital investment in  
14 excess of \$50,000,000, and at which more than 250 full-time  
15 employees of the business are created or retained;**】** (Deleted by  
16 amendment, P.L. , c. ) (pending before the Legislature as this  
17 bill)

18        d. **【**a project located in an area designated in need of  
19 redevelopment, pursuant to P.L.1992, c.79 (C.40A:12A-1 et al.)  
20 prior to the enactment of P.L.2014, c.63 (C.34:1B-251 et al.) within  
21 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
22 Ocean, or Salem counties having a capital investment in excess of  
23 \$20,000,000, and at which more than 150 full-time employees of  
24 the business are created or retained; or**】** (Deleted by amendment,  
25 P.L. , c. ) (pending before the Legislature as this bill)

26        e. **【**a qualified business facility primarily used by a business  
27 principally engaged in research, development, or manufacture of a  
28 drug or device, as defined in R.S.24:1-1, or primarily used by a  
29 business licensed to conduct a clinical laboratory and business  
30 facility pursuant to the "New Jersey Clinical Laboratory  
31 Improvement Act," P.L.1975, c.166 (C.45:9-42.26 et seq.), either:

32        (1) having a capital investment in excess of \$20,000,000, and at  
33 which more than 250 full-time employees of the business are  
34 created or retained, or

35        (2) at which more than 1,000 full-time employees of the  
36 business are created or retained.**】** (Deleted by amendment, P.L. ,  
37 c. ) (pending before the Legislature as this bill)

38        f. a transformative project of special economic importance as  
39 measured by the level of new jobs, new capital investment, and  
40 opportunities to leverage leadership in a high-priority targeted  
41 industry, as determined by the authority pursuant to rules and  
42 regulations promulgated to implement P.L. , c. (C. )  
43 (pending before the Legislature as this bill).

44        "Minimum environmental and sustainability standards" means  
45 standards established by the authority in accordance with the green  
46 building manual prepared by the Commissioner of Community  
47 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),

1 regarding the use of renewable energy, energy-efficient technology,  
2 and non-renewable resources in order to reduce environmental  
3 degradation and encourage long-term cost reduction.

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

12 "Municipal Revitalization Index" means the 2007 index by the  
13 Office for Planning Advocacy within the Department of State  
14 measuring or ranking municipal distress.

15 "New full-time job" means an eligible position created by the  
16 business at the qualified business facility that did not previously  
17 exist in this State. For the purposes of determining a number of  
18 new full-time jobs, the eligible positions of an affiliate shall be  
19 considered eligible positions of the business.

20 "Other eligible area" means the portions of the qualified  
21 incentive area that are not located within a distressed municipality,  
22 or the priority area.

23 "Partnership" means an entity classified as a partnership for  
24 federal income tax purposes.

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

27 a. the "Port of New York District" of the Port Authority of  
28 New York and New Jersey, as defined in Article II of the Compact  
29 Between the States of New York and New Jersey of 1921; or

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

35 "Priority area" means the portions of the qualified incentive area  
36 that are not located within a distressed municipality and which:

37 a. are designated pursuant to the "State Planning Act,"  
38 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1  
39 (Metropolitan), Planning Area 2 (Suburban), a designated center  
40 under the State Development and Redevelopment Plan, or a  
41 designated growth center in an endorsed plan until June 30, 2013, or  
42 until the State Planning Commission revises and readopts New  
43 Jersey's State Strategic Plan and adopts regulations to revise this  
44 definition;

45 b. intersect with portions of: **[a deep poverty pocket,]** a port  
46 district, a qualified incentive tract, or federally-owned land  
47 approved for closure under a federal Commission on Base  
48 Realignment and Closure action;

1 c. are the proposed site of **[**a disaster recovery project,**]** a  
2 qualified incubator facility, a highlands development credit  
3 receiving area or redevelopment area, a tourism destination project,  
4 or transit oriented development; or

5 d. contain: a vacant commercial building having over 400,000  
6 square feet of office, laboratory, or industrial space available for  
7 occupancy for a period of over one year; or a site that has been  
8 negatively impacted by the approval of a "qualified business  
9 facility," as defined pursuant to section 2 of P.L.2007, c.346  
10 (C.34:1B-208).

11 "Professional employer organization" means an employee leasing  
12 company registered with the Department of Labor and Workforce  
13 Development pursuant to P.L.2001, c.260 (C.34:8-67 et seq.).

14 "Program" means the "Grow New Jersey Assistance Program"  
15 established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244).

16 "Public research university" means a public research university  
17 as defined in section 3 of P.L.1994, c.48 (C.18A:3B-3).

18 "Qualified business facility" means any building, complex of  
19 buildings or structural components of buildings, and all machinery  
20 and equipment located within a qualified incentive area, used in  
21 connection with the operation of a business that is not engaged in  
22 final point of sale retail business at that location unless the building,  
23 complex of buildings or structural components of buildings, and all  
24 machinery and equipment located within a qualified incentive area,  
25 are used in connection with the operation of **[**:

26 a. a final point of sale retail business located in a Garden State  
27 Growth Zone that will include a retail facility of at least 150,000  
28 square feet, of which at least 50 percent is occupied by either a full-  
29 service supermarket or grocery store; or

30 **b.]** a tourism destination project located in the Atlantic City  
31 Tourism District as established pursuant to section 5 of P.L.2011,  
32 c.18 (C.5:12-219).

33 "Qualified incentive area" means:

- 34 a. an aviation district;  
35 b. a port district;  
36 c. a distressed municipality or urban transit hub municipality;  
37 d. an area;

38 (1) designated pursuant to the "State Planning Act," P.L.1985,  
39 c.398 (C.52:18A-196 et seq.), as:

- 40 (a) Planning Area 1 (Metropolitan);  
41 (b) Planning Area 2 (Suburban); or  
42 (c) Planning Area 3 (Fringe Planning Area);

43 (2) located within a smart growth area and planning area  
44 designated in a master plan adopted by the New Jersey  
45 Meadowlands Commission pursuant to subsection (i) of section 6 of  
46 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan  
47 adopted by the New Jersey Meadowlands Commission pursuant to  
48 section 20 of P.L.1968, c.404 (C.13:17-21);

1 (3) located within any land owned by the New Jersey Sports and  
2 Exposition Authority, established pursuant to P.L.1971, c.137  
3 (C.5:10-1 et seq.), within the boundaries of the Hackensack  
4 Meadowlands District as delineated in section 4 of P.L.1968, c.404  
5 (C.13:17-4);

6 (4) located within a regional growth area, rural development  
7 area zoned for industrial use as of the effective date of P.L.2016,  
8 c.75, town, village, or a military and federal installation area  
9 designated in the comprehensive management plan prepared and  
10 adopted by the Pinelands Commission pursuant to the "Pinelands  
11 Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.);

12 (5) located within the planning area of the Highlands Region as  
13 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands  
14 development credit receiving area or redevelopment area;

15 (6) located within a Garden State Growth Zone;

16 (7) located within land approved for closure under any federal  
17 Commission on Base Realignment and Closure action; or

18 (8) located only within the following portions of the areas  
19 designated pursuant to the "State Planning Act," P.L.1985, c.398  
20 (C.52:18A-196 et seq.), as Planning Area 4A (Rural Planning  
21 Area), Planning Area 4B (Rural/Environmentally Sensitive) or  
22 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A  
23 (Rural Planning Area), Planning Area 4B (Rural/Environmentally  
24 Sensitive) or Planning Area 5 (Environmentally Sensitive) is  
25 located within:

26 (a) a designated center under the State Development and  
27 Redevelopment Plan;

28 (b) a designated growth center in an endorsed plan until the  
29 State Planning Commission revises and readopts New Jersey's State  
30 Strategic Plan and adopts regulations to revise this definition as it  
31 pertains to Statewide planning areas;

32 (c) any area determined to be in need of redevelopment pursuant  
33 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and  
34 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of  
35 P.L.1992, c.79 (C.40A:12A-14);

36 (d) any area on which a structure exists or previously existed  
37 including any desired expansion of the footprint of the existing or  
38 previously existing structure provided the expansion otherwise  
39 complies with all applicable federal, State, county, and local  
40 permits and approvals;

41 (e) the planning area of the Highlands Region as defined in  
42 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands  
43 development credit receiving area or redevelopment area; or

44 (f) any area on which an existing tourism destination project is  
45 located.

46 "Qualified incentive area" shall not include any property located  
47 within the preservation area of the Highlands Region as defined in  
48 section 3 of P.L.2004, c.120 (C.13:20-3).

1 "Qualified incentive tract" means a population census tract, as  
2 reported in the latest federal decennial census published by the  
3 United States Census Bureau:

4 a. having a poverty rate of 20 percent or more; or

5 b. in which the median family income for the population  
6 census tract does not exceed 80 percent of the greater of the  
7 Statewide median family income or the median family income of  
8 the metropolitan statistical area in which the population census tract  
9 is situated.

10 "Qualified incubator facility" means a commercial building  
11 located within a qualified incentive area: which contains 50,000 or  
12 more square feet of office, laboratory, or industrial space; which is  
13 located near, and presents opportunities for collaboration with, a  
14 research institution, teaching hospital, college, or university; and  
15 within which, at least 50 percent of the gross leasable area is  
16 restricted for use by one or more technology startup companies  
17 during the commitment period.

18 "Retained full-time job" means an eligible position that currently  
19 exists in New Jersey and is filled by a full-time employee but  
20 which, because of a potential relocation by the business, is at risk of  
21 being lost to another state or country, or eliminated. For the  
22 purposes of determining a number of retained full-time jobs, the  
23 eligible positions of an affiliate shall be considered eligible  
24 positions of the business. For the purposes of the certifications and  
25 annual reports required in the incentive agreement pursuant to  
26 subsection e. of section 4 of P.L.2011, c.149 (C.34:1B-245), to the  
27 extent an eligible position that was the basis of the award no longer  
28 exists, a business shall include as a retained full-time job a new  
29 eligible position that is filled by a full-time employee provided that  
30 the position is included in the order of date of hire and is not the  
31 basis for any other incentive award. **【For a project located in a**  
32 **Garden State Growth Zone which qualified for the "Municipal**  
33 **Rehabilitation and Economic Recovery Act," P.L.2002, c.43**  
34 **(C.52:27BBB-1 et al.), retained full-time job shall include any**  
35 **employee previously employed in New Jersey and transferred to the**  
36 **new location in the Garden State Growth Zone which qualified for**  
37 **the "Municipal Rehabilitation and Economic Recovery Act,"**  
38 **P.L.2002, c.43 (C.52:27BBB-1 et al.).】**

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

41 "SDA municipality" means a municipality in which an SDA  
42 district is situate.

43 "Small business" means a business engaged in the conduct of a  
44 trade or business in this State that qualifies as a "small business  
45 concern" within the meaning of the federal "Small Business Act,"  
46 Pub.L.85-536 (15 U.S.C. s.631 et seq.) for the purpose of the small  
47 business's eligibility for performing a contract offered by the  
48 federal government or for assistance from the United States Small

1 Business Administration. "Small business" shall include, but not be  
2 limited to, a small business established and operating in this State  
3 that is certified, pursuant to federal law, under the United States  
4 Small Business Administration's 8(a) Business Development  
5 program or the HUBZone program, or as a small disadvantaged  
6 business, or as a business concern by the United States Department  
7 of Housing and Urban Development pursuant to section 3 of the  
8 Housing and Urban Development Act of 1968 (12 U.S.C. s.1701u).

9 "State college" means a State college or university established  
10 pursuant to chapter 64 of Title 18A of the New Jersey Statutes.

11 "Targeted industry" means any industry identified from time to  
12 time by the authority including initially, a transportation,  
13 manufacturing, defense, energy, logistics, life sciences, technology,  
14 health, and finance business, but excluding a primarily warehouse  
15 or distribution business.

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

21 "Tourism destination project" means a qualified non-gaming  
22 business facility that will be among the most visited privately  
23 owned or operated tourism or recreation sites in the State, and  
24 which is located within the qualified incentive area and has been  
25 determined by the authority to be in an area appropriate for  
26 development and in need of economic development incentive  
27 assistance, including a non-gaming business within an established  
28 **【Tourism District】** tourism district with a significant impact on the  
29 economic viability of that **【District】** tourism district.

30 "Transit oriented development" means a qualified business  
31 facility located within a 1/2-mile radius, or one-mile radius for  
32 projects located in a Garden State Growth Zone, surrounding the  
33 mid-point of a New Jersey Transit Corporation, Port Authority  
34 Transit Corporation, or Port Authority Trans-Hudson Corporation  
35 rail, bus, or ferry station platform area, including all light rail  
36 stations.

37 "Urban transit hub" means an urban transit hub, as defined in  
38 section 2 of P.L.2007, c.346 (C.34:1B-208), that is located within  
39 an eligible municipality, as defined in section 2 of P.L.2007, c.346  
40 (C.34:1B-208) and also located within a qualified incentive area.

41 "Urban transit hub municipality" means a municipality: a. which  
42 qualifies for State aid pursuant to P.L.1978, c.14 (C.52:27D-178 et  
43 seq.), or which has continued to be a qualified municipality  
44 thereunder pursuant to P.L.2007, c.111; and b. in which 30 percent  
45 or more of the value of real property was exempt from local  
46 property taxation during tax year 2006. The percentage of exempt  
47 property shall be calculated by dividing the total exempt value by

1 the sum of the net valuation which is taxable and that which is tax  
2 exempt.

3 (cf: P.L.2018, c.120, s.1)

4

5 2. Section 3 of P.L.2011, c.149 (C.34:1B-244) is amended to  
6 read as follows:

7 3. a. The Grow New Jersey Assistance Program is hereby  
8 established as a program under the jurisdiction of the New Jersey  
9 Economic Development Authority and shall be administered by the  
10 authority. The purpose of the program is to encourage economic  
11 development and job creation and to preserve jobs that currently  
12 exist in New Jersey but which are in danger of being relocated  
13 outside of the State. To implement this purpose, the program may  
14 provide tax credits to eligible businesses for an eligibility period not  
15 to exceed 10 years.

16 To be eligible for any tax credits pursuant to P.L.2011, c.149  
17 (C.34:1B-242 et al.), a business's chief executive officer or  
18 equivalent officer shall demonstrate to the authority, at the time of  
19 application, that:

20 (1) the business, expressly including its landlord or seller, will  
21 make, acquire, or lease a capital investment equal to, or greater  
22 than, the applicable amount set forth in subsection b. of this section  
23 at a qualified business facility at which it will:

24 (a) retain full-time jobs in an amount equal to or greater than the  
25 applicable number set forth in subsection c. of this section;

26 (b) create new full-time jobs in an amount equal to or greater  
27 than the applicable number set forth in subsection c. of this section;  
28 or

29 (c) in combination, retain full-time jobs and create new full-time  
30 jobs in an amount equal to or greater than the applicable number set  
31 forth in subsection c. of this section;

32 (2) the qualified business facility shall be constructed in  
33 accordance with the minimum environmental and sustainability  
34 standards;

35 (3) the capital investment resultant from the award of tax credits  
36 and the resultant retention and creation of full-time jobs will yield a  
37 net positive benefit to the State equaling at least ~~110~~ 400 percent  
38 of the requested tax credit allocation amount, or for a phased project  
39 the requested tax credit allocation amount for the initial phase, and  
40 on a cumulative basis each phase thereafter, which determination is  
41 calculated prior to taking into account the value of the requested tax  
42 credit and shall be based on the benefits generated during the ~~first~~  
43 20 years following the completion of the project period of time  
44 from approval through the end of the commitment period, or  
45 through the end of the longer period of extended commitment that  
46 the business may elect for purposes of receiving credit for benefits  
47 projected to occur after the expiration of the commitment period,  
48 except that:

1       (a) for a project located in a priority area, the determination  
2 shall be based on the benefits generated during the period of time  
3 from approval through the end of the commitment period, as  
4 determined by the authority, and shall equal at least 400 percent of  
5 the requested tax credit award amount;

6       (b) for a project located in a distressed municipality, Garden  
7 State Create Zone, or urban transit hub municipality, the  
8 determination shall be based on the benefits generated during the  
9 period of time from approval through the end of the commitment  
10 period, as determined by the authority, and shall equal at least 300  
11 percent of the requested tax credit award amount;

12       (c) for a mega project or a project located in a Garden State  
13 Growth Zone, the determination shall be based on the benefits  
14 generated during **【a period of up to 30 years following the**  
15 **completion of the project, as determined by the authority】** the  
16 period of time from approval through the end of the commitment  
17 period, and shall equal at least 200 percent of the requested tax  
18 credit award amount **【,】**;

19       **【(b) for a project located in a Garden State Growth Zone which**  
20 **qualified for the "Municipal Rehabilitation and Economic Recovery**  
21 **Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), the net positive benefit**  
22 **determination shall be based on the benefits generated during a**  
23 **period of up to 35 years following completion of the project, as**  
24 **determined by the authority, and shall equal at least 100 percent of**  
25 **the requested tax credit allocation amount and may utilize the value**  
26 **of those property taxes subject to the provisions of section 24 of**  
27 **P.L.2013 c.161 (C.52:27D-489s), or the value of those property**  
28 **taxes that would have been assessed on the new construction,**  
29 **improvements, or substantial rehabilitation of structures on real**  
30 **property if the structures were not exempt because they are on real**  
31 **property owned by a public entity, and incremental sales and excise**  
32 **taxes that are derived from activities within the area and which are**  
33 **rebated or retained by the municipality pursuant to the "New Jersey**  
34 **Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et**  
35 **seq.) or any other law providing for such rebate or retention **】** (d) the**  
36 net economic benefits shall be evaluated on a present value basis  
37 with the requested tax credit allocation amount discounted to  
38 present value at the same discount rate as the benefits from capital  
39 investment resultant from the award of tax credits and the resultant  
40 retention and creation of full-time jobs as provided in subparagraph  
41 (e) of this paragraph; and

42       (e) the net economic benefits shall be discounted to reflect the  
43 uncertainty of the business's location after the commitment period  
44 expires, provided that a business may elect a period of extended  
45 commitment for which time the economic benefits shall be  
46 creditable to the determination of the net economic benefit of the  
47 project, and a business electing a period of extended commitment



1 and failing to maintain the project through the expiration of that  
2 extended commitment period shall be obligated to repay a  
3 proportion of the incremental benefits received on account of  
4 having extended the commitment period, taking into consideration  
5 the number of years of extended commitment during which the  
6 business maintained the project;

7 (4) except as provided in subsection f. of this section, the award  
8 of tax credits will be a material factor in the business's decision to  
9 create or retain the minimum number of new or retained full-time  
10 jobs for eligibility under the program; and

11 (5) (a) not less than the prevailing wage rate shall be paid to  
12 workers employed in the performance of any construction contract,  
13 including contracts for millwork fabrication, undertaken in  
14 connection with authority financial assistance or on any project for  
15 which a business undertakes pursuant to the "Municipal  
16 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
17 (C.52:27BBB-1 et seq.), or undertaken to fulfill any condition of  
18 receiving authority financial assistance, including the performance  
19 of any contract to construct, renovate, or otherwise prepare a  
20 qualified business facility for operations that are necessary for the  
21 receipt of authority financial assistance, unless:

22 (i) the work performed under the contract is performed at a  
23 qualified business facility owned by a landlord that is not a business  
24 receiving authority assistance;

25 (ii) the landlord is a party to the construction contract; and

26 (iii) less than 35 percent of the qualified business facility is  
27 leased by the business at the time of the contract and under any  
28 agreement to subsequently lease the qualified business facility.

29 (b) In accordance with section 1 of P.L.1979, c.303 (C.34:1B-  
30 5.1), nothing in this paragraph shall be construed as requiring the  
31 payment of prevailing wage for construction commencing more  
32 than two years after a business has executed with the authority a  
33 commitment letter regarding authority financial assistance and the  
34 first payment or other provision of the assistance is received.

35 With respect to the provisions of paragraph (3) of this  
36 subsection, in the case of a project located in a Garden State  
37 Growth Zone, the authority, in its discretion, may award bonuses in  
38 its net positive benefit calculation.

39 b. For all projects approved after the effective date of  
40 P.L.2013, c.161, the minimum capital investment required to be  
41 eligible under this program shall be as follows:

42 (1) for the rehabilitation, improvement, fit-out, or retrofit of an  
43 existing industrial, warehousing, logistics, or research and  
44 development premises for continued similar use by the business in  
45 at least 51 percent of the gross leasable area of the premises, a  
46 minimum investment of \$20 per square foot of gross leasable area;

47 (2) for the new construction of an industrial, warehousing,  
48 logistics, or research and development premises for similar use by

1 the business in at least 51 percent of the gross leasable area of the  
2 premises, a minimum investment of \$60 per square foot of gross  
3 leasable area;

4 (3) for the rehabilitation, improvement, fit-out, or retrofit of an  
5 existing premises that does not qualify pursuant to paragraph (1) or  
6 (2) of this subsection, a minimum investment of \$40 per square foot  
7 of gross leasable area; and

8 (4) for the new construction of a premises that does not qualify  
9 pursuant to paragraph (1) or (2) of this subsection, a minimum  
10 investment of \$120 per square foot of gross leasable area.

11 The minimum capital investment required by this subsection  
12 shall be reduced by one-third for projects located in a Garden State  
13 Growth Zone or projects located within Atlantic, Burlington,  
14 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem  
15 counties. For a small business engaged primarily in a targeted  
16 industry, no minimum capital investment shall be required,  
17 provided that the applicant demonstrates by evidence satisfactory to  
18 the authority of its intent to remain in the State for the commitment  
19 period.

20 c. The minimum number of new or retained full-time jobs  
21 required to be eligible under this program shall be as follows:

22 (1) for a business that is a technology startup company or a  
23 manufacturing company, a minimum of 10 new or 25 retained full-  
24 time jobs;

25 (2) for a business engaged primarily in a targeted industry other  
26 than a technology startup company or a manufacturing company, a  
27 minimum of 25 new or 35 retained full-time jobs; and

28 (3) for any other business, a minimum of 35 new or 50 retained  
29 full-time jobs.

30 The minimum number of new or retained full-time jobs required  
31 by this subsection shall be reduced by one-quarter for projects  
32 located in a Garden State Growth Zone or projects located within  
33 Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester,  
34 Ocean, or Salem counties, and by one-half for projects in which the  
35 business is a small business.

36 Each person working as an independent contractor for the  
37 business may be counted as eight-tenths of a full-time employee for  
38 the purposes of calculating the business's Statewide workforce.

39 d. To assist the authority in determining whether a proposed  
40 capital investment will yield a net positive benefit, the business's  
41 chief executive officer, or equivalent officer, shall submit a  
42 certification to the authority indicating: (1) that any existing full-  
43 time jobs are at risk of leaving the State or being eliminated; (2)  
44 that any projected creation or retention, as applicable, of new full-  
45 time jobs would not occur but for the provision of tax credits under  
46 the program; and (3) that the business's chief executive officer, or  
47 equivalent officer, has reviewed the information submitted to the  
48 authority and that the representations contained therein are accurate

1 **【**, provided however, that in satisfaction of the provisions of  
2 paragraphs (1) and (2) of this subsection, the certification with  
3 respect to a project in a Garden State Growth Zone that qualifies  
4 under the "Municipal Rehabilitation and Economic Recovery Act,"  
5 P.L.2002, c.43 (C.52:27BBB-1 et al.), or a project located in a  
6 Garden State Growth Zone which contains a Tourism District as  
7 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and  
8 regulated by the Casino Reinvestment Development Authority, shall  
9 indicate that the provision of tax credits under the program is a  
10 material factor in the business decision to make a capital investment  
11 and locate in a Garden State Growth Zone that qualifies under the  
12 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,  
13 c.43 (C.52:27BBB-1 et al.), or a Garden State Growth Zone which  
14 contains a Tourism District as established pursuant to section 5 of  
15 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
16 Reinvestment Development Authority**】**. In the event that this  
17 certification by the business's chief executive officer, or equivalent  
18 officer, is found to be willfully false, the authority may revoke any  
19 award of tax credits in their entirety, which revocation shall be in  
20 addition to any other criminal or civil penalties that the business  
21 and the officer may be subject to. When considering an application  
22 involving intra-State job transfers, the authority shall require the  
23 business to submit the following information as part of its  
24 application: a full economic analysis of all locations under  
25 consideration by the business; all lease agreements, ownership  
26 documents, or substantially similar documentation for the business's  
27 current in-State locations; and all lease agreements, ownership  
28 documents, or substantially similar documentation for the potential  
29 out-of-State location alternatives, to the extent they exist. Based on  
30 this information, and any other information deemed relevant by the  
31 authority, the authority shall independently verify and confirm, by  
32 way of making a factual finding by separate vote of the authority's  
33 board, the business's assertion that the jobs are actually at risk of  
34 leaving the State, and as to the date or dates at which the authority  
35 expects that those jobs would actually leave the State **【**, or, with  
36 respect to projects located in a Garden State Growth Zone that  
37 qualifies under the "Municipal Rehabilitation and Economic  
38 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or projects  
39 located in a Garden State Growth Zone which contains a Tourism  
40 District as established pursuant to section 5 of P.L.2011, c.18  
41 (C.5:12-219) and regulated by the Casino Reinvestment  
42 Development Authority, the business's assertion that the provision  
43 of tax credits under the program is a material factor in the business's  
44 decision to make a capital investment and locate in a Garden State  
45 Growth Zone that qualifies under the "Municipal Rehabilitation and  
46 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or  
47 in a Garden State Growth Zone which contains a Tourism District  
48 as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219)

1 and regulated by the Casino Reinvestment Development Authority,  
2 before a business may be awarded any tax credits under this  
3 section].

4 e. **[A]** (1) Except as provided in paragraph (2) of this  
5 subsection, a project that consists solely of point-of-final-purchase  
6 retail facilities shall not be eligible for a grant of tax credits. [If]  
7 Except as provided in paragraph (2) of this subsection, if a project  
8 consists of both point-of-final-purchase retail facilities and non-  
9 retail facilities, only the portion of the project consisting of non-  
10 retail facilities shall be eligible for a grant of tax credits. For a  
11 qualified business facility that is a mixed-use project that includes  
12 retail facilities and that is located in a Garden State Growth Zone or  
13 the Atlantic City Tourism District as established pursuant to section  
14 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
15 Reinvestment Development Authority, retail facilities in an amount  
16 up to 7.5 percent of the mixed-use project may be included in the  
17 mixed-use project application for a grant of tax credits along with  
18 the non-retail facilities, and that application may include in the  
19 aggregate the pro-rata number of full-time employees employed by  
20 any number of tenants or other occupants of the included retail  
21 facilities. [If] Except as provided in paragraph (2) of this  
22 subsection, if a warehouse facility is part of a point-of-final-  
23 purchase retail facility and supplies only that facility, the warehouse  
24 facility shall not be eligible for a grant of tax credits. [For the  
25 purposes of this section, a retail facility of at least 150,000 square  
26 feet, of which at least 50 percent is occupied by a full-service  
27 supermarket or grocery store, located in a Garden State Growth  
28 Zone which qualified under the "Municipal Rehabilitation and  
29 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or  
30 a tourism destination project in the Atlantic City Tourism District as  
31 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219), or  
32 catalog distribution centers shall not be considered point-of-final-  
33 purchase retail facilities.]

34 (2) The authority shall not enter into an incentive agreement for  
35 a redevelopment project that includes a retail establishment that will  
36 have more than 10 employees unless the incentive agreement  
37 includes a precondition that a business that serves as the owner or  
38 operator of the retail establishment enters into a labor harmony  
39 agreement for the retail establishment portion of the project with a  
40 labor organization or cooperating labor organization that represents  
41 retail establishment employees in the State. For the purposes of this  
42 paragraph, a business that serves as the owner or operator of a retail  
43 establishment located in an urban food desert, as defined in section  
44 3 of P.L.2011, c.223 (C.4:10-25.5), shall not be required to enter  
45 into a labor harmony agreement.

46 f. The authority may determine as eligible for tax credits under  
47 the program any business that is required to respond to a request for

1 proposals and to fulfill a contract with the federal government  
2 although the business's chief executive officer or equivalent officer  
3 has not demonstrated to the authority that the award of tax credits  
4 will be a material factor in the business's decision to retain the  
5 minimum number of retained full-time jobs, as otherwise required  
6 by this section. The authority may, in its discretion, consider the  
7 economic benefit of the retained jobs servicing the contract in  
8 conducting a net benefit analysis required by paragraph (4) of  
9 subsection a. of this section. For the purposes of this subsection,  
10 "retained full-time jobs" includes jobs that are at risk of being  
11 eliminated. Applications to the authority for eligibility under the  
12 program pursuant to the criteria set forth in this subsection shall be  
13 completed by December 31, 2013. Submission of a proposal to the  
14 federal government prior to authority approval shall not disqualify a  
15 business from the program.

16 g. Nothing shall preclude a business from applying for tax  
17 credits under the program for more than one project pursuant to one  
18 or more applications.

19 h. A business shall not be required to purchase pinelands  
20 development credits under the "Pinelands Protection Act,"  
21 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive  
22 management plan, or any other rule or regulation adopted pursuant  
23 to that act in connection with any approval or relief obtained related  
24 to a qualified business facility located in an aviation district on or  
25 after the effective date of P.L.2018, c.120, except if seeking to  
26 develop in permanently protected open space pursuant to the  
27 Pinelands Protection Act.

28 i. Persons working as independent contractors for the business  
29 shall not be included in the business's Statewide workforce total if  
30 those persons are simultaneously receiving a State economic  
31 incentive benefit for job creation or retention under any other  
32 program. Compliance period obligations of those persons following  
33 the receipt of an economic incentive benefit shall not disqualify  
34 inclusion of those persons as part of the business's Statewide  
35 workforce total.

36 (cf: P.L.2018, c.120, s.2)

37

38 3. Section 4 of P.L.2011, c.149 (C.34:1B-245) is amended to read  
39 as follows:

40 4. The authority shall require an eligible business to enter into  
41 an incentive agreement prior to the issuance of tax credits. The  
42 incentive agreement shall include, but shall not be limited to, the  
43 following:

44 a. **[A]** a detailed description of the proposed project which  
45 will result in job creation or retention, and the number of new or  
46 retained full-time jobs that are approved for tax credits **[.]**;

47 b. for a phased project, an incentive phase agreement for which  
48 each phase identifies a description of the phase, the expected capital

1 investment and number of new full-time jobs, and the time  
2 following acceptance of the incentive agreement when each phase is  
3 to begin and be completed, with the awarding of tax credits under  
4 the incentive agreement to be predicated on the number of full-time  
5 jobs created through the fulfillment of each incentive phase  
6 agreement;

7 **c.** **[The]** the eligibility period of the tax credits, or for a phased  
8 project, the eligibility period of the tax credits for each phase,  
9 including the first year for which the tax credits may be claimed  
10 **[.]** ;

11 **[c. Personnel]** **d.** personnel information that will enable the  
12 authority to administer the program **[.]** ;

13 **[d. A]** **e.** a requirement that the applicant maintain the project at  
14 a location in New Jersey for the commitment period, with at least  
15 the minimum number of full-time employees as required by this  
16 program, and a provision to permit the authority to recapture all or  
17 part of any tax credits awarded, at its discretion, if the business does  
18 not remain in compliance with this provision for the required term,  
19 and in the instance of the business terminating an existing incentive  
20 agreement in order to participate in an incentive agreement  
21 authorized pursuant to the "New Jersey Economic Opportunity Act  
22 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), such permitted  
23 recapture may be calculated to recognize the period of time that the  
24 business was in compliance prior to termination [.] ;

25 **[e. A]** **f.** a method for the business to certify that it has met the  
26 capital investment and employment requirements of the program  
27 pursuant to paragraph (1) of subsection a. of section 3 of P.L.2011,  
28 c.149 (C.34:1B-244) and the applicable incentive phase agreements  
29 and to report annually to the authority the number of full-time  
30 employees for which the tax credits are to be made [.] ;

31 **[f. A]** **g.** a provision permitting an audit of the payroll records  
32 of the business from time to time, as the authority deems necessary  
33 **[.]** ;

34 **[g. A]** **h.** a provision which permits the authority to amend the  
35 agreement [.] ; and

36 **[h. A]** **i.** a provision establishing the conditions under which the  
37 agreement may be terminated.

38 (cf: P.L.2013, c.161, s.9)

39

40 4. Section 5 of P.L.2011, c.149 (C.34:1B-246) is amended to read  
41 as follows:

42 5. a. The total amount of the tax credit for an eligible business  
43 for each new or retained full-time job shall be as set forth in  
44 subsections b. through f. of this section. The total tax credit amount  
45 shall be calculated and credited to the business annually for each  
46 year of the eligibility period. Notwithstanding any other provisions  
47 of the "New Jersey Economic Opportunity Act of 2013," P.L.2013,

1 c.161 (C.52:27D-489p et al.), a business may assign its ability to  
2 apply for the tax credit under this subsection to a non-profit  
3 organization with a mission dedicated to attracting investment and  
4 completing development and redevelopment projects in a Garden  
5 State Growth Zone. The non-profit organization or organization  
6 operating a qualified incubator facility may make an application on  
7 behalf of a business which meets the requirements for the tax credit,  
8 or a group of non-qualifying businesses or positions, located at a  
9 qualified business facility, that shall be considered a unified project  
10 for the purposes of the incentives provided under this section. [For  
11 any project located in a Garden State Growth Zone that qualifies  
12 under the "Municipal Rehabilitation and Economic Recovery Act,"  
13 P.L.2002, c.43 (C.52:27BBB-1 et al.), or any project located in a  
14 Garden State Growth Zone which contains a Tourism District as  
15 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and  
16 regulated by the Casino Reinvestment Development Authority, and  
17 which will include a retail facility of at least 150,000 square feet, of  
18 which at least 50 percent will be occupied by either a full-service  
19 supermarket or grocery store, a business may assign its ability to  
20 apply for the tax credit under this subsection to the developer of the  
21 facility. The developer may make an application on behalf of the  
22 business which meets the requirements for the tax credit, or a group  
23 of non-qualifying businesses located at the business facility, that  
24 shall be considered a unified project for the purposes of the  
25 incentives provided under this section, and the developer may apply  
26 for tax credits available based on the number of jobs provided by  
27 the business or businesses and the total capital investment of the  
28 business or businesses and the developer.]

29 b. The base amount of the tax credit for each new or retained  
30 full-time job shall be as follows:

31 (1) (a) for a qualified business facility located within an urban  
32 transit hub municipality, located within a Garden State Growth  
33 Zone, or which is a mega project, **[\$5,000]** \$4,000 per year;

34 (b) for a qualified business facility located within a Garden  
35 State Create Zone and used by an eligible business in a targeted  
36 industry to conduct a collaborative research relationship with a  
37 doctoral university within the zone, **[\$5,000]** \$4,000 per year;

38 (2) for a qualified business facility located within a distressed  
39 municipality but not qualifying under paragraph (1) of this  
40 subsection, **[\$4,000]** \$3,500 per year;

41 (3) for a project in a priority area, **[\$3,000]** \$2,500 per year;  
42 and

43 (4) for a project in other eligible areas, \$500 per year.

44 c. In addition to the base amount of the tax credit, the amount  
45 of the tax credit to be awarded for each new or retained full-time  
46 job shall be increased if the qualified business facility meets any of  
47 the following priority criteria or other additional or replacement

1 criteria determined by the authority from time to time in response to  
2 evolving economic or market conditions:

3 (1) for a qualified business facility located in a **【deep poverty**  
4 **pocket】** qualified incentive tract or in an area that is the subject of a  
5 Choice Neighborhoods Transformation Plan funded by the federal  
6 Department of Housing and Urban Development, an increase of  
7 \$1,500 per year;

8 (2) for a qualified business facility located in a qualified  
9 incubator facility, an increase of \$500 per year;

10 (3) for a qualified business facility located in a mixed-use  
11 development that incorporates sufficient moderate income housing  
12 on site to accommodate a minimum of 20 percent of the full-time  
13 employees of the business, an increase of \$500 per year;

14 (4) **【for a qualified business facility located within a transit**  
15 **oriented development, an increase of \$2,000 per year;】** (Deleted by  
16 amendment, P.L. , c. ) (pending before the Legislature as this  
17 bill)

18 (5) for a qualified business facility, other than a mega project, at  
19 which the capital investment in industrial or research and  
20 development premises for industrial or research and development  
21 use by the business is in excess of the minimum capital investment  
22 required for eligibility pursuant to subsection b. of section 3 of  
23 P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000 per year for  
24 each additional amount of investment that exceeds the minimum  
25 amount required for eligibility by **【20】** 40 percent, with a maximum  
26 increase of \$3,000 per year;

27 (6) for a business with new full-time jobs and retained full-time  
28 jobs at the project with an average salary in excess of the existing  
29 average salary for the county in which the project is located, or, in  
30 the case of a project in a Garden State Growth Zone, a business that  
31 employs full-time positions at the project with an average salary in  
32 excess of the average salary for the Garden State Growth Zone, an  
33 increase of \$250 per year during the commitment period for each 35  
34 percent by which the project's average salary levels exceeds the  
35 county or Garden State Growth Zone average salary, with a  
36 maximum increase of \$1,500 per year;

37 (7) for a business with large numbers of new full-time jobs and  
38 retained full-time jobs during the commitment period, the increases  
39 shall be in accordance with the following schedule:

40 (a) if the number of new full-time jobs and retained full-time  
41 jobs is between 251 and 400, \$500 per year;

42 (b) if the number of new full-time jobs and retained full-time  
43 jobs is between 401 and 600, \$750 per year;

44 (c) if the number of new full-time jobs and retained full-time  
45 jobs is between 601 and 800, \$1000 per year;

46 (d) if the number of new full-time jobs and retained full-time  
47 jobs is between 801 and 1,000, \$1,250 per year;



- 1 (e) if the number of new full-time jobs and retained full-time  
2 jobs is in excess of 1,000, \$1,500 per year;
- 3 (8) for a business in a targeted industry, an increase of \$500 per  
4 year;
- 5 (9) for a qualified business facility exceeding the Leadership in  
6 Energy and Environmental Design's "Silver" rating standards or  
7 completes substantial environmental remediation, an additional  
8 increase of \$250 per year;
- 9 (10) for a mega project or a project located within a Garden State  
10 Growth Zone at which the capital investment in industrial or  
11 research and development premises for industrial or research and  
12 development use by the business exceeds the minimum capital  
13 investment required for eligibility pursuant to subsection b. of  
14 section 3 of P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000  
15 per year for each additional amount of investment that exceeds the  
16 minimum amount by ~~20~~ 40 percent, with a maximum increase of  
17 \$5,000 per year;
- 18 (11) ~~for a project in which a business retains at least 400 jobs~~  
19 ~~and is located within the municipality in which it was located~~  
20 ~~immediately prior to the filing of the application hereunder and is~~  
21 ~~the United States headquarters of an automobile manufacturer, an~~  
22 ~~increase of \$1,500 per year;~~ ~~(Deleted by amendment, P.L. , c. )~~  
23 ~~(pending before the Legislature as this bill)~~
- 24 (12) for a project located in a municipality in Atlantic,  
25 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,  
26 and Salem counties with a 2007 Municipality Revitalization Index  
27 greater than 465, an increase of \$1,000 per year;
- 28 (13) ~~for a project located within a half-mile of any light rail~~  
29 ~~station constructed after the effective date of P.L.2013, c.161~~  
30 ~~(C.52:27D-489p et al.), an increase of \$1,000 per year;~~ ~~(Deleted~~  
31 ~~by amendment, P.L. , c. )~~ ~~(pending before the Legislature as this~~  
32 ~~bill)~~
- 33 (14) for a marine terminal project in a municipality located  
34 outside the Garden State Growth Zone, but within the geographical  
35 boundaries of the South Jersey Port District, an increase of \$1,500  
36 per year;
- 37 (15) for a project located within an area determined to be in need  
38 of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79  
39 (C.40A:12A-5 and C.40A:12A-6), and which is located within a  
40 quarter mile of at least one United States Highway and at least two  
41 New Jersey State Highways, an increase of \$1,500 per year;
- 42 (16) for a project that generates solar energy on site for use  
43 within the project of an amount that equals at least 50 percent of the  
44 project's electric supply service needs, an increase of \$250 per year;
- 45 (17) for a qualified business facility that includes a vacant  
46 commercial building having over 1,000,000 square feet of office or

1 laboratory space available for occupancy for a period of over one  
2 year, an increase of \$1,000 per year; **and**

3 (18) for an eligible business in a targeted industry at a qualified  
4 business facility on the campus of a college or university other than  
5 a doctoral university, or at a qualified business facility within a  
6 three-mile radius of the outermost boundary of the campus of a  
7 college or university other than a doctoral university, which facility  
8 is used by the business to conduct a collaborative research  
9 relationship with the college or university, an increase of \$1,000 per  
10 year. The boundary of the campus of a college or university shall  
11 be based upon a map appearing in the college's or university's  
12 official catalog or other official publication on the effective date of  
13 P.L.2017, c.221;

14 (19) for a small business, an increase of \$500 per year; and

15 (20) for a qualified business that annually funds an industry-  
16 specific training program, which has the capacity to enroll 10  
17 percent or more of the eligible business's full-time workforce, or  
18 pays a State educational institution to provide to the public an  
19 industry-specific training program, an increase of \$500 per year; or  
20 if the State educational institution is within 10 miles of the qualified  
21 business facility, an increase of \$1,000 per year.

22 d. The gross amount of the tax credit for an eligible business  
23 for each new or retained full-time job shall be the sum of the base  
24 amount as set forth pursuant to subsection b. of this section and the  
25 various additional bonus amounts for which the business is eligible  
26 pursuant to subsection c. of this section, subject to the following  
27 limitations:

28 (1) for a mega project or a project in a Garden State Growth  
29 Zone, the gross amount for each new or retained full-time job shall  
30 not exceed **[\$15,000]** \$10,000 per year;

31 (2) for a qualified business facility located within an urban  
32 transit hub municipality or a Garden State Create Zone, the gross  
33 amount for each new or retained full-time job shall not exceed  
34 **[\$12,000]** \$7,000 per year;

35 (3) for a qualified business facility in a distressed municipality  
36 the gross amount for each new or retained full-time job shall not  
37 exceed **[\$11,000]** \$7,000 per year;

38 (4) for a qualified business facility in other priority areas, the  
39 gross amount for each new or retained full-time job shall not exceed  
40 **[\$10,500]** \$4,000 per year;

41 (5) for a qualified business facility in other eligible areas, the  
42 gross amount for each new or retained full-time job shall not exceed  
43 **[\$6,000]** \$3,000 per year; and

44 (6) **for a disaster recovery project, the gross amount for each**  
45 **new or retained full-time job shall not exceed \$2,000 per year.**

46 Notwithstanding anything to the contrary set forth herein and in  
47 the provisions of subsections a. through f. of this section, but

1 subject to the provisions of paragraph (1) of subsection f. of this  
2 section, for a project located within a Garden State Growth Zone  
3 which qualifies for the "Municipal Rehabilitation and Economic  
4 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), which  
5 creates 35 or more full-time jobs new to the municipality, the total  
6 tax credit shall be:

7 (a) for a project which creates 35 or more full-time jobs new to  
8 the municipality and makes a capital investment of at least  
9 \$5,000,000, the total tax credit amount per full-time job shall be the  
10 greater of: (i) the total tax credit amount for a qualifying project in  
11 a Garden State Growth Zone as calculated pursuant to subsections  
12 a. through f. of this section; or (ii) the total capital investment of the  
13 project divided by the total number of full-time jobs at that project  
14 but not greater than \$2,000,000 per year over the grant term of ten  
15 years;

16 (b) for a project which creates 70 or more full-time jobs new to  
17 the municipality and makes a capital investment of at least  
18 \$10,000,000, the total tax credit amount per full-time job shall be  
19 the greater of: (i) the total tax credit amount for a qualifying project  
20 in a Garden State Growth Zone as calculated pursuant to  
21 subsections a. through f. of this section; or (ii) the total capital  
22 investment of the project divided by the total number of full-time  
23 jobs at that project but not greater than \$3,000,000 per year over the  
24 grant term of ten years;

25 (c) for a project which creates 100 or more full-time jobs new to  
26 the municipality and makes a capital investment of at least  
27 \$15,000,000, the total tax credit amount per full-time job shall be  
28 the greater of: (i) the total tax credit amount for a qualifying project  
29 in a Garden State Growth Zone as calculated pursuant to  
30 subsections a. through f. of this section; or (ii) the total capital  
31 investment of the project divided by the total number of full-time  
32 jobs at that project but not greater than \$4,000,000 per year over the  
33 grant term of ten years;

34 (d) for a project which creates 150 or more full-time jobs new to  
35 the municipality and makes a capital investment of at least  
36 \$20,000,000, the total tax credit amount per full-time job shall be  
37 the greater of: (i) the total tax credit amount for a qualifying project  
38 in a Garden State Growth Zone as calculated pursuant to  
39 subsections a. through f. of this section; or (ii) the total capital  
40 investment of the project divided by the total number of full-time  
41 jobs at that project but not greater than \$5,000,000 per year over the  
42 grant term of ten years; or

43 (e) for a project which creates 250 or more full-time jobs new to  
44 the municipality and makes a capital investment of at least  
45 \$30,000,000, the total tax credit amount per full-time job shall be  
46 the greater of: (i) the total tax credit amount for a qualifying project  
47 in a Garden State Growth Zone as calculated pursuant to  
48 subsections a. through f. of this section; or (ii) the total capital

1 investment of the project divided by the total number of full-time  
2 jobs as defined herein at that project divided by the ten-year grant  
3 term.】 (Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending before the  
4 Legislature as this bill)

5 e. After the determination by the authority of the gross amount  
6 of tax credits for which a business is eligible pursuant to subsection  
7 d. of this section, the final total tax credit amount shall be  
8 calculated as follows:

9 (1) for each new full-time job, the business shall be allowed tax  
10 credits equaling 100 percent of the gross amount of tax credits for  
11 each new full-time job; and

12 (2) for each retained full-time job, the business shall be allowed  
13 tax credits equaling **【the lesser of】** 50 percent of the gross amount  
14 of tax credits for each retained full-time job **【**, or one-tenth of the  
15 capital investment divided by the number of retained and new full-  
16 time jobs per year over the grant term of ten years, unless the jobs  
17 are part of a mega project which is the United States headquarters  
18 of an automobile manufacturer located within a priority area or in a  
19 Garden State Growth Zone, in which case the business shall be  
20 entitled to tax credits equaling 100 percent of the gross amount of  
21 tax credits for each retained full-time job, or unless the new  
22 qualified business facility would replace a facility that has been  
23 wholly or substantially damaged as a result of a federally-declared  
24 disaster, in which case the business shall be entitled to tax credits  
25 equaling 100 percent of the gross amount of tax credits for each  
26 retained full-time job**】** .

27 f. Notwithstanding the provisions of subsections a. through e.  
28 of this section, for each application approved by the authority's  
29 board, the amount of tax credits available to be applied by the  
30 business annually shall not exceed:

31 (1) **【\$35,000,000 and provides a net benefit to the State as**  
32 **provided herein with respect to a qualified business facility in a**  
33 **Garden State Growth Zone which qualifies under the "Municipal**  
34 **Rehabilitation and Economic Recovery Act," P.L.2002, c.43**  
35 **(C.52:27BBB-1 et al.), or which contains a Tourism District as**  
36 **established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and**  
37 **regulated by the Casino Reinvestment Development Authority;】**  
38 (Deleted by amendment, P.L. \_\_\_\_\_, c. \_\_\_\_\_) (pending before the  
39 Legislature as this bill)

40 (2) **【\$30,000,000】** \$15,000,000 and provides a net benefit to the  
41 State as provided herein with respect to a mega project or a qualified  
42 business facility in a Garden State Growth Zone;

43 (3) **【\$10,000,000】** \$7,500,000 and provides a net benefit to the  
44 State as provided herein with respect to a qualified business facility in  
45 an urban transit hub municipality or a Garden State Create Zone;

1 (4) ~~【\$8,000,000】~~ \$5,000,000 and provides a net benefit to the  
2 State as provided herein with respect to a qualified business facility  
3 in a distressed municipality;

4 (5) ~~【\$4,000,000】~~ \$3,000,000 and provides a net benefit to the  
5 State as provided herein with respect to a qualified business facility  
6 in other priority areas ~~【,~~ but not more than 90 percent of the  
7 withholdings of the business from the qualified business facility~~】~~;  
8 and

9 (6) ~~【\$2,500,000】~~ \$2,000,000 and provides a net benefit to the  
10 State as provided herein with respect to a qualified business facility  
11 in other eligible areas ~~【,~~ but not more than 90 percent of the  
12 withholdings of the business from the qualified business facility~~】~~.

13 A business may pursue separate awards for multiple projects,  
14 provided that each such project individually satisfies the  
15 requirements of the program, and provided that the limitations  
16 described in paragraphs (2) through (6) of this subsection shall  
17 apply cumulatively to each project unless the authority determines  
18 sufficient differentiability for a subsequent project to justify  
19 separate application of the limitations described in paragraphs (2)  
20 through (6) of this subsection.

21 Under paragraphs ~~【(1)】~~ (2) through (6) of this subsection, ~~【with~~  
22 the exception of a project located within a Garden State Growth  
23 Zone which qualifies for the "Municipal Rehabilitation and  
24 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or  
25 which contains a Tourism District as established pursuant to section  
26 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
27 Reinvestment Development Authority, that divides the total capital  
28 investment of the project by the total number of full-time jobs at  
29 that project,~~】~~ for each application for tax credits in excess of  
30 ~~【\$4,000,000】~~ an annual amount of tax credits that shall be  
31 determined at the discretion of the authority and made available to  
32 the public via the authority's Internet website, but which amount  
33 shall not exceed \$1,500,000 annually, the amount of tax credits  
34 available to be applied by the business annually shall be the lesser  
35 of the maximum amount under the applicable subsection or an  
36 amount determined by the authority necessary to complete the  
37 project, with such determination made by the authority's utilization  
38 of a full economic analysis of all locations under consideration by  
39 the business; all lease agreements, ownership documents, or  
40 substantially similar documentation for the business's current in-  
41 State locations, as applicable; and all lease agreements, ownership  
42 documents, or substantially similar documentation for the potential  
43 out-of-State location alternatives, to the extent they exist. Based on  
44 this information, and any other information deemed relevant by the  
45 authority, the authority shall independently verify and confirm the  
46 amount necessary to complete the project.

47 (cf: P.L.2017, c.221, s.2)

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

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

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

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

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

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

18       b. (1) A business shall submit an application for tax credits  
19 prior to July 1, ~~2019~~ 2026. The authority shall not approve an  
20 application for tax credits unless the application was submitted  
21 prior to July 1, ~~2019~~ 2026.

22       (2) (a) A business shall submit its documentation indicating  
23 that it has met the capital investment and employment requirements  
24 specified in the incentive agreement, or for a phased project the  
25 capital investment and employment requirements specified in the  
26 initial incentive phase agreement, for certification of its tax credit  
27 amount within three years following the date of approval of its  
28 application by the authority. The authority shall have the discretion  
29 to grant two six-month extensions of this deadline. Except as  
30 provided in subparagraphs (b) and (c) of this paragraph, in no event  
31 shall the incentive effective date, or for a phased project the  
32 incentive phase agreement effective date, occur later than four years  
33 following the date of approval of an application by the authority.

34       (b) As of the effective date of P.L.2017, c.314, a business which  
35 applied for the tax credit prior to July 1, 2014 under P.L.2011,  
36 c.149 (C.34:1B-242 et al.), shall submit its documentation to the  
37 authority no later than July 28, 2019, indicating that it has met the  
38 capital investment and employment requirements specified in the  
39 incentive agreement for certification of its tax credit amount.

40       (c) If the Governor declares an emergency, then the chief  
41 executive officer of the authority shall have the discretion to grant  
42 an extension for the duration of the emergency and the board of the  
43 authority, upon recommendation of the chief executive officer, may  
44 grant two additional six-month extensions; provided that (i) the  
45 extensions are due to the economic disruption cause by the  
46 emergency; (ii) the project is delayed due to unforeseeable acts  
47 related to the project beyond the eligible business's control and  
48 without its fault or negligence; (iii) the eligible business is using

1 best efforts, with all due diligence, to proceed with the completion  
2 of the project and the submission of the certification; and (iv) the  
3 eligible business has made, and continues to make, all reasonable  
4 efforts to prevent, avoid, mitigate, and overcome the delay.

5 (3) Full-time employment for an accounting or privilege period  
6 shall be determined as the average of the monthly full-time  
7 employment for the period.

8 (4) A business seeking a credit for a mega project shall apply for  
9 the credit **【within four years after the effective date of the "New**  
10 **Jersey Economic Opportunity Act of 2013," P.L.2013, c.161**  
11 **(C.52:27D-489p et al.)】** prior to July 1, 2026. The authority shall  
12 not approve an application for tax credits for a mega project unless  
13 the application was submitted prior to July 1, 2026.

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

17 The credit amount for any tax period for which the  
18 documentation of a business's credit amount remains uncertified as  
19 of a date three years after the closing date of that period shall be  
20 forfeited, although credit amounts for the remainder of the years of  
21 the eligibility period shall remain available to it.

22 The credit amount may be taken by the tax certificate holder for  
23 the tax period for which it was issued or may be carried forward for  
24 use by the tax certificate holder in any of the next **【20】** seven  
25 successive tax periods, and shall expire thereafter. The tax  
26 certificate holder may transfer the tax credit amount on or after the  
27 date of issuance or at any time within three years of the date of  
28 issuance for use by the transferee in the tax period for which it was  
29 issued or in any of the next **【20】** seven successive tax periods.  
30 Notwithstanding the foregoing, no more than the amount of tax  
31 credits equal to the total credit amount divided by the duration of  
32 the eligibility period in years may be taken in any tax period.

33 (2) (a) Credits granted to a partnership shall be passed through  
34 to the partners, members, or owners, respectively, pro-rata or  
35 pursuant to an executed agreement among the partners, members, or  
36 owners documenting an alternate distribution method provided to  
37 the Director of the Division of Taxation in the Department of the  
38 Treasury accompanied by any additional information as the director  
39 may require.

40 (b) With respect to credits passed through to a person subject to  
41 tax liability due pursuant to sections 2 or 3 of P.L.1945, c.132  
42 (C.54:18A-2 and C.54:18A-3), the person shall be allowed to apply  
43 credits against the person's tax liability without the provision of a  
44 tax credit certificate to the Division of Taxation in the Department  
45 of the Treasury for the tax period accompanying the person's tax  
46 return and the person shall be considered the tax certificate holder  
47 and be subject to subparagraph (c) of this paragraph.

1       (c) The authority may recapture all or part of any tax credits  
2 claimed by a person pursuant to subparagraph (b) of this paragraph  
3 with penalties and interest from the person or the business in the  
4 event the Division of Taxation in the Department of the Treasury  
5 does not issue a tax credit certificate in an amount at least equal to  
6 the tax credit amount claimed on the person's tax return for the  
7 applicable tax period.

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

13       (4) In lieu of applying any credit certificate or credit transfer  
14 certificate against tax liability otherwise due pursuant to section 5  
15 of P.L.1945, c.162 (C.54:10A-5), pursuant to sections 2 and 3 of  
16 P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), pursuant to section  
17 1 of P.L.1950, c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5,  
18 the credit certificate or credit transfer certificate may be surrendered  
19 to the Division of Taxation in the Department of the Treasury for a  
20 cash payment equal to 90 percent of the amount of tax credits  
21 evidenced by the certificate, provided that the issuance date of the  
22 credit certificate or credit transfer certificate occurred at least two  
23 years prior to the date of surrender and provided further that the  
24 taxpayer surrendering the certificate or credit transfer certificate is  
25 the taxpayer to which the certificate or credit transfer certificate  
26 was initially issued.

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

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



1 percent of the number of jobs specified in the incentive agreement  
2 or the incentive phase agreement.

3 (3) (a) If the qualified business facility is sold by the owner in  
4 whole or in part during the eligibility period, the new owner shall  
5 not acquire the capital investment of the seller and the seller shall  
6 forfeit all credits for the tax period in which the sale occurs and all  
7 subsequent tax periods, provided however that any credits of the  
8 business shall remain unaffected. If a tenant subleases their tenancy  
9 in whole or in part during the 10-year eligibility period, the new  
10 tenant shall not acquire the credit of the sublessor and the sublessor  
11 shall forfeit the credits for any tax period in which the portion of the  
12 qualified business facility that the sublessor continues to occupy  
13 fails to maintain the number of jobs required for the sublessor to  
14 earn tax credits for the tax period and fails to independently satisfy  
15 the minimum capital investment or sustainability requirements of  
16 the program.

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

40 (4) (a) For a project located within a Garden State Growth Zone  
41 or a qualified small business engaged primarily in a targeted  
42 industry, if, in any tax period, the number of full-time employees  
43 employed by the business at the qualified business facility located  
44 within a qualified incentive area increases above the number of full-  
45 time employees specified in the incentive agreement, then the  
46 business shall be entitled to an increased base credit amount for that  
47 tax period and each subsequent tax period, for each additional full-  
48 time employee added above the number of full-time employees

1 specified in the incentive agreement, until the first tax period for  
2 which documentation demonstrating a reduction of the number of  
3 full-time employees employed by the business at the qualified  
4 business facility, at which time the tax credit amount will be  
5 adjusted accordingly pursuant to this section.

6 (b) [For a project located within a Garden State Growth Zone  
7 which qualifies under the "Municipal Rehabilitation and Economic  
8 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which  
9 contains a Tourism District as established pursuant to section 5 of  
10 P.L.2011, c.18 (C.5:12-219) and regulated by the Casino  
11 Reinvestment Development Authority, and which qualifies for a tax  
12 credit pursuant to subsubparagraph (ii) of subparagraphs (a) through  
13 (e) of paragraph (6) of subsection d. of section 5 of P.L.2011, c.149  
14 (C.34:1B-246), if, in any tax period the number of full-time  
15 employees employed by the business at the qualified business  
16 facility located within a qualified incentive area increases above the  
17 number of full-time employees specified in the incentive agreement  
18 such that the business shall then meet the minimum number of  
19 employees required in subparagraph (b), (c), (d), or (e) of paragraph  
20 (6) of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),  
21 then the authority shall recalculate the total tax credit amount per  
22 full-time job by using the certified capital investment of the project  
23 allowable under the applicable subsubparagraph and the number of  
24 full-time jobs certified on the date of the recalculation and applying  
25 those numbers to subparagraph (b), (c), (d), or (e) of paragraph (6)  
26 of subsection d. of section 5 of P.L.2011, c.149 (C.34:1B-246),  
27 until the first tax period for which documentation demonstrating a  
28 reduction of the number of full-time employees employed by the  
29 business at the qualified business facility, at which time the tax  
30 credit amount shall be adjusted accordingly pursuant to this  
31 section.] (Deleted by amendment, P.L. , c. ) (pending before the  
32 Legislature as this bill)

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

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

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

46 f. A business which has already applied for a tax credit  
47 incentive award prior to the effective date of the "New Jersey  
48 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-

1 489p et al.), but who has not yet been approved for the tax credits,  
2 or has not executed an agreement with the authority, may proceed  
3 under that application or seek to amend the application or reapply  
4 for a tax credit incentive award for the same project or any part  
5 thereof for the purpose of availing itself of any more favorable  
6 provisions of the program.

7 g. (1) A business may change the location of the qualified  
8 business facility to another facility:

9 (a) if it is a small business engaged primarily in a targeted  
10 industry, provided that the business remains in this State for the  
11 duration of the commitment period;

12 (b) meeting all applicable location qualifying criteria and having  
13 a gross leasable area not less than the gross leasable area of the  
14 qualified business facility initially approved by the authority if the  
15 alternate qualified business facility meets the minimum capital  
16 investment and sustainability requirements of the program; or

17 (c) that does not meet all applicable location qualifying criteria  
18 or which has less gross leasable area than the gross leasable area of  
19 the qualified business facility initially approved by the authority, if  
20 the alternate qualified business facility meets the minimum capital  
21 investment and sustainability requirements of the program, provided  
22 that the authority shall require a new cost benefit analysis  
23 illustrating the economics of the project which reflect occupancy at  
24 the alternate proposed qualified business facility location for the  
25 remaining duration of the commitment period and shall re-calculate  
26 the net economic benefit of the project to reflect the economics of  
27 occupancy at the alternate proposed location for the remaining  
28 duration of the net benefit test period in lieu of the economics of  
29 continuing occupancy at the qualified business facility proposed to  
30 be vacated, and provided further that the award of tax credits shall  
31 be reduced consistent with the variations in qualifying criteria for  
32 the alternate qualified business facility location as well as in a  
33 manner consistent with the revised net economic benefit  
34 calculation.

35 (2) A business requesting to re-locate a qualified business  
36 facility shall be required to obtain the approval of the members of  
37 the authority if the modified project economics materially deviate  
38 from the economics of the initial approval in a manner that  
39 undermines the recommendation of approval made by the staff of  
40 the authority at the time of the initial approval.

41 h. A business may include an affiliate for any period provided  
42 that the business provides a valid tax clearance certificate for the  
43 affiliate, a verification of the nature of the affiliate relationship  
44 during the relevant period, and provided further that the affiliate  
45 provides acceptable responses to the authority's legal disclosures  
46 inquiries, as determined by the authority. A formal modification of  
47 the authority's approval of the incentive agreement shall not be

1 necessary to add or remove an affiliate after approval or execution  
2 of the incentive agreement.

3 i. A business may change its name filed with the authority by  
4 providing a copy of the filed amendment to the certificate of  
5 incorporation or formation, as the case may be, of the business and  
6 a valid tax clearance certificate with the business's new name. A  
7 formal modification of the authority's approval shall not be  
8 necessary to change a business's name after approval or execution  
9 of the incentive agreement.

10 (cf: P.L.2020, c.8, s.3)

11

12 6. Section 7 of P.L.2011, c.149 (C.34:1B-248) is amended to read  
13 as follows:

14 7. (1) A business may apply to the Director of the Division of  
15 Taxation in the Department of the Treasury and the chief executive  
16 officer of the authority for a tax credit transfer certificate, covering  
17 one or more years, in lieu of the business being allowed any amount  
18 of the credit against the tax liability of the business. The tax credit  
19 transfer certificate, upon receipt thereof by the business from the  
20 director and the chief executive officer of the authority, may be sold  
21 or assigned, in full or in part, in an amount not less than \$25,000, to  
22 any other person that may have a tax liability pursuant to section 5  
23 of P.L.1945, c.162 (C.54:10A-5), pursuant to sections 2 and 3 of  
24 P.L.1945, c.132 (C.54:18A-2 and 54:18A-3), pursuant to section 1  
25 of P.L.1950, c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.  
26 The certificate provided to the business shall include a statement  
27 waiving the business's right to claim that amount of the credit  
28 against the taxes that the business has elected to sell or assign. The  
29 sale or assignment of any amount of a tax credit transfer certificate  
30 allowed under this section shall not be exchanged for consideration  
31 received by the business of less than 75 percent of the transferred  
32 credit amount before considering any further discounting to present  
33 value which shall be permitted, except that the 75 percent minimum  
34 measure of consideration shall not apply to the sale or assignment  
35 of a tax credit transfer certificate to an affiliate irrespective of  
36 whether the affiliate met the capital investment and employment  
37 requirements specified in the incentive agreement. Any amount of  
38 a tax credit transfer certificate used by a purchaser or assignee  
39 against a tax liability shall be subject to the same limitations and  
40 conditions that apply to the use of the credit by the business that  
41 originally applied for and was allowed the credit.

42 (2) With respect to credits to be sold or assigned, in full or in  
43 part, pursuant to an application to the authority for a tax credit  
44 transfer certificate by a business to a person subject to tax liability  
45 due pursuant to sections 2 or 3 of P.L.1945, c.132 (C.54:18A-2 or  
46 C.54:18A-3), the person shall be allowed to apply the credits  
47 against the person's tax liability without the provision of a tax  
48 credit certificate to the Division of Taxation in the Department of

1 the Treasury for the tax period accompanying its tax return, and the  
2 person be considered a tax credit transferee and be subject to  
3 paragraph (3) of this subsection.

4 (3) The authority may recapture all or part of any tax credits  
5 claimed by a person pursuant to paragraph (2) of this subsection  
6 with penalties and interest from the person or the business in the  
7 event the authority does not issue a tax credit certificate in an  
8 amount at least equal to the tax credit amount claimed on the  
9 person's tax return for the applicable tax period.

10 (cf: P.L.2017, c.313, s.2)

11

12 7. Section 8 of P.L.2011, c.149 (C.34:1B-249) is amended to read  
13 as follows:

14 8. a. The chief executive officer of the authority, in  
15 consultation with the Director of the Division of Taxation in the  
16 Department of the Treasury, shall adopt rules in accordance with  
17 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
18 seq.) as are necessary to implement P.L.2011, c.149 (C.34:1B-242  
19 et al.), including but not limited to: examples of and the  
20 determination of capital investment; the enumeration of qualified  
21 incentive areas; the enumeration of specific targeted industries;  
22 specific delineation of the incentive areas; the determination of the  
23 limits, if any, on the expense or type of furnishings that may  
24 constitute capital improvements; the promulgation of procedures  
25 and forms necessary to apply for a tax credit, including the  
26 enumeration of the certification procedures and allocation of tax  
27 credits for different phases of a qualified business facility; and  
28 provisions for tax credit applicants to be charged an initial  
29 application fee, and ongoing service fees, to cover the  
30 administrative costs related to the tax credit, provided that, for a  
31 business that is a small business, the fees shall be reduced by 50  
32 percent, and provided further that the authority shall defer the  
33 collection of a fee which is equal to one-quarter of one percent of  
34 the total award until the first annual tax credit certificate is issued to  
35 the business.

36 b. Through regulation, the authority shall establish standards  
37 by which qualified business facilities shall be constructed or  
38 renovated in compliance with the minimum environmental and  
39 sustainability standards.

40 c. Through regulation, the chief executive officer of the  
41 authority, in consultation with the Secretary of Higher Education,  
42 shall establish standards for collaborative research relationships  
43 between businesses in targeted industries and colleges and  
44 universities sufficient to qualify a business for an enhanced base or  
45 bonus tax credit amount under P.L.2017, c.221 **【】**.

46 (cf: P.L.2017, c.221, s.3)

1 8. (New section) Sections 8 through 15 of P.L. ,  
2 c. (C. ) (pending before the Legislature as this bill) shall be  
3 known and may be cited as the "Food Desert Elimination Act."  
4

5 9. (New section) a. The Legislature finds and declares that:

6 (1) there are certain areas of the State, known as "food desert"  
7 communities, in which residents are unable to obtain reasonable and  
8 adequate access to nutritious foods and, in particular, to fresh fruits  
9 and vegetables;

10 (2) the inaccessibility of nutritious food in food desert  
11 communities has been attributed, in large part, to the absence of  
12 supermarkets and grocery stores in those communities;

13 (3) low-income families are more likely than others to live in  
14 food desert communities and lack the transportation or financial  
15 resources necessary to reach distant wholesome food markets; and

16 (4) the establishment of financial incentives to supermarkets and  
17 grocery stores is a reasonable means by which to ensure that  
18 residents of food desert communities in the State are provided with  
19 reasonable access to nutritious, fresh produce, and are afforded the  
20 opportunity thereby to make healthier eating choices for themselves  
21 and for their families.

22 b. The Legislature therefore determines that it is both  
23 reasonable and necessary to authorize the New Jersey Economic  
24 Development Authority to establish a program that provides  
25 incentives to supermarkets and grocery stores to establish and retain  
26 locations in food desert communities in order to provide a  
27 consistent, and easily accessible, source of fresh produce to  
28 residents in those communities.  
29

30 10. (New section) As used in sections 8 through 15 of P.L. ,  
31 c. (C. ) (pending before the Legislature as this bill):

32 "Authority" means the New Jersey Economic Development  
33 Authority.

34 "Department" means the Department of Agriculture.

35 "Food desert community" means a physically contiguous area in  
36 the State in which residents have limited access to nutritious foods,  
37 such as fresh fruits and vegetables, through supermarkets and  
38 grocery stores, and which has been designated as a food desert  
39 community pursuant to subsection b. of section 11 of P.L. , c.  
40 (C. ) (pending before the Legislature as this bill).

41 "Program" means the Food Desert Elimination Program  
42 established in paragraph (a) of subsection 1 of section 11 of P.L. ,  
43 c. (C. ) (pending before the Legislature as this bill).

44 "Supermarket or grocery store" means a retail facility of at least  
45 18,000 square feet, of which at least 90 percent is occupied by a  
46 full-service supermarket or grocery store.

1 11. (New section) a. (1) There is established the Food Desert  
2 Elimination Program to be administered by the New Jersey  
3 Economic Development Authority. The program shall include tax  
4 credit components, as provided in sections 12 and 13 of P.L. ,  
5 c. (C. and C. ) (pending before the Legislature as this  
6 bill), in order to incentivize businesses to establish and retain new  
7 supermarkets and grocery stores in food desert communities.

8 (2) The total value of tax credits approved by the authority  
9 pursuant to sections 12 and 13 of P.L. , c. (C. and C. )  
10 (pending before the Legislature as this bill), shall not exceed an  
11 aggregate annual limit of \$10,000,000 each calendar year. For the  
12 purpose of determining the aggregate value of tax credits approved  
13 in a calendar year, a tax credit shall be deemed to have been  
14 approved at the time the director allowed a tax credit to a taxpayer  
15 pursuant to sections 12 or 13 of P.L. , c. (C. ) (pending before  
16 the Legislature as this bill) following the establishment of the  
17 supermarket or grocery store.

18 b. The authority, in consultation with the Department of  
19 Agriculture and the Department of Community Affairs, shall  
20 initially designate not more than 75 separate geographic areas that  
21 are most in need of a supermarket or grocery store as food desert  
22 communities in this State. The authority shall develop criteria for  
23 the designation of food desert communities, but each separate food  
24 desert community shall consist of a distinct geographic area with a  
25 single defined border. The criteria shall, at a minimum, incorporate  
26 analysis of municipal or census tract poverty statistics, food desert  
27 information from the Economic Research Service of the United  
28 States Department of Agriculture, and healthier food retail tract  
29 information from the federal Centers for Disease Control and  
30 Prevention. The authority may also consider data related to  
31 municipal or census tract population size and population density in  
32 making food desert community designations pursuant to this  
33 section. The authority may designate additional food desert  
34 communities once every three years following the effective date of  
35 sections 8 through 15 of P.L. , c. (C. ) (pending before the  
36 Legislature as this bill).

37  
38 12. (New section) a. For taxable years beginning on or after  
39 January 1 next following the effective date of sections 8 through 15  
40 of P.L. , c. (C. ) (pending before the Legislature as this  
41 bill), a taxpayer that establishes and opens for business to the  
42 public, the first supermarket or grocery store in a designated food  
43 desert community award pursuant to a competitive application  
44 process consisting of up to two biannual grant rounds with scoring  
45 criteria developed by the authority, shall be allowed a credit against  
46 the tax due pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),  
47 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),  
48 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 in an

1 amount equal to the total amount the taxpayer is assessed in  
2 property taxes by the municipality in which the supermarket or  
3 grocery store is located. An assessment of property taxes by the  
4 municipality shall include payments of annual service charges made  
5 in lieu of property taxes pursuant to a financial agreement as  
6 provided under N.J.S.40A:20-1. A taxpayer that qualifies for the  
7 allowance of a tax credit under this section may claim the allowance  
8 in the taxable year in which the taxpayer establishes and opens the  
9 supermarket or grocery store for business, and for the nine taxable  
10 years next following the initial opening, provided that the  
11 supermarket or grocery store remains in business and open to the  
12 public. For a taxpayer to be allowed a tax credit pursuant to this  
13 section, the taxpayer shall meet the requirements of this section, and  
14 the rules and regulations adopted pursuant thereto.

15 b. (1) To qualify for the tax credit allowed pursuant to this  
16 section, a taxpayer shall apply to the authority for a certification,  
17 and the application shall include the following:

18 (a) from the department, a certification that the taxpayer  
19 qualifies as a supermarket or grocery store, as defined in section 10  
20 of P.L. , c. (C. ) (pending before the Legislature as this  
21 bill), is located in a food desert community designated pursuant to  
22 subsection b. of section 11 of P.L. , c. (C. ) (pending before  
23 the Legislature as this bill), and is the first supermarket or grocery  
24 store to be established and opened for business in that designated  
25 food desert community after the effective date of sections 8 through  
26 15 of P.L. , c. (C. ) (pending before the Legislature as this  
27 bill); and

28 (b) from the municipality in which the supermarket or grocery  
29 store is located, a certification of the amount of property tax the  
30 taxpayer is assessed for the applicable taxable year pursuant to  
31 subsection a. of this section.

32 (2) The order of priority of the application of the credit allowed  
33 pursuant to this section and any other credits allowed against the tax  
34 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for  
35 a taxable year shall be as prescribed by the Director of the Division  
36 of Taxation in the Department of the Treasury. The amount of the  
37 credit applied pursuant to this section against the tax imposed  
38 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not  
39 reduce a taxpayer's tax liability for a taxable year to an amount less  
40 than the statutory minimum provided in subsection (e) of section 5  
41 of P.L.1945, c.162 (C.54:10A-5). Any credit shall be valid in the  
42 taxable year in which the certification is approved and any unused  
43 portion thereof may be carried forward into the next 10 taxable  
44 years or until exhausted, whichever is earlier.

45 c. (1) A business entity that is classified as a partnership for  
46 federal income tax purposes shall not be allowed the credit directly  
47 under N.J.S.54A:1-1 et seq., but the amount of credit of the  
48 taxpayer in respect of a distributive share of partnership income



1 shall be determined by allocating to the taxpayer that proportion of  
2 the credit acquired by the partnership that is equal to the taxpayer's  
3 share, whether or not distributed, of the total distributive income or  
4 gain of the partnership for its taxable year ending within or with the  
5 taxpayer's taxable year.

6 (2) A taxpayer that is a New Jersey S corporation shall not be  
7 allowed the credit directly under N.J.S.54A:1-1 et seq., but the  
8 amount of credit of a taxpayer in respect of a pro rata share of S  
9 corporation income shall be determined by allocating to the  
10 taxpayer that proportion of the credit acquired by the New Jersey S  
11 corporation that is equal to the taxpayer's share, whether or not  
12 distributed, of the total pro rata share of S corporation income of the  
13 New Jersey S corporation for its taxable year ending within or with  
14 the taxpayer's taxable year.

15 d. The authority shall allocate tax credits to supermarkets or  
16 grocery stores until either the available tax credits are exhausted or  
17 all projects that are eligible for a tax credit pursuant to the  
18 provisions of sections 8 through 15 of P.L. , c. (C. ) (pending  
19 before the Legislature as this bill) receive a tax credit, whichever  
20 occurs first. If insufficient funding exists to allow a tax credit to a  
21 supermarket or grocery store in accordance with the provisions of  
22 subsection a. of section 11 of P.L. , c. (C. ) (pending before  
23 the Legislature as this bill), the authority may offer the taxpayer a  
24 tax credit in an amount less than that provided in subsection a. of  
25 this section.

26

27 13. (New section) a. A taxpayer may apply to the director and  
28 the chief executive officer of the authority for a tax credit transfer  
29 certificate, covering one or more years, in lieu of the taxpayer being  
30 allowed any amount of the credit against the tax liability of the  
31 developer. The tax credit transfer certificate, upon receipt thereof  
32 by the taxpayer from the director and the chief executive officer of  
33 the authority, may be sold or assigned, in full or in part, to another  
34 person who may have tax liability pursuant to section 5 of  
35 P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132  
36 (C.54:18A-2 and 54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-  
37 15), or N.J.S.17B:23-5. The certificate provided to the taxpayer  
38 shall include a statement waiving the taxpayer's right to claim that  
39 amount of the credit against the taxes that the taxpayer has elected  
40 to sell or assign. The sale or assignment of any amount of a tax  
41 credit transfer certificate allowed under this section shall not be  
42 exchanged for consideration received by the taxpayer of less than  
43 75 percent of the transferred credit amount before considering any  
44 further discounting to present value which shall be permitted,  
45 except that the 75 percent minimum measure of consideration shall  
46 not apply to the sale or assignment of a tax credit transfer certificate  
47 to an affiliate of the taxpayer irrespective of whether the affiliate  
48 met the capital investment and employment requirements specified

1 an incentive agreement the taxpayer entered into with the authority.  
2 Any amount of a tax credit transfer certificate used by a purchaser  
3 or assignee against a tax liability shall be subject to the same  
4 limitations and conditions that apply to the use of the credit by the  
5 taxpayer that originally applied for and was allowed the credit.

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

9 c. The authority shall publish on its Internet website the  
10 following information concerning each tax credit transfer certificate  
11 approved by the authority and the Director of the Division of  
12 Taxation pursuant to this section:

13 (1) the name of the transferrer;

14 (2) the name of the transferee;

15 (3) the value of the tax credit transfer certificate; and

16 (4) the consideration received by the transferrer.

17 d. In lieu of applying any credit certificate or credit transfer  
18 certificate against tax liability otherwise due pursuant to section 5  
19 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945,  
20 c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231  
21 (C.17:32-15), or N.J.S.17B:23-5, the credit certificate or credit  
22 transfer certificate may be surrendered to the Division of Taxation  
23 in the Department of the Treasury for a cash payment equal to 90  
24 percent of the amount of tax credits evidenced by the certificate,  
25 provided that the issuance date of the credit certificate or credit  
26 transfer certificate occurred at least two years prior to the date of  
27 surrender and provided further that the taxpayer surrendering the  
28 certificate or credit transfer certificate is the taxpayer to which the  
29 certificate or credit transfer certificate was initially issued.

30

31 14. (New section) The authority, in consultation with the  
32 department and the Director of the Division of Taxation in the  
33 Department of the Treasury, shall adopt, pursuant to the  
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
35 seq.), rules and regulations necessary to carry out the provisions of  
36 sections 8 through 15 of P.L. , c. (C. ) (pending before the  
37 Legislature as this bill).

38

39 15. (New section) Within one year of the effective date of  
40 sections 8 through 15 of P.L. , c. (C. ) (pending before the  
41 Legislature as this bill) and for the three years thereafter, the  
42 authority shall annually submit a report to the Governor, the State  
43 Treasurer, and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
44 19.1), the Legislature, on the effectiveness of the tax credit in  
45 establishing supermarkets and grocery stores in food desert  
46 communities.

1       16. (New section) a. The New Jersey Economic Development  
2 Authority shall employ a Chief Compliance Officer, who shall be  
3 appointed by the Chief Executive Officer of the authority to manage  
4 the Division of Portfolio Management and Compliance in the  
5 authority.

6       b. The Chief Compliance Officer shall:

7       (1) create, maintain, monitor, and coordinate procedures to  
8 ensure that all economic development incentive programs, authority  
9 employees, and economic development incentive program  
10 applicants and recipients comply fully with the requirements of the  
11 corresponding economic development incentive program;

12       (2) conduct, on a periodic basis as determined by the authority,  
13 which period shall not exceed two years, systematic audits of  
14 economic development incentive programs for compliance with the  
15 laws, regulations, codes, orders, procedures, advisory opinions, and  
16 rulings concerning those programs;

17       (3) maintain a central database of information concerning the  
18 management of all economic development incentive programs and  
19 information on economic development incentive program applicants  
20 and recipients to provide for the regular and ongoing reporting,  
21 verification, and monitoring of the State's economic development  
22 incentive programs; and

23       (4) prior to the adoption of any rule or regulation by the  
24 authority or the board related to the general administration of the  
25 programs administered by the authority or to any regulation  
26 specifically related to the recapture of economic development  
27 incentive award values, review and certify that the provisions of  
28 program rules or regulations provide the authority with adequate  
29 procedures to pursue the recapture of the value of an economic  
30 development incentive in the case of substantial noncompliance,  
31 fraud, or abuse by the economic development incentive recipient,  
32 and that program rules and regulations are sufficient to ensure  
33 against economic development incentive fraud, waste, and abuse.

34

35       17. (New section) Sections 17 through 25 of P.L.       , ,  
36 c. (C.       ) (pending before the Legislature as this bill) shall be  
37 known and may be cited as the "Transformative Project Incentive  
38 Act."  
39

40

41       18. (New section) As used in sections 17 through 25 of P.L.       , ,  
42 c. (C.       ) (pending before the Legislature as this bill):

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

45       "Board" means the board of the New Jersey Economic  
46 Development Authority.

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

1 "Developer" means a person who enters or proposes to enter into  
2 a tax credit agreement pursuant to section 20 of P.L. ,  
3 c. (C. ) (pending before the Legislature as this bill),  
4 including, but not limited to, a lender that completes a  
5 redevelopment project, operates a redevelopment project, or  
6 completes and operates a redevelopment project.

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

9 "Distressed municipality" means a municipality that is qualified  
10 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a  
11 municipality under the supervision of the Local Finance Board  
12 pursuant to the provisions of the "Local Government Supervision  
13 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality  
14 identified by the Director of the Division of Local Government  
15 Services in the Department of Community Affairs to be facing  
16 serious fiscal distress, a SDA municipality, or a municipality that is  
17 determined to be distressed by the board, following an annual  
18 evaluation process that considers metrics and criteria established by  
19 the authority.

20 "Economic development incentive" means a financial incentive,  
21 awarded by the authority, or agreed to between the authority and a  
22 business or person, for the purpose of stimulating economic  
23 development or redevelopment in New Jersey, including, but not  
24 limited to, a bond, grant, loan, loan guarantee, matching fund, tax  
25 credit, or other tax expenditure.

26 "Program" means the Transformative Project Incentive Program  
27 established pursuant to section 19 of P.L. , c. (C. ) (pending  
28 before the Legislature as this bill).

29 "Project cost" means the costs incurred in connection with a  
30 redevelopment project by a developer until the issuance of a  
31 permanent certificate of occupancy, or until such other time  
32 specified by the authority, for a specific investment or  
33 improvement, including the costs relating to lands, buildings,  
34 improvements, real property, or any interest therein, including  
35 leases discounted to present value, including lands under water,  
36 riparian rights, space rights, and air rights acquired, owned,  
37 developed or redeveloped, constructed, reconstructed, rehabilitated,  
38 or improved, any environmental remediation costs, plus costs not  
39 directly related to construction, of an amount not to exceed 20  
40 percent of the total costs, capitalized interest paid to third parties,  
41 and the cost of infrastructure improvements, including ancillary  
42 infrastructure projects. The cost of acquisition of land or fees  
43 associated with the application or administration of a tax credit  
44 under sections 17 through 25 of P.L. , c. (C. ) (pending  
45 before the Legislature as this bill) shall not constitute a project cost.

46 "Project financing gap" means the part of the total project cost,  
47 including reasonable and appropriate return on investment, that  
48 remains to be financed after all other sources of capital have been

1 accounted for, including, but not limited to, developer-contributed  
2 capital, which shall not be less than 20 percent of the total project  
3 cost, and investor or financial entity capital or loans for which the  
4 developer, after making all good faith efforts to raise additional  
5 capital, certifies that additional capital cannot be raised from other  
6 sources on a non-recourse basis.

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

9 "SDA municipality" means a municipality in which an SDA  
10 district is situated.

11 "Tax credit" means an award of tax credit to assist a developer  
12 with all or a portion of the project financing gap of a transformative  
13 project pursuant to the provisions of sections 17 through 25 of  
14 P.L. , c. (C. ) (pending before the Legislature as this bill).

15 "Tax credit agreement" means the agreement executed between a  
16 developer of a transformative project and the authority pursuant to  
17 section 20 of P.L. , c. (C. ) (pending before the Legislature  
18 as this bill), which sets forth the terms and conditions under which  
19 the developer may receive the tax credit authorized pursuant to the  
20 provisions of sections 17 through 25 of P.L. , c. (C. )  
21 (pending before the Legislature as this bill).

22 "Total project cost" means the project cost and the cost of  
23 acquisition of land for the transformative project.

24 "Transformative project" means a mixed-use redevelopment  
25 project with a project financing gap that includes 500,000 or more  
26 square feet of new or substantially renovated or commercial or  
27 residential space, and which is of special economic importance as  
28 measured by the level of new jobs, new capital investment, and  
29 opportunities to leverage leadership in a high-priority targeted  
30 industry, as determined by the authority pursuant to rules and  
31 regulations promulgated to implement sections 17 through 25 of  
32 P.L. , c. (C. ) (pending before the Legislature as this bill),  
33 and which is located in a distressed municipality.  
34

35 19. (New section) a. The Transformative Project Incentive  
36 Program of 2020 is established as a program under the jurisdiction  
37 of the New Jersey Economic Development Authority. The  
38 authority shall administer the program to encourage transformative  
39 projects in distressed municipalities through the provision of tax  
40 credits to reimburse developers for certain project financing gap  
41 costs for mixed-use transformative projects that would not be  
42 economically feasible without assistance under the program. The  
43 board may approve the award of a tax credit to a developer upon  
44 review and approval of an application submitted to the authority  
45 pursuant to section 20 of P.L. , c. (C. ) (pending before the  
46 Legislature as this bill).

1        b. The aggregate of all tax credits issued by the authority under  
2 the sections 17 through 25 of P.L. , c. (C. ) (pending before  
3 the Legislature as this bill) shall not exceed \$500,000,000.

4  
5        20. (New section) a. Prior to January 1, 2026, a developer  
6 seeking a tax credit shall submit a transformative project  
7 application to the authority for review through an annual  
8 competitive application process in which applications will be  
9 evaluated based on criteria to be specified in a form and manner  
10 prescribed in regulations adopted by the authority pursuant to the  
11 provisions of the "Administrative Procedure Act," P.L.1968, c.410  
12 (C.52:14B-1 et seq.). The authority shall provide notice to the  
13 public of the opening and closing dates for submission of  
14 applications on its Internet website.

15        b. To determine priority for approval of a transformative  
16 project application, all applications shall be evaluated and ranked  
17 on the basis of criteria to be developed by the authority through  
18 regulations adopted by the authority pursuant to the provisions of  
19 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
20 seq.). The criteria developed by the authority shall include, but shall  
21 not be limited to:

22        (1) the extent to which the proposed projects would create  
23 modern facilities that enhance the State's competitiveness in  
24 attracting targeted industries;

25        (2) the extent to which the proposed project would attract and  
26 retain a skilled employment base that is important to the State's  
27 competitive position generally or to capture economic development  
28 opportunities within targeted industries, and

29        (3) the extent to which the proposed project would leverage the  
30 competitive economic development advantages of the State's mass  
31 transit assets, higher education assets, and other economic  
32 development assets in attracting and retaining both employers and  
33 skilled workers generally or in targeted industries.

34        c. The authority shall not consider an application for a  
35 transformative project unless the developer submits, with its  
36 application, a letter evidencing support for the transformative  
37 project from the governing body of the municipality in which the  
38 transformative project is located.

39        d. Prior to approving a transformative project application, the  
40 authority shall review the project costs, evaluate, and validate the  
41 project financing gap estimated by the developer, and conduct a  
42 fiscal impact analysis, which demonstrates that the overall public  
43 assistance provided to the redevelopment project will result in net  
44 benefits to government, including the State and municipality. The  
45 authority shall assess the cost of these reviews to the applicant. A  
46 developer shall pay to the authority the full amount of the direct  
47 costs of an analysis, performed by a third party retained by the

1 authority, concerning the developer's application for a tax credit, if  
2 the authority deems such retention to be necessary.

3 e. The authority shall, in determining net benefits for any  
4 business or person locating in a transformative project and applying  
5 to receive from the authority any other economic development  
6 incentive subsequent to the award of transformative project tax  
7 credits, not credit the business or person with any benefits that were  
8 previously credited to the transformative project pursuant to  
9 sections 17 through 25 of P.L. , c. (C. through C. )  
10 (pending before the Legislature as this bill).

11

12 21. (New section) a. The authority may award tax credits to the  
13 developer of a transformative project an amount not to exceed 30  
14 percent of the total project cost or the total value of the project  
15 financing gap, whichever is less, and in accordance with the  
16 provisions of sections 17 through 25 of P.L. , c. (C. through  
17 C. ) (pending before the Legislature as this bill).

18 b. The authority shall require a developer to enter into a tax  
19 credit agreement prior to the award of tax credits. The tax credit  
20 agreement shall include, but shall not be limited to, the following:

21 (1) a detailed description of the proposed transformative project  
22 which will result in a net benefit to the State;

23 (2) the schedule for the award of the tax credits, including the  
24 first year for which the tax credits may be claimed;

25 (3) information that will enable the authority to administer the  
26 program;

27 (4) a method for the developer to certify that the developer has  
28 met the program requirements; and

29 (5) a provision permitting an audit of the records of the  
30 developer from time to time, as the authority deems necessary.

31 c. For a taxpayer to be allowed a tax credit pursuant to this  
32 section, the taxpayer shall meet the requirements of this section, and  
33 the rules and regulations adopted pursuant to section 25 of P.L. ,  
34 c. (C. ) (pending before the Legislature as this bill).

35

36 22. (New section) a. A developer that is awarded a tax credit  
37 pursuant to sections 17 through 25 of P.L. , c. (C. through  
38 C. ) (pending before the Legislature as this bill) shall submit  
39 annually, commencing in the year in which the tax credit is issued  
40 and for the remainder of the scheduled period for the award of tax  
41 credits, a report indicating whether the developer is aware of any  
42 condition, event, or act that would cause the developer not to be in  
43 compliance with tax credit agreement entered into pursuant to  
44 section 21 of P.L. , c. (C. ) (pending before the Legislature  
45 as this bill), or any reporting requirements contained in the tax  
46 credit agreement or tax credit certificate.

47 b. (1) Upon receipt and review of each report submitted by a  
48 developer, the authority shall provide, to the developer and the

1 director, a certificate of compliance indicating the amount of tax  
2 credits that the developer may apply against the developer's tax  
3 liability.

4 (2) Upon receipt by the director of the certificate of compliance,  
5 the director shall allow the developer a credit against the tax  
6 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5). A  
7 developer shall not carry forward an unused tax credit. Credits  
8 granted to a partnership shall be passed through to the partners,  
9 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, which agreement  
12 shall be provided to the director, accompanied by any additional  
13 information as the director may prescribe.

14

15 23. (New section) a. A developer may apply to the director and  
16 the chief executive officer of the authority for a tax credit transfer  
17 certificate, covering one or more years, in lieu of claiming the credit  
18 against the tax liability of the developer. The tax credit transfer  
19 certificate may be sold or assigned, in full or in part, in the privilege  
20 period during which the developer receives the tax credit transfer  
21 certificate from the director, to another person, who may apply the  
22 credit only against a tax liability imposed pursuant to section 5 of  
23 P.L.1945, c.162 (C.54:10A-5). The certificate provided to the  
24 developer shall include a waiver of the developer's right to claim  
25 the amount of the credit that the developer has elected to sell or  
26 assign against the developer's tax liability.

27 b. The developer shall not sell or assign, or pledge as collateral  
28 assignment, a tax credit transfer certificate allowed under this  
29 section for consideration received by the developer of less than 75  
30 percent of the transferred credit amount before considering any  
31 further discounting to present value, which shall be permitted. The  
32 tax credit transfer certificate issued to a developer by the director  
33 shall be subject to any limitations and conditions imposed on the  
34 application of State tax credits pursuant to sections 17 through 25 of  
35 P.L. , c. (C. through C. ) (pending before the  
36 Legislature as this bill) and any other terms and conditions that the  
37 director may prescribe.

38

39 24. (New section) The award of a transformative project tax  
40 credit to a developer shall not preclude the developer or a business  
41 or person that locates within a transformative project from receiving  
42 an award of other economic development incentives offered by the  
43 authority subject to section 20 of P.L. , c. (C. ) (pending  
44 before the Legislature as this bill).

45

46 25. (New section) The authority, in consultation with the  
47 department and the Director of the Division of Taxation in the  
48 Department of the Treasury, shall adopt, pursuant to the



1 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
2 seq.), rules and regulations necessary to carry out the provisions of  
3 sections 17 through 25 of P.L. , c. (C. ) (pending before the  
4 Legislature as this bill).

5

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

8 9. a. The authority is authorized to enter into a redevelopment  
9 incentive grant agreement with a developer for any redevelopment  
10 project located within a qualifying economic redevelopment and  
11 growth grant incentive area that does not qualify as such an area  
12 solely by virtue of being a transit village.

13 b. The decision of whether to enter into a redevelopment  
14 incentive grant agreement is solely within the discretion of the  
15 authority and the State Treasurer, provided that they both agree to  
16 enter into an agreement.

17 c. The Chief Executive Officer of the authority, in consultation  
18 with the State Treasurer shall negotiate the terms and conditions of  
19 any redevelopment incentive grant agreement on behalf of the State.

20 d. (1) The redevelopment incentive grant agreement shall  
21 specify the maximum amount of project costs, the amount of the  
22 incentive grant to be awarded the developer, the frequency of  
23 payments, and the eligibility period, which shall not exceed 20  
24 years, during which reimbursement will be granted **],** and for a  
25 project receiving an incentive grant in excess of \$50 million, the  
26 amount of the negotiated repayment amount to the State, which may  
27 include, but not be limited to, cash, equity, and warrants**].** For  
28 projects receiving aggregate incentive grants equal to or greater  
29 than \$25 million, the redevelopment incentive grant agreement shall  
30 also specify the amount of redeveloper payments to recover a  
31 portion of excess return on equity, if any, due to the State,  
32 including, but not be limited to, cash, equity, and warrants. For  
33 redevelopment projects receiving aggregate incentive grants equal  
34 to or greater than \$25 million that achieve an actual return on equity  
35 greater than the anticipated return as approved by the authority plus  
36 twenty-five percent of the anticipated return as approved by the  
37 authority, the authority may require the redevelopment project to  
38 make annual payments to the State in amounts determined by the  
39 authority of a portion of the excess return on equity. Except for  
40 redevelopment incentive grant agreements with a municipal  
41 redeveloper, or with the developer of a redevelopment project  
42 solely with respect to the cost of infrastructure improvements in the  
43 public right-of-way including any ancillary infrastructure project in  
44 the public right-of-way, in no event shall the base amount of the  
45 combined reimbursements under redevelopment incentive grant  
46 agreements with the State or municipality exceed 20 percent of the  
47 total project cost, except in a Garden State Growth Zone, which  
48 shall not exceed 30 percent.

1 (2) The authority shall be permitted to increase the amount of  
2 the reimbursement under the redevelopment incentive grant  
3 agreement with the State by up to 10 percent of the total project  
4 cost if the project is:

5 (a) located in a distressed municipality which lacks adequate  
6 access to nutritious food in the judgment of the Chief Executive  
7 Officer of the authority and will include either a supermarket or  
8 grocery store with a minimum of 15,000 square feet of selling space  
9 devoted to the sale of consumable products or a prepared food  
10 establishment selling only nutritious ready to serve meals;

11 (b) located in a distressed municipality which lacks adequate  
12 access to health care and health services in the judgment of the  
13 Chief Executive Officer of the authority and will include a health  
14 care and health services center with a minimum of 10,000 square  
15 feet of space devoted to the provision of health care and health  
16 services;

17 (c) located in a distressed municipality which has a business  
18 located therein that is required to respond to a request for proposal  
19 to fulfill a contract with the federal government as set forth in  
20 subsection f. of section 3 of P.L.2011, c.149 (C.34:1B-244);

21 (d) a transit project;

22 (e) a qualified residential project in which at least 10 percent of  
23 the residential units are constructed as and reserved for moderate  
24 income housing;

25 (f) located in a highlands development credit receiving area or  
26 redevelopment area;

27 (g) located in a Garden State Growth Zone;

28 (h) a disaster recovery project;

29 (i) an aviation project;

30 (j) a tourism destination project; or

31 (k) substantial rehabilitation or renovation of an existing  
32 structure or structures.

33 (3) The maximum amount of any redevelopment incentive grant  
34 shall be equal to up to 30 percent of the total project costs, except  
35 for projects located in a Garden State Growth Zone, in which case  
36 the maximum amount of any redevelopment incentive grant shall be  
37 equal to up to 40 percent of the total project costs. Notwithstanding  
38 anything to the contrary contained within this section, the maximum  
39 amount of any redevelopment incentive grant with respect to a  
40 mixed use parking project shall be up to 100 percent of the total  
41 project costs allocable to the parking component of the project, and  
42 shall be up to 40 percent of the total project costs allocable to the  
43 non-parking component of the project. [In addition,  
44 notwithstanding anything to the contrary contained in this section,  
45 the maximum amount of any redevelopment incentive grant for a  
46 qualified residential project described in (i) below shall be up to 80  
47 percent of the total project costs, and for a mixed use parking  
48 project described in (i) through (iv) below shall be up to 100

1 percent of the total project costs allocable to the parking component  
2 and up to 80 percent of the total project costs allocable to the non-  
3 parking component, provided that if the amount of the  
4 redevelopment incentive grant exceeds 40 percent of the total  
5 project costs for projects developed by non-public, for-profit  
6 entities, the authority shall consider the effect of the increased grant  
7 amount in determining the project financing gap, which shall  
8 include utilizing a rate of return on a developer's contributed  
9 capital, when used to determine the project financing gap, reflective  
10 of the reduced financial risk of the project, as set by the authority:  
11 (i) with respect to a mixed use parking project or qualified  
12 residential project constructed upon all or a portion of a project site  
13 which project site was previously the subject of an award of tax  
14 credits pursuant to the "Urban Transit Hub Tax Credit Act,"  
15 P.L.2007, c.346 (C.34:1B-207 et seq.), as amended by P.L.2009,  
16 c.90 (C.52:27D-489a et al.), but those tax credits were not issued,  
17 (ii) for entertainment venues with seating capacity in excess of  
18 5,000, (iii) a visitor center within or adjacent to a national historic  
19 park, or (iv) a youth center in or adjacent to a national historic  
20 park.】

21 e. Except in the case of a qualified residential project, a mixed  
22 use parking project, or a project involving university infrastructure,  
23 the authority and the State Treasurer may enter into a  
24 redevelopment incentive grant agreement only if they make a  
25 finding that the State revenues to be realized from the  
26 redevelopment project will be in excess of the amount necessary to  
27 reimburse the developer for its project financing gap. This finding  
28 may be made by an estimation based upon the professional  
29 judgment of the Chief Executive Officer of the authority and the  
30 State Treasurer.

31 f. In deciding whether to recommend entering into a  
32 redevelopment incentive grant agreement and in negotiating a  
33 redevelopment agreement with a developer, the Chief Executive  
34 Officer of the authority shall consider the following factors:

35 (1) the economic feasibility of the redevelopment project;  
36 (2) the extent of economic and related social distress in the  
37 municipality and the area to be affected by the redevelopment  
38 project or the level of site specific distress to include dilapidated  
39 conditions, brownfields designation, environmental contamination,  
40 pattern of vacancy, abandonment, or under-utilization of the  
41 property, rate of foreclosures, or other site conditions as determined  
42 by the authority;

43 (3) the degree to which the redevelopment project will advance  
44 State, regional, and local development and planning strategies;

45 (4) the likelihood that the redevelopment project shall, upon  
46 completion, be capable of generating new tax revenue in an amount  
47 in excess of the amount necessary to reimburse the developer for  
48 project costs incurred as provided in the redevelopment incentive

1 grant agreement, provided, however, that any tax revenue generated  
2 by a redevelopment project that is a disaster recovery project shall  
3 be considered new tax revenue even if the same or more tax revenue  
4 was generated at or on the site prior to the disaster;

5 (5) the relationship of the redevelopment project to a  
6 comprehensive local development strategy, including other major  
7 projects undertaken within the municipality;

8 (6) the need of the redevelopment incentive grant agreement to  
9 the viability of the redevelopment project or the promotion of the  
10 use of public transportation; and

11 (7) the degree to which the redevelopment project enhances and  
12 promotes job creation and economic development or the promotion  
13 of the use of public transportation.

14 g. (1) A developer who has entered into a redevelopment  
15 incentive grant agreement with the authority and the State Treasurer  
16 pursuant to this section may, upon notice to and consent of the  
17 authority and the State Treasurer, pledge, assign, transfer, or sell  
18 any or all of its right, title and interest in and to the agreements and  
19 in the incentive grants payable thereunder, and the right to receive  
20 same, along with the rights and remedies provided to the developer  
21 under the agreement. Any such assignment shall be an absolute  
22 assignment for all purposes, including the federal bankruptcy code.

23 (2) Any pledge of incentive grants made by the developer shall  
24 be valid and binding from the time the pledge is made and filed in  
25 the records of the authority. The incentive grants pledged and  
26 thereafter received by the developer shall immediately be subject to  
27 the lien of the pledge without any physical delivery thereof or  
28 further act, and the lien of any pledge shall be valid and binding  
29 against all parties having claims of any kind in tort, contract, or  
30 otherwise against the developer irrespective of whether the parties  
31 have notice thereof. Neither the redevelopment incentive grant  
32 agreement nor any other instrument by which a pledge under this  
33 section is created need be filed or recorded except with the  
34 authority.

35 (cf: P.L.2018, c.44, s.3)

36  
37 27. (New section) Sections 27 through 37 of P.L. ,  
38 c. (C. ) (pending before the Legislature as this bill) shall be  
39 known and may be cited as the “New Jersey Community-Anchored  
40 Development Act.”

41  
42 28. (New section) The purpose of the New Jersey Community-  
43 Anchored Development Act is for the New Jersey Economic  
44 Development Authority to facilitate, in partnership with the State’s  
45 key not-for-profit and governmental anchor institutions, large-scale  
46 development projects with desirable employment and geographical  
47 characteristics that are to impact a broader community. The  
48 Legislature finds that where a broad commonality of goals exists

1 between anchor institutions and the State, the authority can  
2 effectively utilize anchor institutions as investors in, and additional  
3 overseers of, projects that the authority seeks to incentivize. Under  
4 the legislation, anchor institutions in the areas of education, health  
5 care, culture, community development, and economic development  
6 are provided with the opportunity to act as investors in targeted  
7 development, utilizing proceeds from the sale of State tax credits.  
8 This approach harnesses the deep experience of the numerous  
9 anchor institutions in the State, institutions that enjoy decades-long  
10 relationships with communities around the State, making them ideal  
11 partners for companies wanting to come to or expand in New  
12 Jersey.

13 The legislation seeks to overcome cost-of-occupancy differences  
14 between New Jersey and less expensive options in other  
15 jurisdictions for specific properties by reducing the cost of  
16 occupancy being offered to a targeted company. The legislation  
17 represents a shift in State economic development policy from a  
18 grant model to an investment model, differing significantly from  
19 past award models in that the legislation does not provide a certain  
20 dollar amount to private employers based on the number and types  
21 of jobs being created or preserved in the State.

22 The legislation affords an opportunity for an anchor institution  
23 and the authority to become partners in a project, with the authority  
24 receiving a negotiated current or deferred economic return on the  
25 tax credit investment made by the anchor institution and ultimately  
26 the return of the amount initially invested. Through a competitive  
27 application process to the authority, a real estate partnership  
28 between an anchor institution and a partner business will make its  
29 case for an amount of tax credits necessary for that project to be  
30 able to establish occupancy costs at a competitive level.

31 By its inclusion of designated federal opportunity zones and  
32 areas eligible to be designated as federal opportunity zones as a  
33 separate basis for projects to receive tax credits, the legislation  
34 seeks to incentivize anchor institutions to look beyond the borders  
35 of their host communities, permitting them to invest in other locales  
36 that lack strong anchor institutions, thus expanding their influence  
37 and impact by doing so. Simultaneously, such investments will  
38 further the objectives of the State in attracting high-value employers  
39 and in providing economic stimulus to areas of the State that prior  
40 investment cycles have overlooked. The legislation is also  
41 expansive enough to permit the addition of other beneficial uses to  
42 a qualifying project; including housing, public amenities, parking,  
43 mixed uses, and facilities of an anchor institution itself.

44 The tax credits issued by the authority to an applicant anchor  
45 institution are to be issued pursuant to a tax credit agreement that  
46 sets forth negotiated terms on which the authority has agreed to  
47 issue the credits. The tax credit agreement is to include standards  
48 relating to the anticipated economic results of the community-

1 anchored project and address accountability in the event that the  
2 community-anchored project fails to meet the requirements  
3 specified in the tax credit agreement.

4 The Legislature declares that two principal objectives underscore  
5 the policy approach of this legislation: first, an incentive program  
6 cannot succeed as a one-size-fits-all structure, and therefore an  
7 award of tax credits is to be thoroughly underwritten by the  
8 authority and specifically designed for scenarios in which the  
9 authority finds that the award will be effective; and second, the  
10 State is better served where the State's financial support is  
11 characterized and treated as an investment rather than an explicit  
12 grant.

13

14 29. (New section) As used in sections 27 through 37 of P.L. ,  
15 c. (C. ) (pending before the Legislature as this bill):

16 "Affiliate" means an entity that directly or indirectly controls, is  
17 under common control with, or is controlled by an anchor  
18 institution or a partner business. Control exists in all cases in which  
19 the entity is a member of a controlled group of corporations as  
20 defined pursuant to section 1563 of the federal Internal Revenue  
21 Code (26 U.S.C. s.1563) or the entity is an organization in a group  
22 of organizations under common control that is subject to the  
23 regulations applicable to organizations pursuant to subsection (b) or  
24 (c) of section 414 of the federal Internal Revenue Code (26 U.S.C.  
25 s.414). A taxpayer may establish by clear and convincing evidence,  
26 as determined by the Director of the Division of Taxation in the  
27 Department of the Treasury, that control exists in situations  
28 involving lesser percentages of ownership than required by the  
29 above referenced federal statutes.

30 "Anchor institution" means a governmental or nonprofit entity,  
31 incorporated pursuant to Title 15 of the Revised Statutes or Title  
32 15A of the New Jersey Statutes, having a primary mission and  
33 specific policy goals that align with those of the authority under the  
34 program and that is a comprehensive health care system, a public  
35 research university, a private research university, a major cultural  
36 institution, or an experienced nonprofit or governmental economic  
37 or community development entity, certified as an anchor institution  
38 by the board pursuant to section 32 of P.L. , c. (C. )  
39 (pending before the Legislature as this bill).

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

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

45 "Commitment period" means the period of time, which shall be  
46 no greater than twice the eligibility period, that is granted to an  
47 anchor institution to distribute to the authority the agreed returns on

1 investment for the award of tax credits pursuant to the program, but  
2 the commitment period shall be not less than 10 years.

3 "Community-anchored project" means any capital project that is  
4 located in an area that is designated as a New Jersey State  
5 opportunity zone or is designated pursuant to the "State Planning  
6 Act," P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1  
7 (Metropolitan), or Planning Area 2 (Suburban) for which an anchor  
8 institution is to be awarded tax credits by the authority pursuant to a  
9 tax credit agreement which establishes the award of tax credits as an  
10 investment by the authority in the project, provided that the project  
11 will result in a capital investment of at least \$10,000,000 in a New  
12 Jersey State opportunity zone or in any other area of the State, but a  
13 project that is not located in a New Jersey State opportunity zone is  
14 to be primarily designed to result in the economic expansion of a  
15 targeted industry in this State.

16 "Comprehensive health care system" means an entity in this State  
17 that offers comprehensive health care services.

18 "Comprehensive health care services" means the basic benefits  
19 provided under a health benefits plan, including medical and  
20 surgical services provided by licensed health care providers who  
21 may include, but are not limited to, family physicians, internists,  
22 cardiologists, psychiatrists, rheumatologists, dermatologists,  
23 orthopedists, obstetricians, gynecologists, neurologists,  
24 endocrinologists, radiologists, nephrologists, emergency services  
25 physicians, ophthalmologists, pediatricians, pathologists, general  
26 surgeons, osteopathic physicians, physical therapists and  
27 chiropractors. Basic benefits may also include inpatient or  
28 outpatient services rendered at a licensed hospital, covered services  
29 performed at an ambulatory surgical facility, and ambulance  
30 services.

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

33 "Eligibility period" means the period in which an anchor  
34 institution may claim, sell, transfer, or otherwise use a tax credit  
35 under the New Jersey Community-Anchored Development  
36 Program, beginning with the tax period in which the authority  
37 accepts certification of the business that it has met the capital  
38 investment requirements of the program and extending thereafter  
39 for a term of not more than 10 years.

40 "Experienced nonprofit or governmental economic or community  
41 development entity" means a nonprofit entity incorporated pursuant  
42 to Title 15 of the Revised Statutes or Title 15A of the New Jersey  
43 Statutes that has a core mission and a community track record of  
44 advancing economic or community development in at least one area  
45 of the State and that has appropriate prior experience in successfully  
46 developing mixed-use projects and utilizing complex financing  
47 arrangements in developing similar types of projects, as determined  
48 by the board.

1 "Major cultural institution" means a public or nonsectarian  
2 nonprofit institution within this State that engages in the cultural,  
3 intellectual, scientific, environmental, educational, or artistic  
4 enrichment of the people of this State, and which is designated by  
5 the board as a major cultural institution.

6 "New full-time job" means an eligible position created by an  
7 anchor institution or a partner business at the community-anchored  
8 project that did not previously exist in this State. For the purposes  
9 of determining a number of new full-time jobs, the eligible  
10 positions of an affiliate shall be considered eligible positions of the  
11 business.

12 "New Jersey State opportunity zone" means a federal population  
13 census tract in this State that was eligible to be designated as a  
14 qualified opportunity zone pursuant to 26 U.S.C. s.1400Z-1.

15 "Partner business" means any corporation, partnership, firm,  
16 enterprise, franchise, association, trust, sole proprietorship, or other  
17 legal entity, but shall not include a public entity that enters into an  
18 agreement with an anchor institution to rent and occupy commercial  
19 space within a community-anchored project. Under the program a  
20 partner business, subject to agreement with the anchor institution,  
21 may lease one or more portions of the partner business's space in  
22 the community-anchored project to one or more other persons or  
23 entities.

24 "Private research university" means Princeton University and any  
25 other institution of higher education in this State designated by the  
26 board as a private research university.

27 "Program" means the New Jersey Community-Anchored  
28 Development Program established pursuant to section 30 of P.L. ,  
29 c. (C. ) (pending before the Legislature as this bill).

30 "Public research university" means Rutgers, The State University  
31 of New Jersey, Rowan University, the New Jersey Institute of  
32 Technology, and Montclair State University.

33 "Qualified business accelerator or incubator facility" means a  
34 commercial space that contains office, laboratory, or industrial  
35 space and which is located near, and presents opportunities for  
36 collaboration with a public research university, a private research  
37 university, teaching hospital, college, or university, and within  
38 which at least 50 percent of the gross leasable area is restricted for  
39 use by one or more targeted industry start-up companies during the  
40 commitment period.

41 "Targeted industry" means any industry identified from time to  
42 time by the authority including initially, biotechnology, life  
43 sciences, pharmaceuticals, aeronautics, clean energy, advanced  
44 manufacturing, large-scale food and beverage production, advanced  
45 transportation and logistics, finance, financial technology,  
46 insurance, media, information technology, machine learning, and  
47 artificial intelligence.



1 "Tax credit agreement" means a tax credit agreement entered into  
2 pursuant to section 34 of P.L. , c. (C. ) (pending before the  
3 Legislature as this bill) between the authority and an anchor  
4 institution.

5 "Workforce housing" means housing that is affordable according  
6 to federal Department of Housing and Urban Development or other  
7 recognized standards for home ownership and rental costs, and  
8 occupied or reserved for occupancy by households with a gross  
9 household income of more than 80 percent, but less than 120  
10 percent, of the median gross household income for households of  
11 the same size within the housing region in which the housing is  
12 located.

13  
14 30. (New section) a. The New Jersey Community-Anchored  
15 Development Program is established as a program under the  
16 jurisdiction of the New Jersey Economic Development Authority.  
17 The purpose of the New Jersey Community-Anchored Development  
18 Act is for the New Jersey Economic Development Authority to  
19 facilitate, in partnership with the State's key governmental and  
20 nonprofit anchor institutions, large-scale development projects with  
21 desirable employment and geographical characteristics that are to  
22 impact a broader community. The authority shall administer the  
23 program to invest in and incentivize the expansion of targeted  
24 industries in the State and the continued development of certain  
25 areas of the State through the provision of tax credits to anchor  
26 institutions. The board shall certify qualified anchor institutions  
27 based on the requirements of section 31 of P.L. , c. (C. )  
28 (pending before the Legislature as this bill), and may approve the  
29 award of a tax credit to an anchor institution pursuant to sections 32  
30 and 33 of P.L. , c. (C. ) (pending before the Legislature as  
31 this bill).

32 b. (1) The authority shall administer the program to invest in,  
33 and incentivize the establishment of, community-anchored projects  
34 by anchor institutions, independently or in collaboration with one or  
35 more partner businesses or governmental entities. The authority's  
36 investment in community-anchored projects shall be in the form of  
37 the award of tax credits to anchor institutions.

38 (2) The authority may award a tax credit to an anchor institution  
39 under the program, which the anchor institution shall convert into  
40 an investment by the authority in a community-anchored project,  
41 subject to the condition that the anchor institution either sell and  
42 transfer the tax credit, or adopt a plan to use the tax credit in order  
43 to finance the completion of the community-anchored project,  
44 which condition shall be included in the tax credit agreement  
45 entered into pursuant to section 34 of P.L. , c. (C. )  
46 (pending before the Legislature as this bill). An anchor institution  
47 receiving tax credits under the program shall use the proceeds  
48 derived from the sale or financing of the tax credits to make an

1 equity investment in or to provide a loan or other financial support  
2 for the community-anchored project that will permit the anchor  
3 institution, and, if applicable, a partner business, to develop the  
4 community-anchored project and to attract tenants, owners,  
5 investors, lenders, partners, collaborators, and other beneficial  
6 parties to the community-anchored project. A tax credit agreement,  
7 entered into pursuant to section 34 of P.L. , c. (C. )  
8 (pending before the Legislature as this bill) shall detail the terms by  
9 which an anchor institution will convert the award of tax credits  
10 into an investment by the authority into the community-anchored  
11 project, subject to potential returns on the investment to the  
12 authority based on an agreed-upon formula for the distribution of  
13 returns upon the sale of a community-anchored project or at the end  
14 of the commitment period. The tax credit agreement shall,  
15 however, specify that the authority's interest in the community-  
16 anchored project shall be subordinate to the investments made by an  
17 anchor institution and partner businesses. References to  
18 investments and returns in sections 31 through 36 of P.L. , c.  
19 (C. ) (pending before the Legislature as this bill) shall also  
20 include loans and other financial support and their corresponding  
21 returns.

22 (3) The authority shall develop protocols for assumptions testing  
23 relating to projected and actual returns on investment under the  
24 program and regularly analyze the returns on investment received  
25 by the authority under the program, and shall evaluate future  
26 applications and projections considering the results of the  
27 assumptions testing and analysis.

28 c. There shall be no annual or overall program limitation on the  
29 value of tax credits approved by the authority to be awarded  
30 pursuant to sections 32 and 33 of P.L. , c. (C. ) (pending  
31 before the Legislature as this bill), but the authority shall engage in  
32 rigorous program evaluation and assumptions testing to ensure that  
33 the authority at least recaptures the value of the tax credits awarded  
34 to all anchor institutions and realizes additional returns on  
35 investment under the program.

36 d. Any funds distributed to the authority as a return on  
37 investment pursuant to the program shall be deposited into the  
38 General Fund.

39

40 31. (New section) a. An anchor institution shall be eligible to  
41 receive a tax credit under the program only if the anchor institution  
42 submits a program application to the authority that results in  
43 completion of a community-anchored project through a capital  
44 investment in a New Jersey State opportunity zone or, if the  
45 community-anchored project is primarily designed to result in the  
46 economic expansion of a targeted industry in this State, in an area  
47 of the State designated pursuant to the "State Planning Act,"

1 P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1  
2 (Metropolitan), or Planning Area 2 (Suburban).

3 b. At the time of application, an anchor institution seeking tax  
4 credits pursuant to the program shall demonstrate to the authority:

5 (1) that the proposed community-anchored project will result in  
6 a capital investment in a New Jersey State opportunity zone or, if  
7 the project is primarily designed to result in the economic  
8 expansion of a targeted industry in this State, in an area of the State  
9 designated pursuant to the "State Planning Act," P.L.1985, c.398  
10 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan), or  
11 Planning Area 2 (Suburban);

12 (2) the structure and terms of the financial, corporate, and real  
13 estate instruments to be utilized to successfully complete and then  
14 operate the community-anchored project, including, but not limited  
15 to, the proposed economic and business relationship between the  
16 anchor institution and any partner business;

17 (3) that the anchor institution, along with any partner business  
18 participating in a community-anchored project, has not commenced  
19 any construction at the site of the community-anchored project prior  
20 to submitting an application, unless the authority determines that  
21 the community-anchored project would not be completed otherwise  
22 or, in the event the community-anchored project is to be undertaken  
23 in phases, the requested tax credit covers only phases for which  
24 construction has not yet commenced;

25 (4) the value of the tax credit that is necessary in each year of  
26 the eligibility period, in order for the anchor institution to finance  
27 the establishment of the community-anchored project;

28 (5) the total aggregate value of the tax credit for the entire  
29 eligibility period that is necessary in order for the anchor institution  
30 to finance the establishment of the community-anchored project;

31 (6) that the award of tax credits under the program will be  
32 converted into an investment by the authority into the community-  
33 anchored project and demonstrate to the authority the anticipated  
34 current and deferred returns, as applicable, on that investment;

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

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

46 (9) a description of the significant economic, social, planning,  
47 employment, environmental, fiscal and other benefits that would

1 accrue to the State, county or municipality from the community-  
2 anchored project;

3 (10) that each worker and subcontractor working on construction  
4 of the community-anchored project prior to the start of the  
5 eligibility period shall be paid not less than \$15 per hour or 120  
6 percent of the minimum wage fixed under subsection a. of section 5  
7 of P.L.1966, c.113 (C.34:11-56a4), whichever is higher;

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

17 (12) the extent to which the community-anchored development  
18 will result in the expansion of a targeted industry in this State;

19 (13) that the timing of the award and investment of tax credits  
20 under the program shall allow for the successful completion and  
21 operation of the community-anchored project; and

22 (14) that the community-anchored project is viable and that the  
23 anchor institution is a credible partner for completing the  
24 community-anchored project and providing the agreed-upon returns  
25 to the authority, as detailed in the tax credit agreement entered into  
26 pursuant to section 36 of P.L. , c. (C. ) (pending before the  
27 Legislature as this bill).

28 c. In order to facilitate the creation of new partnerships with  
29 anchor institutions, the authority shall publish on the authority's  
30 website a list of names and contact information for each anchor  
31 institution that has submitted an application pursuant to this section.  
32

33 32. (New section) a. Prior to January 1, 2026, an anchor  
34 institution seeking a tax credit pursuant to the program shall submit  
35 an application to the authority in a form and manner prescribed in  
36 regulations adopted by the authority pursuant to the provisions of  
37 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
38 seq.). The authority shall accept and certify applications for tax  
39 credits during the award rounds established pursuant to section 35  
40 of P.L. , c. (C. ) (pending before the Legislature as this  
41 bill).

42 b. The authority shall not consider an application for a  
43 community-anchored project unless the anchor institution submits,  
44 with the application, a letter evidencing support for the community-  
45 anchored project from the governing body of the municipality in  
46 which the community-anchored project is located.

47 c. The authority shall review the project costs for a proposed  
48 community-anchored project and evaluate and validate the

1 underlying financial structure proposed by the anchor institution.  
2 The authority shall conduct a State fiscal impact analysis to ensure  
3 that the overall value of tax credits provided to the community-  
4 anchored project is projected to result in net benefits to the State,  
5 taking into account the current and deferred returns to the authority.  
6 The authority shall assess the cost of these reviews to the applicant.  
7 An anchor institution shall pay to the authority the full amount of  
8 the direct costs of an analysis concerning the anchor institution's  
9 application for tax credits that a third party retained by the authority  
10 performs, if the authority deems such retention to be necessary.

11 d. If at any time during the eligibility period the authority  
12 determines that an anchor institution made a material  
13 misrepresentation on the program application, the anchor institution  
14 shall forfeit or repay to the authority the value of tax credits  
15 associated with that application.

16  
17 33. (New section) a. The authority shall award tax credits  
18 under the program through a competitive application process  
19 consisting of up to two award rounds each year. The authority shall  
20 provide notice to the public of the opening and closing dates for  
21 submission of program applications on the authority's Internet  
22 website.

23 b. (1) The authority shall review applications for tax credits  
24 submitted to the authority by the deadline date of the award round  
25 and shall evaluate each application as if it were received on the  
26 deadline date, without providing any preference for early  
27 submissions. To determine priority for an award of a tax credit, all  
28 applications for community-anchored projects that satisfy the  
29 criteria set forth in sections 31 and 34 of P.L. , c. (C. )  
30 (pending before the Legislature as this bill) in a given award round  
31 shall be ranked on the basis of a scoring system developed by the  
32 authority through regulations adopted pursuant to the provisions of  
33 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
34 seq.). Prior to the commencement of an award round, the authority  
35 shall determine the minimum score for the award round that an  
36 anchor institution must attain to be eligible for a tax credit.

37 (2) The authority may establish different criteria for community-  
38 anchored projects that are located in a New Jersey State opportunity  
39 zone and community-anchored projects that are primarily designed  
40 to result in the economic expansion of a targeted industry in this  
41 State.

42 c. The scoring system developed by the authority pursuant to  
43 subsection b. of this section shall assess applications for tax credits  
44 based on the following competitive criteria, which shall include, but  
45 shall not be limited to:

46 (1) the amount of tax credit requested by the anchor institution  
47 compared to the overall investments required for the completion of  
48 the community-anchored project, along with the amount of the

- 1 potential return on the authority's investment of tax credits to the
- 2 State by the end of the commitment period, the amount of the tax
- 3 credit, if any, that is unlikely to be realized as a return on
- 4 investment paid back to the State, and the proposed terms and
- 5 structure for the authority's investment in the project, including
- 6 applicable current and deferred returns;
- 7 (2) the financial benefit of the community-anchored project to
- 8 the community in which the community-anchored project will be
- 9 located;
- 10 (3) apprenticeships or workforce programs to be offered because
- 11 of the community-anchored project;
- 12 (4) the ability of the community-anchored project to absorb and
- 13 adapt to changing environmental conditions and deliver its
- 14 objectives;
- 15 (5) how the community-anchored project will advance State,
- 16 regional, and local development and planning strategies;
- 17 (6) the relationship of the community-anchored project to a
- 18 comprehensive local development strategy, including its relation to
- 19 other development and redevelopment projects in the municipality;
- 20 (7) the degree to which the community-anchored project
- 21 enhances and promotes job creation and economic development;
- 22 (8) the extent of economic and related social distress in the
- 23 municipality and the immediate area surrounding the community-
- 24 anchored project;
- 25 (9) the extent to which the community-anchored project
- 26 provides for the development of workforce housing;
- 27 (10) the extent to which the community-anchored project
- 28 constitutes the expansion of the anchor institution to different areas
- 29 of the State;
- 30 (11) the extent to which the community-anchored project
- 31 provides for infrastructure, parking, retail, green space, or other
- 32 public amenities creating a mixed-use community-anchored project;
- 33 (12) the inclusion of a qualified business accelerator or incubator
- 34 facility as a part of the community-anchored project;
- 35 (13) the length of the commitment period for the community-
- 36 anchored project;
- 37 (14) the quality and number of new full-time jobs that will be
- 38 created by the anchor institution or any partner business at the
- 39 community-anchored project; and
- 40 (15) the quality and number of existing full-time jobs that will be
- 41 retained by the anchor institution or a partner business in the State
- 42 as a result of completing the community-anchored project, with the
- 43 criteria specifying, in scoring the application, that the retention of
- 44 an existing full-time job shall be given not more than one-third the
- 45 weight of a new full-time job of a similar quality.
- 46 d. Notwithstanding the provisions of subsection c. of this
- 47 section, the authority may adopt, pursuant to the provisions of the
- 48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.), rules and regulations adjusting competitive criteria required  
2 under the program when necessary to respond to the prevailing  
3 economic conditions in the State.

4 e. Prior to the award of a tax credit to an anchor institution to  
5 be converted into an authority investment in a community-anchored  
6 project, the Department of Labor and Workforce Development, the  
7 Department of Environmental Protection, and the Department of the  
8 Treasury shall each report to the chief executive officer of the  
9 authority as to whether the anchor institution, along with any  
10 partner business identified in a program application, is in good  
11 standing with the respective department. Provided that all parties  
12 included under the application are in good standing, the authority  
13 shall allocate tax credits to community-anchored projects according  
14 to the community-anchored project's score and until either the  
15 available tax credits are exhausted or all community-anchored  
16 projects obtaining the minimum score receive a tax credit,  
17 whichever occurs first. If insufficient funding exists to fully fund  
18 all eligible community-anchored projects, a community-anchored  
19 project may be offered partial funding.

20 f. Applications that do not receive the minimum score  
21 established by the authority for that award round shall not receive  
22 further consideration for a tax credit by the authority in that award  
23 round; however, an anchor institution may revise or complete a new  
24 application to be submitted in a subsequent award round.

25 g. If an anchor institution declines a tax credit offered by the  
26 authority, the authority shall offer the tax credit to the applicant  
27 with the application having the next highest score, and having  
28 obtained at least the minimum score in that award round.

29

30 34. (New section) a. Following approval and selection of an  
31 application pursuant to sections 32 and 33 of P.L. , c. (C. )  
32 (pending before the Legislature as this bill), the authority shall enter  
33 into a tax credit agreement with the anchor institution. The chief  
34 executive officer of the authority shall negotiate the terms and  
35 conditions of the tax credit agreement on behalf of the State.

36 b. (1) A tax credit agreement shall specify the amount of the  
37 tax credit that the authority shall award to the anchor institution for  
38 conversion into an authority investment and specify the duration of  
39 the eligibility period, which shall not exceed 10 years. The tax  
40 credit agreement shall provide an estimated date of completion for  
41 the community-anchored project and include a requirement for  
42 periodic progress reports through completion, including the  
43 submittal of executed financing commitments and documents or  
44 agreements that evidence site control.

45 (2) If, as a result of a default under the tax credit agreement, the  
46 authority rescinds a tax credit in the same calendar year in which  
47 the authority approved the tax credit, then the authority may assign  
48 the tax credit to another applicant that attained the minimum score

- 1 determined pursuant to section 33 of P.L. , c. (C. ) (pending  
2 before the Legislature as this bill).
- 3 c. The terms of the tax credit agreement shall:
- 4 (1) provide for a verification of project financing at the time the  
5 anchor institution and any partner business provides executed  
6 financing commitments to the authority and a verification of the  
7 anchor institution's projected cash flow at the time of certification  
8 that the project is completed;
- 9 (2) specify the length of the commitment period for the  
10 community-anchored project and the terms by which the anchor  
11 institution shall provide current or deferred returns to the authority  
12 and commit to a structure for returns on investment;
- 13 (3) allow the anchor institution to distribute returns on  
14 investment to the authority for the tax credits in the amount  
15 specified in the tax credit agreement at any time within the  
16 commitment period, but require such distribution to occur if the  
17 community-anchored project is sold before the end of the  
18 commitment period;
- 19 (4) specify amounts of returns to be retained by the anchor  
20 institution for capital reserves, programming, or other purposes;
- 21 (5) identify the value of any monetary or financial benefit  
22 offered or provided by the anchor institution to any partner business  
23 that works with the anchor institution to complete and operate the  
24 community-anchored project;
- 25 (6) identify any benefits created by the anchor institution for a  
26 partner business through equity investment in or debt-financing of a  
27 community-anchored project and specify the formula by which such  
28 benefits are passed through to a partner business;
- 29 (7) specify that the authority or the State may purchase tax  
30 credits offered for sale by an anchor institution for 90 percent of the  
31 stated value of the tax credit before considering any further  
32 discounting to present value which shall be permitted;
- 33 (8) at a minimum, require an anchor institution to provide  
34 oversight of the community-anchored project through ongoing  
35 reporting by a partner business to the anchor institution, and  
36 subsequent ongoing reporting by the anchor institution to the  
37 authority;
- 38 (9) specify other measures through which the authority shall  
39 ensure rigorous oversight of outstanding tax credit investments,  
40 and, in the event that an anchor institution fails to meet its  
41 obligations under the tax credit agreement or any program  
42 requirement, establish the right of the authority to assume direct  
43 oversight of any or all projects for which the anchor institution has  
44 entered into investment agreements and require the anchor  
45 institution to pursue any remedies it may have against a partner  
46 business; and



1 (10) at a minimum, require that the anchor institution, and any  
2 partner businesses, adopt specific nondiscrimination policies for the  
3 operation of a community-anchored project.

4 d. The tax credit agreement shall include a requirement that the  
5 chief executive officer of the authority receive annual reports from  
6 the Department of Environmental Protection, the Department of  
7 Labor and Workforce Development, and the Department of the  
8 Treasury demonstrating that the anchor institution and any partner  
9 business are in good standing with that department and the tax  
10 credit agreement shall include a provision that the anchor institution  
11 shall forfeit the tax credit in any year in which an uncured default  
12 exists under the tax credit agreement.

13 e. An anchor institution shall, as required at the discretion of  
14 the authority, submit to the authority satisfactory evidence of actual  
15 project costs, as certified by a certified public accountant, evidence  
16 of a temporary certificate of occupancy, or other event evidencing  
17 project completion. The anchor institution, or an authorized agent  
18 of the anchor institution, shall certify under the penalty of perjury  
19 that the information provided pursuant to this subsection is true.  
20

21 35. (New section) a. Up to the limits established in subsection  
22 b. of this section and in accordance with a tax credit agreement,  
23 beginning upon the receipt of occupancy permits for any portion of  
24 the community-anchored project, or upon any other event  
25 evidencing project completion as set forth in the tax credit  
26 agreement, an anchor institution of an approved community-  
27 anchored project shall be awarded a base tax credit of \$5,000,000  
28 for conversion into an authority investment in the community-  
29 anchored project.

30 b. An anchor institution may be allowed a tax credit in excess  
31 of the base amount, if approved by the authority, provided,  
32 however, the total tax credit allowed per community-anchored  
33 project shall not exceed \$100,000,000.  
34

35 36. (New section) a. An anchor institution that is awarded a tax  
36 credit under sections 32 and 33 of P.L. , c. (C. ) (pending  
37 before the Legislature as this bill) shall, commencing in the year in  
38 which the tax credit is awarded, and each year thereafter for the  
39 remainder of the eligibility period, submit a report indicating  
40 whether the anchor institution is aware of any condition, event, or  
41 act that would cause the anchor institution not to be in compliance  
42 with the tax credit agreement or the provisions of sections 27  
43 through 37 of P.L. , c. (C. ) (pending before the Legislature  
44 as this bill) and any additional reporting requirements contained in  
45 the tax credit agreement or tax credit certificate. The anchor  
46 institution, or an authorized agent of the anchor institution, shall  
47 certify under the penalty of perjury that the information provided  
48 pursuant to this subsection is true.

1        b. (1) Upon receipt and review of each report submitted during  
2 the eligibility period, the authority shall provide to the anchor  
3 institution and the Director of the Division of Taxation in the  
4 Department of the Treasury a certificate of compliance indicating  
5 the amount of tax credits awarded to the anchor institution for  
6 conversion into an authority investment in the community-anchored  
7 project, that the anchor institution may:

8        (a) offer for sale through the provision of a tax credit transfer  
9 certificate pursuant to section 37 of P.L. , c. (C. ) (pending  
10 before the Legislature as this bill); or

11        (b) use as collateral or to secure any financial instrument  
12 approved by the authority to provide financing for the community-  
13 anchored project, if that use is in accordance with rules and  
14 regulations adopted by the authority, pursuant to the provisions of  
15 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
16 seq.), to govern the use of program tax credits.

17        (2) Upon receipt by the director of the certificate of compliance,  
18 the director shall coordinate with the anchor institution and the  
19 authority to provide the anchor institution with a tax credit transfer  
20 certificate, as described in section 37 of P.L. , c. (C. )  
21 (pending before the Legislature as this bill), or a tax credit  
22 certificate for the value awarded by the authority for that year that  
23 the anchor institution may use as provided in paragraph (1) of this  
24 subsection b. and in accordance with the rules adopted pursuant to  
25 subparagraph (b) of paragraph (1) of this subsection.

26  
27        37. (New section) a. An anchor institution may apply to the  
28 director and the chief executive officer of the authority for a tax  
29 credit transfer certificate, covering one or more years. The tax  
30 credit transfer certificate, upon receipt thereof by the anchor  
31 institution from the director and the chief executive officer of the  
32 authority, may be sold or assigned, in full or in part, in the privilege  
33 period during which the anchor institution receives the tax credit  
34 transfer certificate from the director, to another person, who may  
35 apply the credit against a tax liability pursuant to section 5 of  
36 P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132  
37 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231  
38 (C.17:32-15), or N.J.S.17B:23-5.

39        b. The anchor institution shall not sell or assign, including a  
40 collateral assignment, a tax credit transfer certificate allowed under  
41 this section for consideration received by the anchor institution of  
42 less than 75 percent of the transferred credit amount before  
43 considering any further discounting to present value which shall be  
44 permitted. The tax credit transfer certificate issued to an anchor  
45 institution by the director shall be subject to any limitations and  
46 conditions imposed on the application of State tax credits pursuant  
47 to sections 34 and 35 of P.L. , c. (C. ) (pending before the

1 Legislature as this bill) and any other terms and conditions that the  
2 director may prescribe.

3 c. A purchaser or assignee of a tax credit transfer certificate  
4 pursuant to this section may make any subsequent transfers,  
5 assignments, or sales of a tax credit transfer certificate for an  
6 amount to be negotiated with a subsequent purchaser or assignee.

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

- 10 (1) the name of the transferor;  
11 (2) the name of the transferee;  
12 (3) the value of the tax credit transfer certificate; and  
13 (4) the consideration received by the transferor.  
14

15 38. a. Sections 1 through 7, and sections 16 through 25 of this  
16 act shall take effect on July 1, 2020, except that the New Jersey  
17 Economic Development Authority may take any anticipatory  
18 administrative action in advance thereof as shall be necessary for  
19 the implementation of sections 1 through 7 and sections 16 through  
20 25 of P.L. , c. (C. ) (pending before the Legislature as this  
21 bill).

22 b. Sections 8 through 15 of this act shall take effect on the first  
23 day of the seventh month next following enactment, except that the  
24 New Jersey Economic Development Authority and the Division of  
25 Alcoholic Beverage Control in the Department of Law and Public  
26 Safety may take any anticipatory administrative action in advance  
27 thereof as shall be necessary for the implementation of sections 8  
28 through 15 of P.L. , c. (C. ) (pending before the Legislature  
29 as this bill).

30 c. Sections 27 through 37 of this act shall take effect on the  
31 first day of the seventh month next following enactment, except that  
32 the New Jersey Economic Development Authority may take any  
33 anticipatory administrative action in advance thereof as shall be  
34 necessary for the implementation of sections 27 through 37 of  
35 P.L. , c. (C. ) (pending before the Legislature as this bill).  
36  
37

38 STATEMENT

39  
40 Grow New Jersey Assistance Program  
41

42 Sections 1 through 7 of the bill provides certain reductions,  
43 expansions, and simplifications to the ability of a business to  
44 qualify for tax credits awarded under the Grow New Jersey  
45 Assistance (Grow) Program administered by the New Jersey  
46 Economic Development Authority (authority).

47 The bill makes certain reductions to GROW as follows:

48 The bill lowers the per-job annual award base amount to:

1 (1) \$4,000 for projects in a Garden State Growth Zone (GSGZ),  
2 Garden State Create Zone (GSCZ), Urban Transit Hub (UTH)  
3 municipality, or for a mega project;

4 (2) \$3,500 for projects in a distressed municipality; and

5 (3) \$2,500 for projects in a priority area.

6 The bill reduces the maximum annual base plus bonus award per  
7 job amounts to:

8 (1) \$10,000 for a mega project and projects in a GSGZ;

9 (2) \$7,000 for projects in an UTH municipality, a distressed  
10 municipality, and a GSCZ;

11 (3) \$4,000 for projects in a priority area; and

12 (4) \$3,000 for other eligible areas.

13 The bill reduces the maximum annual award per project to:

14 (1) \$15,000,000 for projects in a GSGZ;

15 (2) \$7,500,000 for projects in a UTH municipality or GSCZ;

16 (3) \$5,000,000 for projects in a distressed municipality;

17 (4) \$3,000,000 for projects in a priority area; and

18 (5) \$2,000,000 for projects in other eligible areas.

19 The bill makes certain expansions to GROW by:

20 (1) extending the deadline for authority acceptance of  
21 applications to the program to June 30, 2023;

22 (2) redefining the term “mega project” and extending the  
23 application deadline for a mega project;

24 (3) creating a project designation for small businesses that  
25 provides for a bonus award of up to \$500 per year and a 50 percent  
26 reduction of any authority fee for that type of project;

27 (4) expanding the definition of full-time job to include  
28 contractors under certain circumstances and permitting their jobs at  
29 a project to be counted as 80 percent of the business’s Statewide  
30 workforce if the contractors work at least 35 hours per week at the  
31 project;

32 (5) permitting an add-on project, even if the add-on component  
33 is substantively similarly to project initially approved, so long as  
34 the add-on component stands on its own merit as to inducement;

35 (6) allowing the authority the discretion to permit a business a  
36 one-time election to pause the project performance for up to five  
37 years, provided that project lease is extended for the remaining term  
38 of commitment upon its resumption;

39 (7) including a mechanism for authority approval of phased  
40 projects;

41 (8) permitting a business to change its facility to another “like-  
42 kind” location, or to not-like-kind location provided the award is  
43 adjusted downward based only on differing conditions; and

44 (9) permitting subleasing of a project provided that the capital  
45 investment and jobs are maintained in the remaining project  
46 premises and the minimum amount of capital investment is met for  
47 the subleased portion of the project.

1 The bill provides for procedural simplifications for businesses  
2 qualified under GROW by:

3 (1) requiring the Division of Taxation in the Department of the  
4 Treasury to allow an award to be claimed as a cash payment at 90  
5 percent of the award amount once two years have passed from when  
6 the award was issued;

7 (2) simplifying the process for adding affiliates of the business  
8 assuming the business provides to the authority a clear tax account,  
9 clean legal questionnaire response, and clear evidence of affiliate  
10 relationship; and

11 (3) simplifying the process for a name change of a business.

12 The bill provides for a tiered net benefits test an amount ranging  
13 from 200 to 400 percent of the requested award amount by project  
14 location type.

15 The bill adds a definition of “labor harmony agreement” and has  
16 the agreement apply to retail and distribution businesses, and adds  
17 definitions for “qualified incentive tract” and “small business.”

18 The bill requires prevailing wage requirement for construction  
19 whenever a tenant fit-out is less than 35 percent of capital  
20 investment in a qualified business facility.

21 The bill removes a capital investment minimum for a small  
22 business in targeted industry and allows a small business in a  
23 targeted industry to move its qualified business facility location to  
24 another location within the State.

25 The bill removes all exceptions of award ineligibility related to a  
26 grocery store or supermarket of at least 150,000 square feet in a  
27 GSGZ. The bill removes the provision of a bonus award for  
28 projects located within a transit oriented development.

29 The bill changes from 20 to seven the number of successive tax  
30 periods the award amount may be carried forward for use by the tax  
31 certificate holder.

32

33 Food Desert Elimination Program

34

35 Sections 8 through 15 of the bill, designated as the “Food Desert  
36 Elimination Act,” establishes the Food Desert Elimination Program  
37 (FDE program) and requires the authority to administer the FDE  
38 program. The bill further requires the authority, in consultation  
39 with the Department of Agriculture, to initially designate no more  
40 than 75 physical boundaries of food desert communities in the  
41 State.

42 The FDE program provides tax credits to certain supermarkets  
43 and grocery stores that newly open in food desert communities.  
44 Under the FDE program, a taxpayer that opens the first supermarket  
45 or grocery store in each designated food desert community after the  
46 bill’s effective date will be allowed a credit against certain taxes  
47 due, in an amount equal to the total amount the taxpayer is assessed  
48 in property taxes by the municipality in which the supermarket or

1 grocery store is located, during the first full tax year for the  
2 property where the supermarket or grocery store is open for  
3 business to the public, and for the three subsequent tax years after  
4 opening.

5

6 New Jersey Economic Development Authority Chief Compliance  
7 Officer

8

9 Section 16 of the bill requires the authority to employ a Chief  
10 Compliance Officer, who is to be appointed by the Chief Executive  
11 Officer of the authority to manage the Division of Portfolio  
12 Management and Compliance in the authority. The Chief  
13 Compliance Officer, in addition to other responsibilities provided in  
14 the bill, is to create, maintain, monitor, and coordinate procedures  
15 to ensure that all economic development incentive programs,  
16 authority employees, and economic development incentive program  
17 applicants and recipients comply fully with the requirements of the  
18 corresponding economic development incentive program.

19

20 Transformative Project Incentive Program

21

22 Sections 17 through 25 of the bill, designated as the  
23 “Transformative Project Incentive Act” establishes the  
24 Transformative Project Incentive Program (TPI program) and  
25 requires the authority to administer the TPI program. The TPI  
26 program is designed to address the special financial challenges and  
27 economic development importance of large-scale multi-phased  
28 mixed use redevelopment projects consisting of at least 500,000 or  
29 more square feet; comprised of a mix of new or substantially-  
30 renovated commercial and residential space; and which is  
31 determined by the authority to be of special economic importance as  
32 measured by the level of new jobs, new capital investment, and  
33 opportunities to leverage leadership in a high-priority targeted  
34 industry. To be eligible, projects must document that the project is  
35 not feasible without the “gap-closer” assistance requested under the  
36 TPI program and that the implementation of the proposed project  
37 will result in a “net benefit” to the state.

38 The calculation of net benefits for such projects would be limited  
39 to that based on the capital investment in the development, but  
40 excluding any potential future economic benefits that would result  
41 from the occupancy and employment generated by future business  
42 tenants that may independently seek job-creation tax credits, thus  
43 avoiding the potential for double counting of benefits and assuring  
44 the State a positive overall return on the overall investment.

45 The maximum tax credit amount would be limited to the  
46 minimum amount that the applicant can document as needed to  
47 close project financial feasibility gap, up to a maximum of 30  
48 percent of total project cost. The total amount of tax credits that can

1 be award under this program is capped at \$500 million.  
2 Applications are subject to an annual competitive application  
3 process, for which applications must be submitted prior to January  
4 1, 2026.

5  
6 Economic Redevelopment and Growth Grant Program  
7

8 Section 26 amends the commercial provisions of the Economic  
9 Redevelopment and Growth Grant (ERGG) Program such that for  
10 projects receiving aggregate incentive grants equal to or greater  
11 than \$25 million that achieve an actual return on equity greater than  
12 the anticipated return approved by the authority, the authority may  
13 specify, in the redevelopment incentive grant, the amount of  
14 redeveloper payments, if any, due to the State including, at  
15 authority discretion, a portion of the incremental return of up to 25  
16 percent of the actual incremental return.

17  
18 Community-Anchored Development Program  
19

20 Sections 27 through 37 of the bill establish the New Jersey  
21 Community-Anchored Development Program (CAD program) as a  
22 program under the jurisdiction of the authority to incentivize the  
23 expansion of targeted industries in certain areas of the State and the  
24 development in New Jersey opportunity zones through the provision  
25 of tax credits to anchor institutions to be converted into authority  
26 investments in community-anchored projects in the State.

27 Under the bill, an anchor institution is required to be a  
28 governmental or nonprofit entity that is a comprehensive health care  
29 system, a public research university, a private research university, a  
30 major cultural institution, or an experienced nonprofit economic or  
31 community development entity. For a project to qualify for the  
32 receipt of tax credits under the CAD program, the community-  
33 anchored project is required to be a capital project developed by an  
34 anchor institution or a partner business in a New Jersey State  
35 opportunity zone or in other specified areas of the State, but if the  
36 project is not located in a New Jersey State opportunity zone, the  
37 project is to be primarily designed to result in the economic  
38 expansion of a targeted industry in this State.

39 For the purposes of the bill, a New Jersey opportunity zone is  
40 any census tract in the State that was eligible to be nominated as a  
41 qualified opportunity zone, under the federal "Tax Cuts and Jobs  
42 Act of 2017," Pub.L.115-97, and targeted industry includes any  
43 industry identified from time to time by the authority including  
44 initially, biotechnology, life sciences, pharmaceuticals, hemp  
45 processing, aeronautics, clean energy, advanced manufacturing,  
46 large-scale food and beverage production, advanced transportation  
47 and logistics, finance, financial technology, insurance, media,

1 information technology, machine learning, and artificial  
2 intelligence.

3 The bill provides that anchor institutions may apply for tax  
4 credits under the CAD program, and details the necessary  
5 components and demonstrations required pursuant to an application.  
6 Under the program, an anchor institution is permitted, as detailed in  
7 the bill, to sell tax credits received pursuant to the CAD program or  
8 use the tax credits as collateral or as a financial instrument to  
9 provide for the financing of a community-anchored project. Under  
10 the bill, an anchor institution is required to submit an application  
11 prior to July 1, 2027 in order to receive a tax credit under the CAD  
12 program. The bill also requires that an applicant demonstrate that  
13 construction and building services workers at a community-  
14 anchored project be paid in accordance with prevailing wage  
15 standards.

16 The bill provides that there are no overall limits on the award of  
17 tax credits under the CAD program, but requires that the authority  
18 engage in rigorous program evaluation and assumptions testing to  
19 ensure that the authority at least recaptures the value of the tax  
20 credits awarded to all anchor institutions and realizes additional  
21 returns on investment under the CAD program. The bill specifies  
22 that community-anchored projects financed solely by governmental  
23 or nonprofit entity investments are to be considered differently from  
24 other projects and are not required to provide authority with  
25 additional returns on investment. The tax credits are to be awarded  
26 through a competitive application and scoring process with two  
27 award rounds to be scheduled by the authority each year. The bill  
28 requires that each community-anchored development under the  
29 CAD program involve a capital investment of at least \$10 million.  
30 The bill also requires the authority to establish criteria for scoring  
31 program applications and to establish, for each award round, a  
32 minimum score required for the authority to approve an application  
33 for the award of tax credits. The bill requires that tax credit awards  
34 under the CAD program equal at least \$5 million and limits the  
35 award of tax credits for any one community-anchored development  
36 to \$100 million. Under the bill, and subject to the provisions of the  
37 underlying tax credit agreement, an anchor institution is required to  
38 distribute returns on the tax credit investment to the authority by the  
39 end of a commitment period specified in the tax credit agreement or  
40 at the time of sale of the community-anchored project. The  
41 authority is required to deposit into the General Fund of the State,  
42 the moneys received pursuant to the CAD program.

43 The bill requires that tax credits awarded to an anchor institution  
44 be provided pursuant to a tax credit agreement. A tax credit  
45 agreement is required to include certain provisions and  
46 commitments, as detailed in the bill. Prior to awarding a tax credit  
47 for community-anchored project, the Department of Labor and  
48 Workforce Development, the Department of Environmental



1 Protection, and the Department of the Treasury shall each report to  
2 the Chief Executive Officer of the authority whether the anchor  
3 institution, along with any partner business included in an  
4 application, is in good standing with the respective department.  
5 The bill establishes a method for awarding tax credits under the  
6 CAD program, based on the relative scores of individual  
7 applications.

8 An anchor institution is required to submit to the authority  
9 satisfactory evidence of actual project costs, evidence of a  
10 temporary certificate of occupancy, or other event evidencing  
11 project completion. The bill also requires an anchor institution to  
12 submit certain other information at regular intervals, as described in  
13 the bill.