

34:1B-289 & 34:1B-290, 34:1B-298 et al**LEGISLATIVE HISTORY CHECKLIST**

Compiled by the NJ State Law Library

LAWS OF: 2025 **CHAPTER:** 80**NJSA:** 34:1B-289 & 34:1B-290, 34:1B-298 et al Modifies certain provisions of "New Jersey Innovation Evergreen Act."**BILL NO:** A5795 (Substituted for S4619)**SPONSOR(S)** Pintor Marin, Eliana and others**DATE INTRODUCED:** 6/16/2025**COMMITTEE:** **ASSEMBLY:** Appropriations**SENATE:** --**AMENDED DURING PASSAGE:** No**DATE OF PASSAGE:** **ASSEMBLY:** 6/30/2025**SENATE:** 6/30/2025**DATE OF APPROVAL:** 6/30/2025**FOLLOWING ARE ATTACHED IF AVAILABLE:****FINAL TEXT OF BILL** (A5795 enacted)**ADVANCE LAW** Yes**PAMPHLET LAW** Yes**A5795****INTRODUCED BILL:** (Includes sponsor(s) statement) Yes**REPRINT(S):** No**TECHNICAL REVIEW OF BILL:** No**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes**SENATE:** No(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)**FLOOR AMENDMENT STATEMENT:** No**LEGISLATIVE FISCAL ESTIMATE:** Yes**S4619****INTRODUCED BILL:** (Includes sponsor(s) statement) Yes**REPRINT(S):** No**TECHNICAL REVIEW OF BILL:** No

COMMITTEE STATEMENT:	ASSEMBLY:	No
	SENATE:	Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
-----------------------------------	----

LEGISLATIVE FISCAL ESTIMATE:	Yes
-------------------------------------	-----

VETO MESSAGE:	No
----------------------	----

GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
---	-----

LEGISLATOR STATEMENT:	No
------------------------------	----

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS:	No
-----------------	----

HEARINGS:	No
------------------	----

NEWSPAPER ARTICLES:	Yes
----------------------------	-----

Matthew Fazelpoor, 'Murphy signs bills to grow NJ startups, boost innovation', *NJBIZ* (online), 3 Jul 2025<<https://infoweb.newsbank.com/apps/news/document-view?p=NewsBank&docref=news/1A1B8202C03EB6B0>>

CL/MMcB

P.L. 2025, CHAPTER 80, *approved June 30, 2025*
Assembly, No. 5795

1 **AN ACT** concerning the New Jersey Innovation Evergreen Program
2 and amending Title 34 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 21 of P.L.2020, c.156 (C.34:1B-289) is amended to
8 read as follows:

9 21. As used in sections 20 through 34 of P.L.2020, c.156
10 (C.34:1B-288 through 34:1B-302):

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

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

15 "Follow-on investment" means a subsequent investment made by
16 an investor who has a previous investment in a New Jersey high-
17 growth business.

18 "Fund" means the "New Jersey Innovation Evergreen Fund"
19 established by section 23 of P.L.2020, c.156 (C.34:1B-291).

20 "Headquarters" means the single location in which the chief
21 executive officer, chief operating officer, or other high level
22 officers of a business directs, controls, and coordinates the activities
23 of the business.

24 "High-growth business" means a business that is growing
25 significantly faster than the average growth rate of the economy or
26 is a start-up company that is investing in developing a product or
27 new business model that will allow it to grow significantly faster
28 than the average growth rate of the economy within the next three
29 to five years.

30 "Incentive area" means an area in this State: (1) designated
31 pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-
32 196 et seq.), as Planning Area 1 (Metropolitan); or (2) that has been
33 designated as a qualified opportunity zone pursuant to 26 U.S.C.
34 s.1400Z-1.

35 "Innovation ecosystem" means funding, programs, and events
36 that support the establishment and expansion of high-growth
37 companies in targeted sectors. Examples of such funding,
38 programs, and events include: mentoring programs for start-ups,
39 meet-up or networking events, funding for locating a business in a
40 collaborative workspace, programs that provide business services,
41 and entrepreneurial education to companies.

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 "Opportunity zone" means a federal population census tract in
2 this State that was eligible to be designated as a qualified
3 opportunity zone pursuant to 26 U.S.C. s.1400Z-1 as may be
4 amended.

5 "Principal business operations" means any of the following: (1)
6 at least 50 percent of the business's employees not primarily
7 engaged in retail sales reside in the State; (2) at least 50 percent of
8 the business's payroll for employees not primarily engaged in retail
9 sales is paid to individuals living in the State; (3) at least 50 percent
10 of the business's full-time employees not primarily engaged in retail
11 sales are filling a position in the State; **【or】** (4) at least 50 percent
12 of the business's payroll for employees not primarily engaged in
13 retail sales is paid to full-time employees filling a position in the
14 State; or (5) the business's headquarters is located in the State, and
15 of all states, the largest percentage of the business's full-time
16 employees, who are based in the United States and are not primarily
17 engaged in retail sales, is located in New Jersey.

18 "Program" means the New Jersey Innovation Evergreen Program
19 established by section 22 of P.L.2020, c.156 (C.34:1B-290).

20 "Purchaser" means an entity registered to do business in this
21 State with the Director of the Division of Revenue and Enterprise
22 Services in the Department of the Treasury that purchases an
23 allocation of tax credits under the program.

24 "Qualified business" means a business that, at the time of the
25 first qualified investment in the business and throughout the period
26 of the qualified investment under the program, is registered to do
27 business in this State with the Director of the Division of Revenue
28 and Enterprise Services in the Department of the Treasury; has its
29 principal business operations located in the State and intends to
30 maintain its principal business operations in the State after
31 receiving a qualified investment under the program; is engaged in a
32 targeted industry; and employs fewer than 250 persons at the time
33 of the qualified investment.

34 "Qualified investment" means the direct investment of money by
35 the fund in a qualified business for the purchase of shares of stock,
36 with an option to make an additional investment in an option or
37 warrant or a follow-on investment, in the discretion of the authority,
38 all of which is matched by an investment by a qualified venture
39 firm.

40 "Qualified venture firm" means a venture firm that is approved
41 by the authority as a qualified venture firm pursuant to section 29 of
42 P.L.2020, c.156 (C.34:1B-297).

43 "Special purpose vehicle" means an entity controlled by or under
44 common control with a venture firm that is formed solely for the
45 purpose of investing in a New Jersey high-growth business
46 alongside the venture firm.

47 "Targeted industry" means any industry identified from time to
48 time by the authority which shall initially include advanced

1 transportation and logistics, advanced manufacturing, aviation,
2 autonomous vehicle and zero-emission vehicle research or
3 development, clean energy, life sciences, hemp processing,
4 information and high technology, finance and insurance,
5 professional services, film and digital media, non-retail food and
6 beverage businesses including food innovation, and other
7 innovative industries that disrupt current technologies or business
8 models.

9 "Venture firm" means a partnership, corporation, trust, or limited
10 liability company that invests cash in a business during the early or
11 expansion stages of a business in exchange for an equity stake in
12 the business in which the investment is made. Venture firm may
13 include a venture capital fund, a family office fund, or a corporate
14 investor fund, provided that a professional manager administers the
15 venture firm.

16 (cf: P.L.2023, c.118, s.1)

17
18 2. Section 22 of P.L.2020, c.156 (C.34:1B-290) is amended to
19 read as follows:

20 22. The New Jersey Innovation Evergreen Program is
21 established as a program under the jurisdiction of the New Jersey
22 Economic Development Authority. The purpose of the program is
23 to invest in innovation as a catalyst for economic growth and to
24 advance the competitiveness of the State's businesses in the global
25 economy. Beginning on the effective date of sections 20 through 34
26 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302), the
27 authority shall auction up to \$300,000,000 in tax credits in annual
28 amounts not to exceed the limitations set forth in section 98 of
29 P.L.2020, c.156 (C.34:1B-362). The authority shall not undertake
30 an auction if, exclusive of reserves, including the reserve set aside
31 for follow-on investments pursuant to subsection d. of section 23 of
32 P.L.2020, c.156 (C.34:1B-291), more than **[\$15,000,000]**
33 \$50,000,000 is available to the authority, from moneys received
34 from any prior auction of tax credits pursuant to the program, to
35 allocate to qualified venture firms.

36 (cf: P.L.2020, c.156, s.22)

37
38 3. Section 30 of P.L.2020, c.156 (C.34:1B-298) is amended to
39 read as follows:

40 30. a. (1) The authority is authorized to allocate money credited
41 to the fund to one or more qualified venture firms for qualified
42 investments at the times, in the amounts, and subject to the terms
43 and conditions that the authority shall determine to be necessary
44 and appropriate to effectuate the purposes of sections 20 through 34
45 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302); provided
46 that no more than two qualified investments shall be made with
47 each qualified venture firm in a calendar year.

1 (2) Each qualified investment shall not exceed **[\$5,000,000]**
2 \$10,000,000 in initial investment, exclusive of follow-on
3 investments; provided, however, if a qualified investment is in a
4 business: (a) which utilizes intellectual property that is core to the
5 its business model and was developed at a New Jersey-based
6 college or university; (b) is considered a university spin-off
7 business as determined by the authority; or (c) is certified by the
8 State as a "minority business" or a "women's business" pursuant to
9 P.L.1986, c.195 (C.52:27H-21.17 et seq.), then the qualified
10 investment shall not exceed **[\$6,250,000]** \$12,500,000 in initial
11 investment, exclusive of follow-on investments. A qualified
12 investment shall either: (a) match a qualified venture firm's initial
13 investment in a qualified business for the purchase of shares of
14 stock; or (b) in instances where the venture firm has a prior
15 investment in the qualified business, occur at a higher valuation
16 compared to the venture firm's prior investments into the qualified
17 business, as established by an independent third-party valuation or
18 through participation by a third-party investor at the same valuation
19 as the qualified venture firm.

20 (3) The fund shall not invest in a qualified venture firm if the
21 authority determines that an undue financial advantage would inure
22 to a purchaser if the investment occurs or if the investment would
23 be inconsistent with the investment policies and goals of the State.

24 (4) The authority shall have a goal for 25 percent of the fund
25 money that is allocated to qualified venture firms to be reserved for
26 investment in businesses located in opportunity zones.

27 (5) Within one year of the effective date of P.L.2020, c.156
28 (C.34:1B-269 et al.), the authority shall undertake a disparity study
29 of investment by venture firms in women- and minority-owned
30 business enterprises in this State. Based on the finding of the
31 disparity study, the authority, following board approval, may
32 institute a set-aside plan to ensure that fund money allocated to
33 qualified venture firms is reserved for investment in women- and
34 minority-owned business enterprises in this State.

35 b. The authority shall make and enter into an agreement with
36 each qualified venture firm to which the authority allocates money
37 under the program. The agreement shall include provisions that
38 require the qualified venture firm to:

39 (1) make investments in qualified businesses that equal or
40 exceed the amount of capital received by the qualified venture firm
41 from the fund under the program;

42 (2) cause an audit of the qualified venture firm's books and
43 accounts, which a certified public accountant, who is licensed in
44 accordance with the "Accountancy Act of 1997," P.L.1997, c.259
45 (C.45:2B-42 et seq.), or licensed in accordance with the laws of
46 another state, shall conduct at least once in each year in which the
47 qualified venture firm is in receipt of fund money or in which the

1 qualified venture firm is responsible for the management of fund
2 money allocated to the qualified venture firm by the authority;

3 (3) enter into an agreement with each qualified business that
4 receives a qualified investment, which agreement shall, at a
5 minimum, require the qualified business to use the qualified
6 investment of capital to support its business operations in this State
7 and to provide the information required under section 31 of
8 P.L.2020, c.156 (C.34:1B-299);

9 (4) upon the identification of a qualified investment, create a
10 special purpose vehicle for the qualified investment of the fund;

11 (5) upon the identification of a qualified investment, indicate the
12 amount of follow-on investment the authority should reserve, and
13 periodically provide updates concerning this amount;

14 (6) agree that the qualified venture firm will publicize its
15 participation in the "New Jersey Innovation Evergreen Fund;"

16 (7) consent to the authority publicly disclosing the qualified
17 venture firm on the list of qualified investment firms participating
18 in the program; and

19 (8) consent to the disclosure of tax expenditure information as
20 described in paragraph (8) of subsection b. of section 1 of P.L.2009,
21 c.189 (C.52:27B-20a).

22 c. A qualified venture firm that has made and entered into an
23 agreement with the authority in accordance with subsection b. of
24 this section is authorized to make qualified investments of capital in
25 one or more qualified businesses from fund money allocated to the
26 qualified venture firm by the authority at the times, in the amounts,
27 and subject to the terms and conditions that the qualified venture
28 firm determines to be necessary and appropriate. The authority may
29 limit the amount of allocated fund money that a qualified venture
30 firm invests in a qualified business based upon the size of
31 investments the qualified business has received, the source of the
32 investments, and the industry in which the qualified business is
33 engaged.

34 (cf: P.L.2020, c.156, s.30)

35

36 4. Section 31 of P.L.2020, c.156 (C.34:1B-299) is amended to
37 read as follows:

38 31. a. A qualified venture firm shall annually report to the
39 authority:

40 (1) the amount of the qualified investment, if any, uninvested at
41 the end of the preceding calendar year;

42 (2) all qualified investments made during the preceding calendar
43 year, including the number and wages of employees of each
44 qualified business at the time the venture firm made the qualified
45 investment and as of December 31 of that year;

46 (3) for any qualified investment in which the qualified venture
47 firm no longer has a position as of the end of the calendar year, the

1 number of employees of the business as of the date the investment
2 was terminated;

3 (4) financials, audited by a certified public accountant, who is
4 licensed in accordance with the "Accountancy Act of 1997,"
5 P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance
6 with the laws of another state, of the qualified venture firm and the
7 special purpose vehicle that include a consolidated summary of the
8 performance of the qualified venture firm. Any information about
9 the performance of an individual business, including the qualified
10 business, shall be considered confidential and not subject to the
11 requirements of P.L.1963, c.73 (C.47:1A-1 et seq.); and

12 (5) any other information the authority requires to ascertain the
13 impact of the program on the economy of the State.

14 b. With respect to the information required under **paragraphs**
15 **(1) through** paragraph (4) of subsection a. of this section, the
16 report shall include a statement prepared by a certified public
17 accountant, who is licensed in accordance with the "Accountancy
18 Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in
19 accordance with the laws of another state, certifying that the
20 accountant has reviewed the report and that the information and
21 representations contained in the report are accurate.

22 c. Not later than 60 days after the sale or other disposition of a
23 qualified investment, the qualified venture firm shall provide to the
24 authority a report on the amount of the stock sold or disposed of
25 and the consideration received for the sale or disposition. The
26 report shall detail the cumulative effect of sequentially introduced
27 positive or negative values and include the gross income and details
28 of any offsetting fees that reduce the net distribution. Any dividend
29 or proceeds received by the authority for the sale or other
30 disposition of a qualified investment shall be deposited into the
31 fund and used in accordance with section 23 of P.L.2020, c.156
32 (C.34:1B-291).

33 d. A qualified venture firm shall, as required at the discretion
34 of the authority, submit to the authority satisfactory evidence
35 supporting the information detailed in the annual report and
36 certifying that all information provided by the qualified venture
37 firm to the authority is true, including information contained in the
38 application for certification, the agreement between the qualified
39 venture firm and authority, any amendment to that agreement, and
40 any other information submitted by the qualified venture firm to the
41 authority pursuant to sections 20 through 34 of P.L.2020, c.156
42 (C.34:1B-288 through C.34:1B-302). The qualified venture firm, or
43 an authorized agent of the qualified venture firm, shall certify under
44 the penalty of perjury that the information provided pursuant to this
45 section is true.

46 (cf: P.L.2020, c.156, s.31)

1 5. Section 34 of P.L.2020, c.156 (C.34:1B-302) is amended to
2 read as follows:

3 34. a. Notwithstanding the provisions of the "Administrative
4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
5 contrary, the chief executive officer of the authority may adopt,
6 immediately, upon filing with the Office of Administrative Law,
7 regulations that the chief executive officer deems necessary to
8 implement the provisions of sections 20 through 34 of P.L.2020,
9 c.156 (C.34:1B-288 through C.34:1B-302), which regulations shall
10 be effective for a period not to exceed 180 days from the date of the
11 filing. The chief executive officer shall thereafter amend, adopt, or
12 readopt the regulations in accordance with the requirements of
13 P.L.1968, c.410 (C.52:14B-1 et seq.).

14 b. Notwithstanding the provisions of the "Administrative
15 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
16 contrary, the chief executive officer of the authority may adopt,
17 immediately, upon filing with the Office of Administrative Law,
18 such regulations as the chief executive officer deems necessary to
19 implement the provisions of P.L. , c. (pending before the
20 Legislature as this bill), which regulations shall be effective for a
21 period not to exceed 365 days from the date of the filing. The chief
22 executive officer shall thereafter amend, adopt, or readopt the
23 regulations in accordance with the requirements of P.L.1968, c.410
24 (C.52:14B-1 et seq.).

25 (cf: P.L.2020, c.156, s.34)

26

27 6. This act shall take effect immediately.

28

29

30

STATEMENT

31

32 This bill modifies certain provisions governing the "New Jersey
33 Innovation Evergreen Program" (program), through which the State
34 invests in innovation by using proceeds from the auctioning of tax
35 credits to fund qualified investments.

36

Definition of Principal Business Operations

37 The bill amends the definition of the term "principal business
38 operations," which term is used, in part, to determine eligibility for
39 qualified businesses under the program. Under current law, for the
40 purposes of the program, "principal business operations" means any
41 of the following: (1) at least 50 percent of the business's employees
42 not primarily engaged in retail sales reside in the State; (2) at least
43 50 percent of the business's payroll for employees not primarily
44 engaged in retail sales is paid to individuals living in the State; (3)
45 at least 50 percent of the business's full-time employees not
46 primarily engaged in retail sales are filling a position in the State; or
47 (4) at least 50 percent of the business's payroll for employees not
48

1 primarily engaged in retail sales is paid to full-time employees
2 filling a position in the State. The bill expands the scope of this
3 definition to also include any instance in which: the business's
4 headquarters is located in the State; and of all states, the largest
5 percentage of the business's full-time employees, who based in the
6 United States and are not primarily engaged in retail sales, are
7 located in New Jersey.

8

9 *Determination of Qualified Investments*

10 Under the program, the New Jersey Economic Development
11 Authority is authorized to allocate monies, generated from the
12 proceeds of tax credit auctions, to one or more qualified venture
13 firms based on the amount of qualified investments made by each
14 firm to qualified businesses.

15 Under current law, the term "qualified investment" means the
16 direct investment of money by the fund in a qualified business for
17 the purchase of shares of stock, with an option to make an
18 additional investment in an option or warrant or a follow-on
19 investment, in the discretion of the authority, all of which is
20 matched by an investment by a qualified venture firm. Current law
21 also provides that the amount of each qualified investment may not
22 exceed \$5 million in initial investment, exclusive of follow-on
23 investments, provided certain exceptions. Namely, a maximum
24 qualified investment of \$6.25 million may be earned for initial
25 investments made to any qualified business that meets one of the
26 following criteria: (1) utilizes intellectual property that is core to its
27 business model and was developed at a New Jersey-based college or
28 university; (2) is considered a university spin-off business as
29 determined by the authority; or (c) is certified by the State as a
30 minority business or a women's business.

31 This bill amends current law to require that a qualified
32 investment either: (1) match a qualified venture firm's initial
33 investment in a qualified business for the purchase of shares of
34 stock; or (2) in instances where the venture firm has a prior
35 investment in the qualified business, occur at a higher valuation
36 compared to the venture firm's prior investments into the qualified
37 business, as established by an independent third-party valuation or
38 through participation by a third-party investor at the same valuation
39 as the qualified venture firm.

40 The bill increases the maximum amount of the qualified
41 investment that may be earned for initial investments in qualified
42 businesses. Under the bill, the maximum qualified investment that
43 may be earned for an initial investment is \$10 million, provided
44 certain exceptions. Additionally, the bill increases to \$12.5 million
45 the maximum qualified investment that may be earned for initial
46 investments in any qualified business that: (1) utilizes intellectual
47 property that is core to its business model and was developed at a
48 New Jersey-based college or university; (2) is considered a

1 university spin-off business as determined by the authority; or (3) is
2 certified by the State as a minority business or a women's business.

3
4 *Availability of Funds for Investment*

5 Current law prohibits the authority from undertaking a tax credit
6 auction if, exclusive of reserves, more than \$15 million is available
7 to the authority from monies received from any prior auction of tax
8 credits pursuant to the program. The bill amends this provision to
9 prohibit the authority from undertaking an auction if more than \$50
10 million is available from these monies.

11
12 *Reporting Requirements*

13 A qualified venture firm is required to annually report certain
14 information to the authority under the program. Current law
15 requires that the report include a statement prepared by a certified
16 public accountant, certifying that the accountant has reviewed the
17 report and that the information and representations contained in the
18 report are accurate. Specifically, a qualified venture firm is required
19 to include such statements for the following: (1) the amount of the
20 qualified investment, if any, uninvested at the end of the preceding
21 calendar year; (2) all qualified investments made during the
22 preceding calendar year, including the number and wages of
23 employees of each qualified business at the time the venture firm
24 made the qualified investment and as of December 31 of that year;
25 (3) for any qualified investment in which the qualified venture firm
26 no longer has a position as of the end of the calendar year, the
27 number of employees of the business as of the date the investment
28 was terminated; and (4) financials, audited by a certified public
29 accountant, of the qualified venture firm and the special purpose
30 vehicle, which include a consolidated summary of the performance
31 of the qualified venture firm.

32 The bill amends current law to provide that a qualified venture
33 firm is only required to include a certified public accountant's
34 statement to review and accuracy for financials, audited by a
35 certified public accountant, of the qualified venture firm and the
36 special purpose vehicle that include a consolidated summary of the
37 performance of the qualified venture firm.

38
39
40
41
42 Modifies certain provisions of "New Jersey Innovation
43 Evergreen Act."

CHAPTER 80

AN ACT concerning the New Jersey Innovation Evergreen Program and amending Title 34 of the Revised Statutes.

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

1. Section 21 of P.L.2020, c.156 (C.34:1B-289) is amended to read as follows:

C.34:1B-289 Definitions.

21. As used in sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302):

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

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

"Follow-on investment" means a subsequent investment made by an investor who has a previous investment in a New Jersey high-growth business.

"Fund" means the "New Jersey Innovation Evergreen Fund" established by section 23 of P.L.2020, c.156 (C.34:1B-291).

"Headquarters" means the single location in which the chief executive officer, chief operating officer, or other high level officers of a business directs, controls, and coordinates the activities of the business.

"High-growth business" means a business that is growing significantly faster than the average growth rate of the economy or is a start-up company that is investing in developing a product or new business model that will allow it to grow significantly faster than the average growth rate of the economy within the next three to five years.

"Incentive area" means an area in this State: (1) designated pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan); or (2) that has been designated as a qualified opportunity zone pursuant to 26 U.S.C. s.1400Z-1.

"Innovation ecosystem" means funding, programs, and events that support the establishment and expansion of high-growth companies in targeted sectors. Examples of such funding, programs, and events include: mentoring programs for start-ups, meet-up or networking events, funding for locating a business in a collaborative workspace, programs that provide business services, and entrepreneurial education to companies.

"Opportunity zone" means a federal population census tract in this State that was eligible to be designated as a qualified opportunity zone pursuant to 26 U.S.C. s.1400Z-1 as may be amended.

"Principal business operations" means any of the following: (1) at least 50 percent of the business's employees not primarily engaged in retail sales reside in the State; (2) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to individuals living in the State; (3) at least 50 percent of the business's full-time employees not primarily engaged in retail sales are filling a position in the State; (4) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to full-time employees filling a position in the State; or (5) the business's headquarters is located in the State, and of all states, the largest percentage of the business's full-time employees, who are based in the United States and are not primarily engaged in retail sales, is located in New Jersey.

"Program" means the New Jersey Innovation Evergreen Program established by section 22 of P.L.2020, c.156 (C.34:1B-290).

"Purchaser" means an entity registered to do business in this State with the Director of the Division of Revenue and Enterprise Services in the Department of the Treasury that purchases an allocation of tax credits under the program.

"Qualified business" means a business that, at the time of the first qualified investment in the business and throughout the period of the qualified investment under the program, is registered to do business in this State with the Director of the Division of Revenue and Enterprise Services in the Department of the Treasury; has its principal business operations located in the State and intends to maintain its principal business operations in the State after receiving a qualified investment under the program; is engaged in a targeted industry; and employs fewer than 250 persons at the time of the qualified investment.

"Qualified investment" means the direct investment of money by the fund in a qualified business for the purchase of shares of stock, with an option to make an additional investment in an option or warrant or a follow-on investment, in the discretion of the authority, all of which is matched by an investment by a qualified venture firm.

"Qualified venture firm" means a venture firm that is approved by the authority as a qualified venture firm pursuant to section 29 of P.L.2020, c.156 (C.34:1B-297).

"Special purpose vehicle" means an entity controlled by or under common control with a venture firm that is formed solely for the purpose of investing in a New Jersey high-growth business alongside the venture firm.

"Targeted industry" means any industry identified from time to time by the authority which shall initially include advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-retail food and beverage businesses including food innovation, and other innovative industries that disrupt current technologies or business models.

"Venture firm" means a partnership, corporation, trust, or limited liability company that invests cash in a business during the early or expansion stages of a business in exchange for an equity stake in the business in which the investment is made. Venture firm may include a venture capital fund, a family office fund, or a corporate investor fund, provided that a professional manager administers the venture firm.

2. Section 22 of P.L.2020, c.156 (C.34:1B-290) is amended to read as follows:

C.34:1B-290 New Jersey Innovation Evergreen Program.

22. The New Jersey Innovation Evergreen Program is established as a program under the jurisdiction of the New Jersey Economic Development Authority. The purpose of the program is to invest in innovation as a catalyst for economic growth and to advance the competitiveness of the State's businesses in the global economy. Beginning on the effective date of sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302), the authority shall auction up to \$300,000,000 in tax credits in annual amounts not to exceed the limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-362). The authority shall not undertake an auction if, exclusive of reserves, including the reserve set aside for follow-on investments pursuant to subsection d. of section 23 of P.L.2020, c.156 (C.34:1B-291), more than \$50,000,000 is available to the authority, from moneys received from any prior auction of tax credits pursuant to the program, to allocate to qualified venture firms.

3. Section 30 of P.L.2020, c.156 (C.34:1B-298) is amended to read as follows:

C.34:1B-298 Allocation of money to venture firms.

30. a. (1) The authority is authorized to allocate money credited to the fund to one or more qualified venture firms for qualified investments at the times, in the amounts, and subject to

the terms and conditions that the authority shall determine to be necessary and appropriate to effectuate the purposes of sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302); provided that no more than two qualified investments shall be made with each qualified venture firm in a calendar year.

(2) Each qualified investment shall not exceed \$10,000,000 in initial investment, exclusive of follow-on investments; provided, however, if a qualified investment is in a business: (a) which utilizes intellectual property that is core to the its business model and was developed at a New Jersey-based college or university; (b) is considered a university spin-off business as determined by the authority; or (c) is certified by the State as a "minority business" or a "women's business" pursuant to P.L.1986, c.195 (C.52:27H-21.17 et seq.), then the qualified investment shall not exceed \$12,500,000 in initial investment, exclusive of follow-on investments. A qualified investment shall either: (a) match a qualified venture firm's initial investment in a qualified business for the purchase of shares of stock; or (b) in instances where the venture firm has a prior investment in the qualified business, occur at a higher valuation compared to the venture firm's prior investments into the qualified business, as established by an independent third-party valuation or through participation by a third-party investor at the same valuation as the qualified venture firm.

(3) The fund shall not invest in a qualified venture firm if the authority determines that an undue financial advantage would inure to a purchaser if the investment occurs or if the investment would be inconsistent with the investment policies and goals of the State.

(4) The authority shall have a goal for 25 percent of the fund money that is allocated to qualified venture firms to be reserved for investment in businesses located in opportunity zones.

(5) Within one year of the effective date of P.L.2020, c.156 (C.34:1B-269 et al.), the authority shall undertake a disparity study of investment by venture firms in women- and minority-owned business enterprises in this State. Based on the finding of the disparity study, the authority, following board approval, may institute a set-aside plan to ensure that fund money allocated to qualified venture firms is reserved for investment in women- and minority-owned business enterprises in this State.

b. The authority shall make and enter into an agreement with each qualified venture firm to which the authority allocates money under the program. The agreement shall include provisions that require the qualified venture firm to:

(1) make investments in qualified businesses that equal or exceed the amount of capital received by the qualified venture firm from the fund under the program;

(2) cause an audit of the qualified venture firm's books and accounts, which a certified public accountant, who is licensed in accordance with the "Accountancy Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance with the laws of another state, shall conduct at least once in each year in which the qualified venture firm is in receipt of fund money or in which the qualified venture firm is responsible for the management of fund money allocated to the qualified venture firm by the authority;

(3) enter into an agreement with each qualified business that receives a qualified investment, which agreement shall, at a minimum, require the qualified business to use the qualified investment of capital to support its business operations in this State and to provide the information required under section 31 of P.L.2020, c.156 (C.34:1B-299);

(4) upon the identification of a qualified investment, create a special purpose vehicle for the qualified investment of the fund;

(5) upon the identification of a qualified investment, indicate the amount of follow-on investment the authority should reserve, and periodically provide updates concerning this amount;

(6) agree that the qualified venture firm will publicize its participation in the "New Jersey Innovation Evergreen Fund;"

(7) consent to the authority publicly disclosing the qualified venture firm on the list of qualified investment firms participating in the program; and

(8) consent to the disclosure of tax expenditure information as described in paragraph (8) of subsection b. of section 1 of P.L.2009, c.189 (C.52:27B-20a).

c. A qualified venture firm that has made and entered into an agreement with the authority in accordance with subsection b. of this section is authorized to make qualified investments of capital in one or more qualified businesses from fund money allocated to the qualified venture firm by the authority at the times, in the amounts, and subject to the terms and conditions that the qualified venture firm determines to be necessary and appropriate. The authority may limit the amount of allocated fund money that a qualified venture firm invests in a qualified business based upon the size of investments the qualified business has received, the source of the investments, and the industry in which the qualified business is engaged.

4. Section 31 of P.L.2020, c.156 (C.34:1B-299) is amended to read as follows:

C.34:1B-299 Report by venture firm.

31. a. A qualified venture firm shall annually report to the authority:

(1) the amount of the qualified investment, if any, uninvested at the end of the preceding calendar year;

(2) all qualified investments made during the preceding calendar year, including the number and wages of employees of each qualified business at the time the venture firm made the qualified investment and as of December 31 of that year;

(3) for any qualified investment in which the qualified venture firm no longer has a position as of the end of the calendar year, the number of employees of the business as of the date the investment was terminated;

(4) financials, audited by a certified public accountant, who is licensed in accordance with the "Accountancy Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance with the laws of another state, of the qualified venture firm and the special purpose vehicle that include a consolidated summary of the performance of the qualified venture firm. Any information about the performance of an individual business, including the qualified business, shall be considered confidential and not subject to the requirements of P.L.1963, c.73 (C.47:1A-1 et seq.); and

(5) any other information the authority requires to ascertain the impact of the program on the economy of the State.

b. With respect to the information required under paragraph (4) of subsection a. of this section, the report shall include a statement prepared by a certified public accountant, who is licensed in accordance with the "Accountancy Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance with the laws of another state, certifying that the accountant has reviewed the report and that the information and representations contained in the report are accurate.

c. Not later than 60 days after the sale or other disposition of a qualified investment, the qualified venture firm shall provide to the authority a report on the amount of the stock sold or disposed of and the consideration received for the sale or disposition. The report shall detail the cumulative effect of sequentially introduced positive or negative values and include the gross income and details of any offsetting fees that reduce the net distribution. Any dividend or proceeds received by the authority for the sale or other disposition of a qualified investment shall be deposited into the fund and used in accordance with section 23 of P.L.2020, c.156 (C.34:1B-291).

d. A qualified venture firm shall, as required at the discretion of the authority, submit to the authority satisfactory evidence supporting the information detailed in the annual report and certifying that all information provided by the qualified venture firm to the authority is true, including information contained in the application for certification, the agreement between the qualified venture firm and authority, any amendment to that agreement, and any other information submitted by the qualified venture firm to the authority pursuant to sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302). The qualified venture firm, or an authorized agent of the qualified venture firm, shall certify under the penalty of perjury that the information provided pursuant to this section is true.

5. Section 34 of P.L.2020, c.156 (C.34:1B-302) is amended to read as follows:

C.34:1B-302 Regulations.

34. a. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the chief executive officer of the authority may adopt, immediately, upon filing with the Office of Administrative Law, regulations that the chief executive officer deems necessary to implement the provisions of sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302), which regulations shall be effective for a period not to exceed 180 days from the date of the filing. The chief executive officer shall thereafter amend, adopt, or readopt the regulations in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

b. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the chief executive officer of the authority may adopt, immediately, upon filing with the Office of Administrative Law, such regulations as the chief executive officer deems necessary to implement the provisions of P.L.2025, c.80, which regulations shall be effective for a period not to exceed 365 days from the date of the filing. The chief executive officer shall thereafter amend, adopt, or readopt the regulations in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

6. This act shall take effect immediately.

Approved June 30, 2025.

ASSEMBLY, No. 5795

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 16, 2025

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman MITCHELLE DRULIS

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

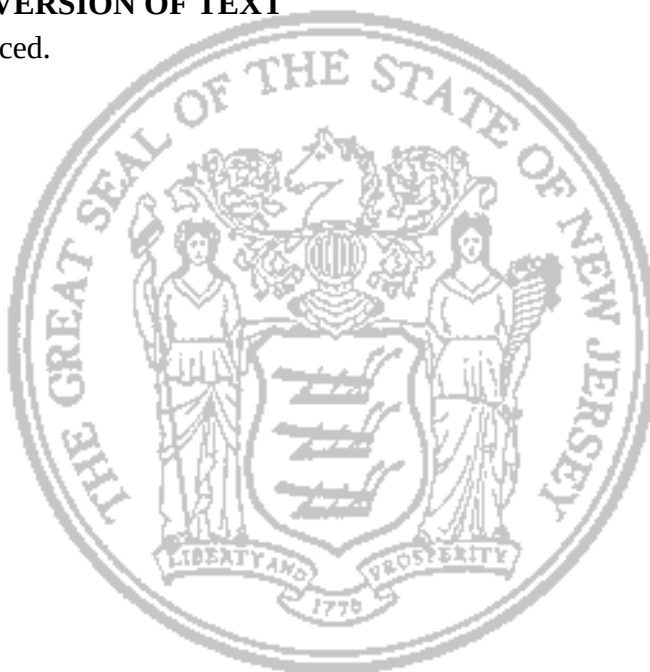
Assemblyman Freiman, Assemblywoman Drulis and Senator Greenstein

SYNOPSIS

Modifies certain provisions of “New Jersey Innovation Evergreen Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2025)

1 **AN ACT** concerning the New Jersey Innovation Evergreen Program
2 and amending Title 34 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. Section 21 of P.L.2020, c.156 (C.34:1B-289) is amended to
8 read as follows:

9 21. As used in sections 20 through 34 of P.L.2020, c.156
10 (C.34:1B-288 through 34:1B-302):

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

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

15 "Follow-on investment" means a subsequent investment made by
16 an investor who has a previous investment in a New Jersey high-
17 growth business.

18 "Fund" means the "New Jersey Innovation Evergreen Fund"
19 established by section 23 of P.L.2020, c.156 (C.34:1B-291).

20 "Headquarters" means the single location in which the chief
21 executive officer, chief operating officer, or other high level
22 officers of a business directs, controls, and coordinates the activities
23 of the business.

24 "High-growth business" means a business that is growing
25 significantly faster than the average growth rate of the economy or
26 is a start-up company that is investing in developing a product or
27 new business model that will allow it to grow significantly faster
28 than the average growth rate of the economy within the next three
29 to five years.

30 "Incentive area" means an area in this State: (1) designated
31 pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-
32 196 et seq.), as Planning Area 1 (Metropolitan); or (2) that has been
33 designated as a qualified opportunity zone pursuant to 26 U.S.C.
34 s.1400Z-1.

35 "Innovation ecosystem" means funding, programs, and events
36 that support the establishment and expansion of high-growth
37 companies in targeted sectors. Examples of such funding,
38 programs, and events include: mentoring programs for start-ups,
39 meet-up or networking events, funding for locating a business in a
40 collaborative workspace, programs that provide business services,
41 and entrepreneurial education to companies.

42 "Opportunity zone" means a federal population census tract in
43 this State that was eligible to be designated as a qualified
44 opportunity zone pursuant to 26 U.S.C. s.1400Z-1 as may be
45 amended.

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 "Principal business operations" means any of the following: (1)
2 at least 50 percent of the business's employees not primarily
3 engaged in retail sales reside in the State; (2) at least 50 percent of
4 the business's payroll for employees not primarily engaged in retail
5 sales is paid to individuals living in the State; (3) at least 50 percent
6 of the business's full-time employees not primarily engaged in retail
7 sales are filling a position in the State; **or** (4) at least 50 percent
8 of the business's payroll for employees not primarily engaged in
9 retail sales is paid to full-time employees filling a position in the
10 State; or (5) the business's headquarters is located in the State, and
11 of all states, the largest percentage of the business's full-time
12 employees, who are based in the United States and are not primarily
13 engaged in retail sales, is located in New Jersey.

14 "Program" means the New Jersey Innovation Evergreen Program
15 established by section 22 of P.L.2020, c.156 (C.34:1B-290).

16 "Purchaser" means an entity registered to do business in this
17 State with the Director of the Division of Revenue and Enterprise
18 Services in the Department of the Treasury that purchases an
19 allocation of tax credits under the program.

20 "Qualified business" means a business that, at the time of the
21 first qualified investment in the business and throughout the period
22 of the qualified investment under the program, is registered to do
23 business in this State with the Director of the Division of Revenue
24 and Enterprise Services in the Department of the Treasury; has its
25 principal business operations located in the State and intends to
26 maintain its principal business operations in the State after
27 receiving a qualified investment under the program; is engaged in a
28 targeted industry; and employs fewer than 250 persons at the time
29 of the qualified investment.

30 "Qualified investment" means the direct investment of money by
31 the fund in a qualified business for the purchase of shares of stock,
32 with an option to make an additional investment in an option or
33 warrant or a follow-on investment, in the discretion of the authority,
34 all of which is matched by an investment by a qualified venture
35 firm.

36 "Qualified venture firm" means a venture firm that is approved
37 by the authority as a qualified venture firm pursuant to section 29 of
38 P.L.2020, c.156 (C.34:1B-297).

39 "Special purpose vehicle" means an entity controlled by or under
40 common control with a venture firm that is formed solely for the
41 purpose of investing in a New Jersey high-growth business
42 alongside the venture firm.

43 "Targeted industry" means any industry identified from time to
44 time by the authority which shall initially include advanced
45 transportation and logistics, advanced manufacturing, aviation,
46 autonomous vehicle and zero-emission vehicle research or
47 development, clean energy, life sciences, hemp processing,
48 information and high technology, finance and insurance,

1 professional services, film and digital media, non-retail food and
2 beverage businesses including food innovation, and other
3 innovative industries that disrupt current technologies or business
4 models.

5 "Venture firm" means a partnership, corporation, trust, or limited
6 liability company that invests cash in a business during the early or
7 expansion stages of a business in exchange for an equity stake in
8 the business in which the investment is made. Venture firm may
9 include a venture capital fund, a family office fund, or a corporate
10 investor fund, provided that a professional manager administers the
11 venture firm.

12 (cf: P.L.2023, c.118, s.1)

13

14 2. Section 22 of P.L.2020, c.156 (C.34:1B-290) is amended to
15 read as follows:

16 22. The New Jersey Innovation Evergreen Program is
17 established as a program under the jurisdiction of the New Jersey
18 Economic Development Authority. The purpose of the program is
19 to invest in innovation as a catalyst for economic growth and to
20 advance the competitiveness of the State's businesses in the global
21 economy. Beginning on the effective date of sections 20 through 34
22 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302), the
23 authority shall auction up to \$300,000,000 in tax credits in annual
24 amounts not to exceed the limitations set forth in section 98 of
25 P.L.2020, c.156 (C.34:1B-362). The authority shall not undertake
26 an auction if, exclusive of reserves, including the reserve set aside
27 for follow-on investments pursuant to subsection d. of section 23 of
28 P.L.2020, c.156 (C.34:1B-291), more than **[\$15,000,000]**
29 \$50,000,000 is available to the authority, from moneys received
30 from any prior auction of tax credits pursuant to the program, to
31 allocate to qualified venture firms.

32 (cf: P.L.2020, c.156, s.22)

33

34 3. Section 30 of P.L.2020, c.156 (C.34:1B-298) is amended to
35 read as follows:

36 30. a. (1) The authority is authorized to allocate money credited
37 to the fund to one or more qualified venture firms for qualified
38 investments at the times, in the amounts, and subject to the terms
39 and conditions that the authority shall determine to be necessary
40 and appropriate to effectuate the purposes of sections 20 through 34
41 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302); provided
42 that no more than two qualified investments shall be made with
43 each qualified venture firm in a calendar year.

44 (2) Each qualified investment shall not exceed **[\$5,000,000]**
45 \$10,000,000 in initial investment, exclusive of follow-on
46 investments; provided, however, if a qualified investment is in a
47 business: (a) which utilizes intellectual property that is core to the
48 its business model and was developed at a New Jersey-based

1 college or university; (b) is considered a university spin-off
2 business as determined by the authority; or (c) is certified by the
3 State as a "minority business" or a "women's business" pursuant to
4 P.L.1986, c.195 (C.52:27H-21.17 et seq.), then the qualified
5 investment shall not exceed ~~[\$6,250,000]~~ \$12,500,000 in initial
6 investment, exclusive of follow-on investments. A qualified
7 investment shall either: (a) match a qualified venture firm's initial
8 investment in a qualified business for the purchase of shares of
9 stock; or (b) in instances where the venture firm has a prior
10 investment in the qualified business, occur at a higher valuation
11 compared to the venture firm's prior investments into the qualified
12 business, as established by an independent third-party valuation or
13 through participation by a third-party investor at the same valuation
14 as the qualified venture firm.

15 (3) The fund shall not invest in a qualified venture firm if the
16 authority determines that an undue financial advantage would inure
17 to a purchaser if the investment occurs or if the investment would
18 be inconsistent with the investment policies and goals of the State.

19 (4) The authority shall have a goal for 25 percent of the fund
20 money that is allocated to qualified venture firms to be reserved for
21 investment in businesses located in opportunity zones.

22 (5) Within one year of the effective date of P.L.2020, c.156
23 (C.34:1B-269 et al.), the authority shall undertake a disparity study
24 of investment by venture firms in women- and minority-owned
25 business enterprises in this State. Based on the finding of the
26 disparity study, the authority, following board approval, may
27 institute a set-aside plan to ensure that fund money allocated to
28 qualified venture firms is reserved for investment in women- and
29 minority-owned business enterprises in this State.

30 b. The authority shall make and enter into an agreement with
31 each qualified venture firm to which the authority allocates money
32 under the program. The agreement shall include provisions that
33 require the qualified venture firm to:

34 (1) make investments in qualified businesses that equal or
35 exceed the amount of capital received by the qualified venture firm
36 from the fund under the program;

37 (2) cause an audit of the qualified venture firm's books and
38 accounts, which a certified public accountant, who is licensed in
39 accordance with the "Accountancy Act of 1997," P.L.1997, c.259
40 (C.45:2B-42 et seq.), or licensed in accordance with the laws of
41 another state, shall conduct at least once in each year in which the
42 qualified venture firm is in receipt of fund money or in which the
43 qualified venture firm is responsible for the management of fund
44 money allocated to the qualified venture firm by the authority;

45 (3) enter into an agreement with each qualified business that
46 receives a qualified investment, which agreement shall, at a
47 minimum, require the qualified business to use the qualified
48 investment of capital to support its business operations in this State

1 and to provide the information required under section 31 of
2 P.L.2020, c.156 (C.34:1B-299);

3 (4) upon the identification of a qualified investment, create a
4 special purpose vehicle for the qualified investment of the fund;

5 (5) upon the identification of a qualified investment, indicate the
6 amount of follow-on investment the authority should reserve, and
7 periodically provide updates concerning this amount;

8 (6) agree that the qualified venture firm will publicize its
9 participation in the "New Jersey Innovation Evergreen Fund;"

10 (7) consent to the authority publicly disclosing the qualified
11 venture firm on the list of qualified investment firms participating
12 in the program; and

13 (8) consent to the disclosure of tax expenditure information as
14 described in paragraph (8) of subsection b. of section 1 of P.L.2009,
15 c.189 (C.52:27B-20a).

16 c. A qualified venture firm that has made and entered into an
17 agreement with the authority in accordance with subsection b. of
18 this section is authorized to make qualified investments of capital in
19 one or more qualified businesses from fund money allocated to the
20 qualified venture firm by the authority at the times, in the amounts,
21 and subject to the terms and conditions that the qualified venture
22 firm determines to be necessary and appropriate. The authority may
23 limit the amount of allocated fund money that a qualified venture
24 firm invests in a qualified business based upon the size of
25 investments the qualified business has received, the source of the
26 investments, and the industry in which the qualified business is
27 engaged.

28 (cf: P.L.2020, c.156, s.30)

29

30 4. Section 31 of P.L.2020, c.156 (C.34:1B-299) is amended to
31 read as follows:

32 31. a. A qualified venture firm shall annually report to the
33 authority:

34 (1) the amount of the qualified investment, if any, uninvested at
35 the end of the preceding calendar year;

36 (2) all qualified investments made during the preceding calendar
37 year, including the number and wages of employees of each
38 qualified business at the time the venture firm made the qualified
39 investment and as of December 31 of that year;

40 (3) for any qualified investment in which the qualified venture
41 firm no longer has a position as of the end of the calendar year, the
42 number of employees of the business as of the date the investment
43 was terminated;

44 (4) financials, audited by a certified public accountant, who is
45 licensed in accordance with the "Accountancy Act of 1997,"
46 P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance
47 with the laws of another state, of the qualified venture firm and the
48 special purpose vehicle that include a consolidated summary of the

1 performance of the qualified venture firm. Any information about
2 the performance of an individual business, including the qualified
3 business, shall be considered confidential and not subject to the
4 requirements of P.L.1963, c.73 (C.47:1A-1 et seq.); and

5 (5) any other information the authority requires to ascertain the
6 impact of the program on the economy of the State.

7 b. With respect to the information required under ~~paragraphs~~
8 (1) through paragraph (4) of subsection a. of this section, the
9 report shall include a statement prepared by a certified public
10 accountant, who is licensed in accordance with the "Accountancy
11 Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in
12 accordance with the laws of another state, certifying that the
13 accountant has reviewed the report and that the information and
14 representations contained in the report are accurate.

15 c. Not later than 60 days after the sale or other disposition of a
16 qualified investment, the qualified venture firm shall provide to the
17 authority a report on the amount of the stock sold or disposed of
18 and the consideration received for the sale or disposition. The
19 report shall detail the cumulative effect of sequentially introduced
20 positive or negative values and include the gross income and details
21 of any offsetting fees that reduce the net distribution. Any dividend
22 or proceeds received by the authority for the sale or other
23 disposition of a qualified investment shall be deposited into the
24 fund and used in accordance with section 23 of P.L.2020, c.156
25 (C.34:1B-291).

26 d. A qualified venture firm shall, as required at the discretion
27 of the authority, submit to the authority satisfactory evidence
28 supporting the information detailed in the annual report and
29 certifying that all information provided by the qualified venture
30 firm to the authority is true, including information contained in the
31 application for certification, the agreement between the qualified
32 venture firm and authority, any amendment to that agreement, and
33 any other information submitted by the qualified venture firm to the
34 authority pursuant to sections 20 through 34 of P.L.2020, c.156
35 (C.34:1B-288 through C.34:1B-302). The qualified venture firm, or
36 an authorized agent of the qualified venture firm, shall certify under
37 the penalty of perjury that the information provided pursuant to this
38 section is true.

39 (cf: P.L.2020, c.156, s.31)

40
41 5. Section 34 of P.L.2020, c.156 (C.34:1B-302) is amended to
42 read as follows:

43 34. a. Notwithstanding the provisions of the "Administrative
44 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
45 contrary, the chief executive officer of the authority may adopt,
46 immediately, upon filing with the Office of Administrative Law,
47 regulations that the chief executive officer deems necessary to
48 implement the provisions of sections 20 through 34 of P.L.2020,

1 c.156 (C.34:1B-288 through C.34:1B-302), which regulations shall
2 be effective for a period not to exceed 180 days from the date of the
3 filing. The chief executive officer shall thereafter amend, adopt, or
4 readopt the regulations in accordance with the requirements of
5 P.L.1968, c.410 (C.52:14B-1 et seq.).

6 b. Notwithstanding the provisions of the “Administrative
7 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the
8 contrary, the chief executive officer of the authority may adopt,
9 immediately, upon filing with the Office of Administrative Law,
10 such regulations as the chief executive officer deems necessary to
11 implement the provisions of P.L. , c. (pending before the
12 Legislature as this bill), which regulations shall be effective for a
13 period not to exceed 365 days from the date of the filing. The chief
14 executive officer shall thereafter amend, adopt, or readopt the
15 regulations in accordance with the requirements of P.L.1968, c.410
16 (C.52:14B-1 et seq.).

17 (cf: P.L.2020, c.156, s.34)

18
19 6. This act shall take effect immediately.

20 21 22 STATEMENT

23
24 This bill modifies certain provisions governing the “New Jersey
25 Innovation Evergreen Program” (program), through which the State
26 invests in innovation by using proceeds from the auctioning of tax
27 credits to fund qualified investments.

28 29 *Definition of Principal Business Operations*

30 The bill amends the definition of the term “principal business
31 operations,” which term is used, in part, to determine eligibility for
32 qualified businesses under the program. Under current law, for the
33 purposes of the program, “principal business operations” means any
34 of the following: (1) at least 50 percent of the business's employees
35 not primarily engaged in retail sales reside in the State; (2) at least
36 50 percent of the business's payroll for employees not primarily
37 engaged in retail sales is paid to individuals living in the State; (3)
38 at least 50 percent of the business's full-time employees not
39 primarily engaged in retail sales are filling a position in the State; or
40 (4) at least 50 percent of the business's payroll for employees not
41 primarily engaged in retail sales is paid to full-time employees
42 filling a position in the State. The bill expands the scope of this
43 definition to also include any instance in which: the business’s
44 headquarters is located in the State; and of all states, the largest
45 percentage of the business’s full-time employees, who based in the
46 United States and are not primarily engaged in retail sales, are
47 located in New Jersey.

1 *Determination of Qualified Investments*

2 Under the program, the New Jersey Economic Development
3 Authority is authorized to allocate monies, generated from the
4 proceeds of tax credit auctions, to one or more qualified venture
5 firms based on the amount of qualified investments made by each
6 firm to qualified businesses.

7 Under current law, the term “qualified investment” means the
8 direct investment of money by the fund in a qualified business for
9 the purchase of shares of stock, with an option to make an
10 additional investment in an option or warrant or a follow-on
11 investment, in the discretion of the authority, all of which is
12 matched by an investment by a qualified venture firm. Current law
13 also provides that the amount of each qualified investment may not
14 exceed \$5 million in initial investment, exclusive of follow-on
15 investments, provided certain exceptions. Namely, a maximum
16 qualified investment of \$6.25 million may be earned for initial
17 investments made to any qualified business that meets one of the
18 following criteria: (1) utilizes intellectual property that is core to its
19 business model and was developed at a New Jersey-based college or
20 university; (2) is considered a university spin-off business as
21 determined by the authority; or (c) is certified by the State as a
22 minority business or a women’s business.

23 This bill amends current law to require that a qualified
24 investment either: (1) match a qualified venture firm’s initial
25 investment in a qualified business for the purchase of shares of
26 stock; or (2) in instances where the venture firm has a prior
27 investment in the qualified business, occur at a higher valuation
28 compared to the venture firm’s prior investments into the qualified
29 business, as established by an independent third-party valuation or
30 through participation by a third-party investor at the same valuation
31 as the qualified venture firm.

32 The bill increases the maximum amount of the qualified
33 investment that may be earned for initial investments in qualified
34 businesses. Under the bill, the maximum qualified investment that
35 may be earned for an initial investment is \$10 million, provided
36 certain exceptions. Additionally, the bill increases to \$12.5 million
37 the maximum qualified investment that may be earned for initial
38 investments in any qualified business that: (1) utilizes intellectual
39 property that is core to its business model and was developed at a
40 New Jersey-based college or university; (2) is considered a
41 university spin-off business as determined by the authority; or (3) is
42 certified by the State as a minority business or a women’s business.

43
44 *Availability of Funds for Investment*

45 Current law prohibits the authority from undertaking a tax credit
46 auction if, exclusive of reserves, more than \$15 million is available
47 to the authority from monies received from any prior auction of tax
48 credits pursuant to the program. The bill amends this provision to

1 prohibit the authority from undertaking an auction if more than \$50
2 million is available from these monies.

3

4 *Reporting Requirements*

5 A qualified venture firm is required to annually report certain
6 information to the authority under the program. Current law
7 requires that the report include a statement prepared by a certified
8 public accountant, certifying that the accountant has reviewed the
9 report and that the information and representations contained in the
10 report are accurate. Specifically, a qualified venture firm is required
11 to include such statements for the following: (1) the amount of the
12 qualified investment, if any, uninvested at the end of the preceding
13 calendar year; (2) all qualified investments made during the
14 preceding calendar year, including the number and wages of
15 employees of each qualified business at the time the venture firm
16 made the qualified investment and as of December 31 of that year;
17 (3) for any qualified investment in which the qualified venture firm
18 no longer has a position as of the end of the calendar year, the
19 number of employees of the business as of the date the investment
20 was terminated; and (4) financials, audited by a certified public
21 accountant, of the qualified venture firm and the special purpose
22 vehicle, which include a consolidated summary of the performance
23 of the qualified venture firm.

24 The bill amends current law to provide that a qualified venture
25 firm is only required to include a certified public accountant's
26 statement to review and accuracy for financials, audited by a
27 certified public accountant, of the qualified venture firm and the
28 special purpose vehicle that include a consolidated summary of the
29 performance of the qualified venture firm.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5795

STATE OF NEW JERSEY

DATED: JUNE 19, 2025

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5795.

As reported, this bill modifies certain provisions governing the “New Jersey Innovation Evergreen Program” (program), through which the State invests in innovation by using proceeds from the auctioning of tax credits to fund qualified investments.

Definition of Principal Business Operations

The bill amends the definition of the term “principal business operations,” which term is used, in part, to determine eligibility for qualified businesses under the program. Under current law, for the purposes of the program, “principal business operations” means any of the following: (1) at least 50 percent of the business's employees not primarily engaged in retail sales reside in the State; (2) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to individuals living in the State; (3) at least 50 percent of the business's full-time employees not primarily engaged in retail sales are filling a position in the State; or (4) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to full-time employees filling a position in the State. The bill expands the scope of this definition to also include any instance in which: the business’s headquarters is located in the State; and of all states, the largest percentage of the business’s full-time employees, who based in the United States and are not primarily engaged in retail sales, are located in New Jersey.

Determination of Qualified Investments

Under the program, the New Jersey Economic Development Authority is authorized to allocate monies, generated from the proceeds of tax credit auctions, to one or more qualified venture firms based on the amount of qualified investments made by each firm to qualified businesses.

Under current law, the term “qualified investment” means the direct investment of money by the fund in a qualified business for the purchase of shares of stock, with an option to make an additional investment in an option or warrant or a follow-on investment, in the discretion of the authority, all of which is matched by an investment by a qualified venture firm. Current law also provides that the amount

of each qualified investment may not exceed \$5 million in initial investment, exclusive of follow-on investments, provided certain exceptions. Namely, a maximum qualified investment of \$6.25 million may be earned for initial investments made to any qualified business that meets one of the following criteria: (1) utilizes intellectual property that is core to its business model and was developed at a New Jersey-based college or university; (2) is considered a university spin-off business as determined by the authority; or (c) is certified by the State as a minority business or a women's business.

This bill amends current law to require that a qualified investment either: (1) match a qualified venture firm's initial investment in a qualified business for the purchase of shares of stock; or (2) in instances where the venture firm has a prior investment in the qualified business, occur at a higher valuation compared to the venture firm's prior investments into the qualified business, as established by an independent third-party valuation or through participation by a third-party investor at the same valuation as the qualified venture firm.

The bill increases the maximum amount of the qualified investment that may be earned for initial investments in qualified businesses. Under the bill, the maximum qualified investment that may be earned for an initial investment is \$10 million, provided certain exceptions. Additionally, the bill increases to \$12.5 million the maximum qualified investment that may be earned for initial investments in any qualified business that: (1) utilizes intellectual property that is core to the its business model and was developed at a New Jersey-based college or university; (2) is considered a university spin-off business as determined by the authority; or (3) is certified by the State as a minority business or a women's business.

Availability of Funds for Investment

Current law prohibits the authority from undertaking a tax credit auction if, exclusive of reserves, more than \$15 million is available to the authority from moneys received from any prior auction of tax credits pursuant to the program. The bill amends this provision to prohibit the authority from undertaking an auction if more than \$50 million is available from these moneys.

Reporting Requirements

A qualified venture firm is required to annually report certain information to the authority under the program. Current law requires that the report include a statement prepared by a certified public accountant, certifying that the accountant has reviewed the report and that the information and representations contained in the report are accurate. Specifically, a qualified venture firm is required to include such statements for the following: (1) the amount of the qualified investment, if any, uninvested at the end of the preceding calendar year; (2) all qualified investments made during the preceding calendar

year, including the number and wages of employees of each qualified business at the time the venture firm made the qualified investment and as of December 31 of that year; (3) for any qualified investment in which the qualified venture firm no longer has a position as of the end of the calendar year, the number of employees of the business as of the date the investment was terminated; and (4) financials, audited by a certified public accountant, of the qualified venture firm and the special purpose vehicle that include a consolidated summary of the performance of the qualified venture firm.

The bill amends current law to provide that a qualified venture firm is only required to include a certified public accountant's statement to review and accuracy for financials, audited by a certified public accountant, of the qualified venture firm and the special purpose vehicle that includes a consolidated summary of the performance of the qualified venture firm.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on State finances. The bill increases the maximum initial qualified investment amounts permitted through the New Jersey Innovation Evergreen Program and may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions through the program.

The provision of the bill expanding the definition of principal business operations will increase State costs to the extent that it allows additional businesses to qualify for investments under the program.

Increasing the New Jersey Innovation Evergreen Fund balance threshold from \$15 million to \$50 million may allow the authority to conduct additional tax credit auctions. In the short term, the State will realize additional revenues from payments received from tax credit purchasers. Over the long term, the State would experience a loss of revenues resulting from the utilization of tax credits purchased through the program.

The provisions of the bill increasing the maximum initial qualified investment that may be made in a qualified business will result in an increase in State costs to the extent that the authority permits the qualified venture firms to make larger investments in qualified businesses than permitted under current law. These costs may be offset by returns achieved by investments in qualified businesses. However, the OLS cannot predict if and when that will occur.

LEGISLATIVE FISCAL ESTIMATE

ASSEMBLY, No. 5795

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JUNE 26, 2025

SUMMARY

Synopsis: Modifies certain provisions of “New Jersey Innovation Evergreen Act.”

Type of Impact: Indeterminate net impact on State finances.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Tax Credit Awards & Qualified Investments</u>
State Finances	Indeterminate Net Impact

- The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on State finances. The bill increases the maximum initial qualified investment amounts permitted through the New Jersey Innovation Evergreen Program and may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions through the program.
- The provision of the bill expanding the definition of principal business operations will increase State costs to the extent that it allows additional businesses to qualify for investments under the program.
- Increasing the New Jersey Innovation Evergreen Fund balance threshold from \$15.0 million to \$50.0 million may allow the authority to conduct additional tax credit auctions. In the short term, the State will realize additional revenues from payments received from tax credit purchasers. Over the long term, the State would experience a loss of revenues resulting from the utilization of tax credits purchased through the program.
- The provisions of the bill increasing the maximum initial qualified investment that may be made in a qualified business will result in an increase in State costs to the extent that the authority permits the qualified venture firms to make larger investments in qualified businesses than permitted under current law. These costs may be offset by returns achieved by investments in qualified businesses. However, the OLS cannot predict if and when that will occur.

BILL DESCRIPTION

The bill modifies certain provisions of the New Jersey Innovation Evergreen Act, which governs the New Jersey Innovation Evergreen Program.

Definition of Principal Business Operations. Current law allows the authority to make qualified investments in qualified businesses. To be eligible to receive a qualified investment, a qualified business is required to have its principal business operations located in New Jersey. The bill expands the scope of the term “principal business operations” to include any instance in which a business’s headquarters is located in the State, and of all states, the largest percentage of a business’s full-time employees, who are based in the United States and are not primarily engaged in retail sales, are located in New Jersey.

Tax Credit Auctions. Current law prohibits the authority from undertaking a tax credit auction, if, exclusive of reserves, more than \$15.0 million is available the authority from the monies received from any prior auction of tax credits through the program. The bill amends current law to prohibit the authority from undertaking an auction if more than \$50.0 million is available from these monies. Increasing this threshold will allow the authority to conduct additional tax credit auctions.

Amount of Qualified Investments. The Act authorizes the authority to allocate monies, generated from the proceeds of tax credit auctions, to one or more qualified venture firms, based on the amount of qualified investments made by each firm to qualified businesses. Current law provides that the amount of each qualified investment may not exceed \$5.0 million in initial investment, exclusive of follow-on investments. The bill increases the maximum qualified investment that may be earned for an initial investment to \$10.0 million.

However, a maximum qualified investment of \$6.25 million may be earned for initial investments made to any qualified business that meets one of the following criteria: (1) the qualified business utilizes intellectual property that is core to its business model and was developed at a New Jersey-based college or university; (2) the qualified business is considered a university spin-off business as determined by the authority; or (3) the qualified business is certified as a minority business or a women’s business. The bill increases the maximum initial qualified investment in a qualified business that meets one of the three aforementioned criteria to \$12.5 million.

The bill amends current law to require that a qualified investment either: (1) match a qualified venture firm’s initial investment in a qualified business for the purchase of shares of stock; or (2) in instances where the venture firm has a prior investment in the qualified business, occur at a higher valuation compared to the venture firm’s prior investments into the qualified business, as established by an independent third-party valuation or through participation by a third-party investor at the same valuation as the qualified venture firm.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will have an indeterminate net impact on State finances. The bill may result in an increase in State costs, an increase in State revenues, and a loss of State revenues. These additional State costs and revenue losses may be offset by returns and dividends

generated by qualified investments in qualified businesses. The OLS cannot predict if, and when, this will occur.

Tax Credit Auctions. The New Jersey Innovation Evergreen Act seeks to address New Jersey's lack of venture capital financing through the sale of up to \$300.0 million in tax credits over a nine-year period. The Act allows the authority to conduct competitive auctions of tax credits.

As of June 17, 2025, the authority has held one tax credit auction under the New Jersey Innovation Evergreen Program. In December 2022, the authority approved the sale of \$50 million in tax credits for an aggregate purchase price of \$41.1 million. The auction proceeds were supplemented by a Fiscal Year 2023 appropriation of \$5.0 million from the State General Fund. The OLS notes that current law allows the authority to auction up to an additional \$250 million in tax credits through the end of FY 2029 (June 30, 2029). According to the authority's website, there is approximately \$22.0 million of unallocated capital in the New Jersey Innovation Evergreen Fund. Because the amount available to the authority from the December 2022 auction is greater than \$15.0 million, the authority is prohibited from undertaking another tax credit auction.

To the extent that the bill allows the authority to conduct additional tax credit auctions, the State would receive additional revenues in the form of payments from the purchasers of tax credits. Current law requires these revenues to be deposited into the New Jersey Innovation Evergreen Fund and allocated by the authority to qualified venture firms to make qualified investments of capital in qualified businesses, and to pay the administrative, legal, and auditing expenses associated with the program.

However, if all remaining tax credits are purchased and utilized by taxpayers, the State will incur revenue losses of up to \$250 million. However, the OLS notes that any revenue loss will be: a) temporally limited because current law places restrictions on the time period during which the authority may auction tax credits under the program; and b) spread out over several years since tax credits auctioned under the New Jersey Innovation Evergreen Program may be carried forward for up to seven privilege periods following the privilege periods in which the credit was first allowed.

Qualified Investments. The Act allows the authority to allocate the proceeds generated from the sale of the tax credits to one or more qualified venture firms, which in turn, make investments in qualified businesses. Each qualified venture firm may apply to the authority to utilize monies in the New Jersey Innovation Evergreen Fund to make up to two investments per year in qualified businesses. The expansion of the definition of "principal business operations" proposed by the bill may allow additional businesses to qualify for an investment under the New Jersey Innovation Evergreen Program. To the extent that the bill increases the amount and frequency of investments under the program, the State will experience an increase in costs.

An investment in a qualified business may achieve a positive return for the State. These returns may offset the cost of any investments in a qualified business. However, the OLS cannot predict if, and when, this will occur. Current law requires dividends and returns on investments to be deposited into the New Jersey Innovation Evergreen Fund. Once the fund's holdings reach \$500 million, 50 percent of any return on investment in a qualified business that is in excess of twice the original and follow-on investment is paid to the State General Fund.

Section: Revenue, Finance and Appropriations
Analyst: Scott A. Brodsky
Staff Fiscal & Budget Analyst
Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 4619

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 19, 2025

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Senator Greenstein

SYNOPSIS

Modifies certain provisions of “New Jersey Innovation Evergreen Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/23/2025)

1 **AN ACT** concerning the New Jersey Innovation Evergreen Program
2 and amending Title 34 of the Revised Statutes.

3

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

6

7 1. Section 21 of P.L.2020, c.156 (C.34:1B-289) is amended to
8 read as follows:

9 21. As used in sections 20 through 34 of P.L.2020, c.156
10 (C.34:1B-288 through 34:1B-302):

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

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

15 "Follow-on investment" means a subsequent investment made by
16 an investor who has a previous investment in a New Jersey high-
17 growth business.

18 "Fund" means the "New Jersey Innovation Evergreen Fund"
19 established by section 23 of P.L.2020, c.156 (C.34:1B-291).

20 "Headquarters" means the single location in which the chief
21 executive officer, chief operating officer, or other high level
22 officers of a business directs, controls, and coordinates the activities
23 of the business.

24 "High-growth business" means a business that is growing
25 significantly faster than the average growth rate of the economy or
26 is a start-up company that is investing in developing a product or
27 new business model that will allow it to grow significantly faster
28 than the average growth rate of the economy within the next three
29 to five years.

30 "Incentive area" means an area in this State: (1) designated
31 pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-
32 196 et seq.), as Planning Area 1 (Metropolitan); or (2) that has been
33 designated as a qualified opportunity zone pursuant to 26 U.S.C.
34 s.1400Z-1.

35 "Innovation ecosystem" means funding, programs, and events
36 that support the establishment and expansion of high-growth
37 companies in targeted sectors. Examples of such funding,
38 programs, and events include: mentoring programs for start-ups,
39 meet-up or networking events, funding for locating a business in a
40 collaborative workspace, programs that provide business services,
41 and entrepreneurial education to companies.

42 "Opportunity zone" means a federal population census tract in
43 this State that was eligible to be designated as a qualified
44 opportunity zone pursuant to 26 U.S.C. s.1400Z-1 as may be
45 amended.

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 "Principal business operations" means any of the following: (1)
2 at least 50 percent of the business's employees not primarily
3 engaged in retail sales reside in the State; (2) at least 50 percent of
4 the business's payroll for employees not primarily engaged in retail
5 sales is paid to individuals living in the State; (3) at least 50 percent
6 of the business's full-time employees not primarily engaged in retail
7 sales are filling a position in the State; **or** (4) at least 50 percent
8 of the business's payroll for employees not primarily engaged in
9 retail sales is paid to full-time employees filling a position in the
10 State; or (5) the business's headquarters is located in the State, and
11 of all states, the largest percentage of the business's full-time
12 employees, who are based in the United States and are not primarily
13 engaged in retail sales, is located in New Jersey.

14 "Program" means the New Jersey Innovation Evergreen Program
15 established by section 22 of P.L.2020, c.156 (C.34:1B-290).

16 "Purchaser" means an entity registered to do business in this
17 State with the Director of the Division of Revenue and Enterprise
18 Services in the Department of the Treasury that purchases an
19 allocation of tax credits under the program.

20 "Qualified business" means a business that, at the time of the
21 first qualified investment in the business and throughout the period
22 of the qualified investment under the program, is registered to do
23 business in this State with the Director of the Division of Revenue
24 and Enterprise Services in the Department of the Treasury; has its
25 principal business operations located in the State and intends to
26 maintain its principal business operations in the State after
27 receiving a qualified investment under the program; is engaged in a
28 targeted industry; and employs fewer than 250 persons at the time
29 of the qualified investment.

30 "Qualified investment" means the direct investment of money by
31 the fund in a qualified business for the purchase of shares of stock,
32 with an option to make an additional investment in an option or
33 warrant or a follow-on investment, in the discretion of the authority,
34 all of which is matched by an investment by a qualified venture
35 firm.

36 "Qualified venture firm" means a venture firm that is approved
37 by the authority as a qualified venture firm pursuant to section 29 of
38 P.L.2020, c.156 (C.34:1B-297).

39 "Special purpose vehicle" means an entity controlled by or under
40 common control with a venture firm that is formed solely for the
41 purpose of investing in a New Jersey high-growth business
42 alongside the venture firm.

43 "Targeted industry" means any industry identified from time to
44 time by the authority which shall initially include advanced
45 transportation and logistics, advanced manufacturing, aviation,
46 autonomous vehicle and zero-emission vehicle research or
47 development, clean energy, life sciences, hemp processing,
48 information and high technology, finance and insurance,

1 professional services, film and digital media, non-retail food and
2 beverage businesses including food innovation, and other
3 innovative industries that disrupt current technologies or business
4 models.

5 "Venture firm" means a partnership, corporation, trust, or limited
6 liability company that invests cash in a business during the early or
7 expansion stages of a business in exchange for an equity stake in
8 the business in which the investment is made. Venture firm may
9 include a venture capital fund, a family office fund, or a corporate
10 investor fund, provided that a professional manager administers the
11 venture firm.

12 (cf: P.L.2023, c.118, s.1)

13

14 2. Section 22 of P.L.2020, c.156 (C.34:1B-290) is amended to
15 read as follows:

16 22. The New Jersey Innovation Evergreen Program is
17 established as a program under the jurisdiction of the New Jersey
18 Economic Development Authority. The purpose of the program is
19 to invest in innovation as a catalyst for economic growth and to
20 advance the competitiveness of the State's businesses in the global
21 economy. Beginning on the effective date of sections 20 through 34
22 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302), the
23 authority shall auction up to \$300,000,000 in tax credits in annual
24 amounts not to exceed the limitations set forth in section 98 of
25 P.L.2020, c.156 (C.34:1B-362). The authority shall not undertake
26 an auction if, exclusive of reserves, including the reserve set aside
27 for follow-on investments pursuant to subsection d. of section 23 of
28 P.L.2020, c.156 (C.34:1B-291), more than **[\$15,000,000]**
29 \$50,000,000 is available to the authority, from moneys received
30 from any prior auction of tax credits pursuant to the program, to
31 allocate to qualified venture firms.

32 (cf: P.L.2020, c.156, s.22)

33

34 3. Section 30 of P.L.2020, c.156 (C.34:1B-298) is amended to
35 read as follows:

36 30. a. (1) The authority is authorized to allocate money credited
37 to the fund to one or more qualified venture firms for qualified
38 investments at the times, in the amounts, and subject to the terms
39 and conditions that the authority shall determine to be necessary
40 and appropriate to effectuate the purposes of sections 20 through 34
41 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302); provided
42 that no more than two qualified investments shall be made with
43 each qualified venture firm in a calendar year.

44 (2) Each qualified investment shall not exceed **[\$5,000,000]**
45 \$10,000,000 in initial investment, exclusive of follow-on
46 investments; provided, however, if a qualified investment is in a
47 business: (a) which utilizes intellectual property that is core to the
48 its business model and was developed at a New Jersey-based

1 college or university; (b) is considered a university spin-off
2 business as determined by the authority; or (c) is certified by the
3 State as a "minority business" or a "women's business" pursuant to
4 P.L.1986, c.195 (C.52:27H-21.17 et seq.), then the qualified
5 investment shall not exceed ~~[\$6,250,000]~~ \$12,500,000 in initial
6 investment, exclusive of follow-on investments. A qualified
7 investment shall either: (a) match a qualified venture firm's initial
8 investment in a qualified business for the purchase of shares of
9 stock; or (b) in instances where the venture firm has a prior
10 investment in the qualified business, occur at a higher valuation
11 compared to the venture firm's prior investments into the qualified
12 business, as established by an independent third-party valuation or
13 through participation by a third-party investor at the same valuation
14 as the qualified venture firm.

15 (3) The fund shall not invest in a qualified venture firm if the
16 authority determines that an undue financial advantage would inure
17 to a purchaser if the investment occurs or if the investment would
18 be inconsistent with the investment policies and goals of the State.

19 (4) The authority shall have a goal for 25 percent of the fund
20 money that is allocated to qualified venture firms to be reserved for
21 investment in businesses located in opportunity zones.

22 (5) Within one year of the effective date of P.L.2020, c.156
23 (C.34:1B-269 et al.), the authority shall undertake a disparity study
24 of investment by venture firms in women- and minority-owned
25 business enterprises in this State. Based on the finding of the
26 disparity study, the authority, following board approval, may
27 institute a set-aside plan to ensure that fund money allocated to
28 qualified venture firms is reserved for investment in women- and
29 minority-owned business enterprises in this State.

30 b. The authority shall make and enter into an agreement with
31 each qualified venture firm to which the authority allocates money
32 under the program. The agreement shall include provisions that
33 require the qualified venture firm to:

34 (1) make investments in qualified businesses that equal or
35 exceed the amount of capital received by the qualified venture firm
36 from the fund under the program;

37 (2) cause an audit of the qualified venture firm's books and
38 accounts, which a certified public accountant, who is licensed in
39 accordance with the "Accountancy Act of 1997," P.L.1997, c.259
40 (C.45:2B-42 et seq.), or licensed in accordance with the laws of
41 another state, shall conduct at least once in each year in which the
42 qualified venture firm is in receipt of fund money or in which the
43 qualified venture firm is responsible for the management of fund
44 money allocated to the qualified venture firm by the authority;

45 (3) enter into an agreement with each qualified business that
46 receives a qualified investment, which agreement shall, at a
47 minimum, require the qualified business to use the qualified
48 investment of capital to support its business operations in this State

1 and to provide the information required under section 31 of
2 P.L.2020, c.156 (C.34:1B-299);

3 (4) upon the identification of a qualified investment, create a
4 special purpose vehicle for the qualified investment of the fund;

5 (5) upon the identification of a qualified investment, indicate the
6 amount of follow-on investment the authority should reserve, and
7 periodically provide updates concerning this amount;

8 (6) agree that the qualified venture firm will publicize its
9 participation in the "New Jersey Innovation Evergreen Fund;"

10 (7) consent to the authority publicly disclosing the qualified
11 venture firm on the list of qualified investment firms participating
12 in the program; and

13 (8) consent to the disclosure of tax expenditure information as
14 described in paragraph (8) of subsection b. of section 1 of P.L.2009,
15 c.189 (C.52:27B-20a).

16 c. A qualified venture firm that has made and entered into an
17 agreement with the authority in accordance with subsection b. of
18 this section is authorized to make qualified investments of capital in
19 one or more qualified businesses from fund money allocated to the
20 qualified venture firm by the authority at the times, in the amounts,
21 and subject to the terms and conditions that the qualified venture
22 firm determines to be necessary and appropriate. The authority may
23 limit the amount of allocated fund money that a qualified venture
24 firm invests in a qualified business based upon the size of
25 investments the qualified business has received, the source of the
26 investments, and the industry in which the qualified business is
27 engaged.

28 (cf: P.L.2020, c.156, s.30)

29
30 4. Section 31 of P.L.2020, c.156 (C.34:1B-299) is amended to
31 read as follows:

32 31. a. A qualified venture firm shall annually report to the
33 authority:

34 (1) the amount of the qualified investment, if any, uninvested at
35 the end of the preceding calendar year;

36 (2) all qualified investments made during the preceding calendar
37 year, including the number and wages of employees of each
38 qualified business at the time the venture firm made the qualified
39 investment and as of December 31 of that year;

40 (3) for any qualified investment in which the qualified venture
41 firm no longer has a position as of the end of the calendar year, the
42 number of employees of the business as of the date the investment
43 was terminated;

44 (4) financials, audited by a certified public accountant, who is
45 licensed in accordance with the "Accountancy Act of 1997,"
46 P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in accordance
47 with the laws of another state, of the qualified venture firm and the
48 special purpose vehicle that include a consolidated summary of the

1 performance of the qualified venture firm. Any information about
2 the performance of an individual business, including the qualified
3 business, shall be considered confidential and not subject to the
4 requirements of P.L.1963, c.73 (C.47:1A-1 et seq.); and

5 (5) any other information the authority requires to ascertain the
6 impact of the program on the economy of the State.

7 b. With respect to the information required under ~~paragraphs~~
8 (1) through paragraph (4) of subsection a. of this section, the
9 report shall include a statement prepared by a certified public
10 accountant, who is licensed in accordance with the "Accountancy
11 Act of 1997," P.L.1997, c.259 (C.45:2B-42 et seq.), or licensed in
12 accordance with the laws of another state, certifying that the
13 accountant has reviewed the report and that the information and
14 representations contained in the report are accurate.

15 c. Not later than 60 days after the sale or other disposition of a
16 qualified investment, the qualified venture firm shall provide to the
17 authority a report on the amount of the stock sold or disposed of
18 and the consideration received for the sale or disposition. The
19 report shall detail the cumulative effect of sequentially introduced
20 positive or negative values and include the gross income and details
21 of any offsetting fees that reduce the net distribution. Any dividend
22 or proceeds received by the authority for the sale or other
23 disposition of a qualified investment shall be deposited into the
24 fund and used in accordance with section 23 of P.L.2020, c.156
25 (C.34:1B-291).

26 d. A qualified venture firm shall, as required at the discretion
27 of the authority, submit to the authority satisfactory evidence
28 supporting the information detailed in the annual report and
29 certifying that all information provided by the qualified venture
30 firm to the authority is true, including information contained in the
31 application for certification, the agreement between the qualified
32 venture firm and authority, any amendment to that agreement, and
33 any other information submitted by the qualified venture firm to the
34 authority pursuant to sections 20 through 34 of P.L.2020, c.156
35 (C.34:1B-288 through C.34:1B-302). The qualified venture firm, or
36 an authorized agent of the qualified venture firm, shall certify under
37 the penalty of perjury that the information provided pursuant to this
38 section is true.

39 (cf: P.L.2020, c.156, s.31)

40
41 5. Section 34 of P.L.2020, c.156 (C.34:1B-302) is amended to
42 read as follows:

43 34. a. Notwithstanding the provisions of the "Administrative
44 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the
45 contrary, the chief executive officer of the authority may adopt,
46 immediately, upon filing with the Office of Administrative Law,
47 regulations that the chief executive officer deems necessary to
48 implement the provisions of sections 20 through 34 of P.L.2020,

1 c.156 (C.34:1B-288 through C.34:1B-302), which regulations shall
2 be effective for a period not to exceed 180 days from the date of the
3 filing. The chief executive officer shall thereafter amend, adopt, or
4 readopt the regulations in accordance with the requirements of
5 P.L.1968, c.410 (C.52:14B-1 et seq.).

6 b. Notwithstanding the provisions of the “Administrative
7 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to the
8 contrary, the chief executive officer of the authority may adopt,
9 immediately, upon filing with the Office of Administrative Law,
10 such regulations as the chief executive officer deems necessary to
11 implement the provisions of P.L. , c. (pending before the
12 Legislature as this bill), which regulations shall be effective for a
13 period not to exceed 365 days from the date of the filing. The chief
14 executive officer shall thereafter amend, adopt, or readopt the
15 regulations in accordance with the requirements of P.L.1968, c.410
16 (C.52:14B-1 et seq.).

17 (cf: P.L.2020, c.156, s.34)

18
19 6. This act shall take effect immediately.

20 21 22 STATEMENT

23
24 This bill modifies certain provisions governing the “New Jersey
25 Innovation Evergreen Program” (program), through which the State
26 invests in innovation by using proceeds from the auctioning of tax
27 credits to fund qualified investments.

28 29 *Definition of Principal Business Operations*

30 The bill amends the definition of the term “principal business
31 operations,” which term is used, in part, to determine eligibility for
32 qualified businesses under the program. Under current law, for the
33 purposes of the program, “principal business operations” means any
34 of the following: (1) at least 50 percent of the business's employees
35 not primarily engaged in retail sales reside in the State; (2) at least
36 50 percent of the business's payroll for employees not primarily
37 engaged in retail sales is paid to individuals living in the State; (3)
38 at least 50 percent of the business's full-time employees not
39 primarily engaged in retail sales are filling a position in the State; or
40 (4) at least 50 percent of the business's payroll for employees not
41 primarily engaged in retail sales is paid to full-time employees
42 filling a position in the State. The bill expands the scope of this
43 definition to also include any instance in which: the business's
44 headquarters is located in the State; and of all states, the largest
45 percentage of the business's full-time employees, who based in the
46 United States and are not primarily engaged in retail sales, are
47 located in New Jersey.

1 *Determination of Qualified Investments*

2 Under the program, the New Jersey Economic Development
3 Authority is authorized to allocate monies, generated from the
4 proceeds of tax credit auctions, to one or more qualified venture
5 firms based on the amount of qualified investments made by each
6 firm to qualified businesses.

7 Under current law, the term “qualified investment” means the
8 direct investment of money by the fund in a qualified business for
9 the purchase of shares of stock, with an option to make an
10 additional investment in an option or warrant or a follow-on
11 investment, in the discretion of the authority, all of which is
12 matched by an investment by a qualified venture firm. Current law
13 also provides that the amount of each qualified investment may not
14 exceed \$5 million in initial investment, exclusive of follow-on
15 investments, provided certain exceptions. Namely, a maximum
16 qualified investment of \$6.25 million may be earned for initial
17 investments made to any qualified business that meets one of the
18 following criteria: (1) utilizes intellectual property that is core to its
19 business model and was developed at a New Jersey-based college or
20 university; (2) is considered a university spin-off business as
21 determined by the authority; or (c) is certified by the State as a
22 minority business or a women’s business.

23 This bill amends current law to require that a qualified
24 investment either: (1) match a qualified venture firm’s initial
25 investment in a qualified business for the purchase of shares of
26 stock; or (2) in instances where the venture firm has a prior
27 investment in the qualified business, occur at a higher valuation
28 compared to the venture firm’s prior investments into the qualified
29 business, as established by an independent third-party valuation or
30 through participation by a third-party investor at the same valuation
31 as the qualified venture firm.

32 The bill increases the maximum amount of the qualified
33 investment that may be earned for initial investments in qualified
34 businesses. Under the bill, the maximum qualified investment that
35 may be earned for an initial investment is \$10 million, provided
36 certain exceptions. Additionally, the bill increases to \$12.5 million
37 the maximum qualified investment that may be earned for initial
38 investments in any qualified business that: (1) utilizes intellectual
39 property that is core to its business model and was developed at a
40 New Jersey-based college or university; (2) is considered a
41 university spin-off business as determined by the authority; or (3) is
42 certified by the State as a minority business or a women’s business.

43

44 *Availability of Funds for Investment*

45 Current law prohibits the authority from undertaking a tax credit
46 auction if, exclusive of reserves, more than \$15 million is available
47 to the authority from monies received from any prior auction of tax
48 credits pursuant to the program. The bill amends this provision to

1 prohibit the authority from undertaking an auction if more than \$50
2 million is available from these monies.

3

4 *Reporting Requirements*

5 A qualified venture firm is required to annually report certain
6 information to the authority under the program. Current law
7 requires that the report include a statement prepared by a certified
8 public accountant, certifying that the accountant has reviewed the
9 report and that the information and representations contained in the
10 report are accurate. Specifically, a qualified venture firm is required
11 to include such statements for the following: (1) the amount of the
12 qualified investment, if any, uninvested at the end of the preceding
13 calendar year; (2) all qualified investments made during the
14 preceding calendar year, including the number and wages of
15 employees of each qualified business at the time the venture firm
16 made the qualified investment and as of December 31 of that year;
17 (3) for any qualified investment in which the qualified venture firm
18 no longer has a position as of the end of the calendar year, the
19 number of employees of the business as of the date the investment
20 was terminated; and (4) financials, audited by a certified public
21 accountant, of the qualified venture firm and the special purpose
22 vehicle, which include a consolidated summary of the performance
23 of the qualified venture firm.

24 The bill amends current law to provide that a qualified venture
25 firm is only required to include a certified public accountant's
26 statement to review and accuracy for financials, audited by a
27 certified public accountant, of the qualified venture firm and the
28 special purpose vehicle that include a consolidated summary of the
29 performance of the qualified venture firm.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4619

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4619.

As reported, this bill modifies certain provisions governing the “New Jersey Innovation Evergreen Program” (program), through which the State invests in innovation by using proceeds from the auctioning of tax credits to fund qualified investments.

Definition of Principal Business Operations

The bill amends the definition of the term “principal business operations,” which term is used, in part, to determine eligibility for qualified businesses under the program. Under current law, for the purposes of the program, “principal business operations” means any of the following: (1) at least 50 percent of the business's employees not primarily engaged in retail sales reside in the State; (2) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to individuals living in the State; (3) at least 50 percent of the business's full-time employees not primarily engaged in retail sales are filling a position in the State; or (4) at least 50 percent of the business's payroll for employees not primarily engaged in retail sales is paid to full-time employees filling a position in the State. The bill expands the scope of this definition to also include any instance in which: the business’s headquarters is located in the State; and of all states, the largest percentage of the business’s full-time employees, who based in the United States and are not primarily engaged in retail sales, are located in New Jersey.

Determination of Qualified Investments

Under the program, the New Jersey Economic Development Authority is authorized to allocate monies, generated from the proceeds of tax credit auctions, to one or more qualified venture firms based on the amount of qualified investments made by each firm to qualified businesses.

Under current law, the term “qualified investment” means the direct investment of money by the fund in a qualified business for the purchase of shares of stock, with an option to make an additional investment in an option or warrant or a follow-on investment, in the discretion of the authority, all of which is matched by an investment

by a qualified venture firm. Current law also provides that the amount of each qualified investment may not exceed \$5 million in initial investment, exclusive of follow-on investments, provided certain exceptions. Namely, a maximum qualified investment of \$6.25 million may be earned for initial investments made to any qualified business that meets one of the following criteria: (1) utilizes intellectual property that is core to its business model and was developed at a New Jersey-based college or university; (2) is considered a university spin-off business as determined by the authority; or (c) is certified by the State as a minority business or a women's business.

This bill amends current law to require that a qualified investment either: (1) match a qualified venture firm's initial investment in a qualified business for the purchase of shares of stock; or (2) in instances where the venture firm has a prior investment in the qualified business, occur at a higher valuation compared to the venture firm's prior investments into the qualified business, as established by an independent third-party valuation or through participation by a third-party investor at the same valuation as the qualified venture firm.

The bill increases the maximum amount of the qualified investment that may be earned for initial investments in qualified businesses. Under the bill, the maximum qualified investment that may be earned for an initial investment is \$10 million, provided certain exceptions. Additionally, the bill increases to \$12.5 million the maximum qualified investment that may be earned for initial investments in any qualified business that: (1) utilizes intellectual property that is core to its business model and was developed at a New Jersey-based college or university; (2) is considered a university spin-off business as determined by the authority; or (3) is certified by the State as a minority business or a women's business.

Availability of Funds for Investment

Current law prohibits the authority from undertaking a tax credit auction if, exclusive of reserves, more than \$15 million is available to the authority from monies received from any prior auction of tax credits pursuant to the program. The bill amends this provision to prohibit the authority from undertaking an auction if more than \$50 million is available from these monies.

Reporting Requirements

A qualified venture firm is required to annually report certain information to the authority under the program. Current law requires that the report include a statement prepared by a certified public accountant, certifying that the accountant has reviewed the report and that the information and representations contained in the report are accurate. Specifically, a qualified venture firm is required to include

such statements for the following: (1) the amount of the qualified investment, if any, uninvested at the end of the preceding calendar year; (2) all qualified investments made during the preceding calendar year, including the number and wages of employees of each qualified business at the time the venture firm made the qualified investment and as of December 31 of that year; (3) for any qualified investment in which the qualified venture firm no longer has a position as of the end of the calendar year, the number of employees of the business as of the date the investment was terminated; and (4) financials, audited by a certified public accountant, of the qualified venture firm and the special purpose vehicle, which include a consolidated summary of the performance of the qualified venture firm.

The bill amends current law to provide that a qualified venture firm is only required to include a certified public accountant's statement to review and accuracy for financials, audited by a certified public accountant, of the qualified venture firm and the special purpose vehicle that include a consolidated summary of the performance of the qualified venture firm.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on State finances. The bill increases the maximum initial qualified investment amounts permitted through the New Jersey Innovation Evergreen Program and may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions through the program.

The provision of the bill expanding the definition of principal business operations will increase State costs to the extent that it allows additional businesses to qualify for investments under the program.

Increasing the New Jersey Innovation Evergreen Fund balance threshold from \$15.0 million to \$50.0 million may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions. In the short term, the State will realize additional revenues from payments received from tax credit purchasers. Over the long term, the State would experience a loss of revenues resulting from the utilization of tax credits purchased through the program.

The provisions of the bill increasing the maximum initial qualified investment that may be made in a qualified business will result in an increase in State costs to the extent that the authority permits the qualified venture firms to make larger investments in qualified businesses than permitted under current law. These costs may be offset by returns achieved by investments in qualified businesses. However, the OLS cannot predict if and when that will occur.

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 4619

STATE OF NEW JERSEY

221st LEGISLATURE

DATED: JUNE 30, 2025

SUMMARY

Synopsis: Modifies certain provisions of “New Jersey Innovation Evergreen Act.”

Type of Impact: Indeterminate net impact on State finances.

Agencies Affected: New Jersey Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Multi-Year Lifespan of Tax Credit Awards & Qualified Investments</u>
State Finances	Indeterminate Net Impact

- The Office of Legislative Services (OLS) concludes that the bill will have an indeterminate net impact on State finances. The bill increases the maximum initial qualified investment amounts permitted through the New Jersey Innovation Evergreen Program and may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions through the program.
- The provision of the bill expanding the definition of principal business operations will increase State costs to the extent that it allows additional businesses to qualify for investments under the program.
- Increasing the New Jersey Innovation Evergreen Fund balance threshold from \$15.0 million to \$50.0 million may allow the New Jersey Economic Development Authority to conduct additional tax credit auctions. In the short term, the State will realize additional revenues from payments received from tax credit purchasers. Over the long term, the State would experience a loss of revenues resulting from the utilization of tax credits purchased through the program.
- The provisions of the bill increasing the maximum initial qualified investment that may be made in a qualified business will result in an increase in State costs to the extent that the authority permits the qualified venture firms to make larger investments in qualified businesses than permitted under current law. These costs may be offset by returns achieved by

investments in qualified businesses. However, the OLS cannot predict if and when that will occur.

BILL DESCRIPTION

The bill modifies certain provisions of the New Jersey Innovation Evergreen Act, which governs the New Jersey Innovation Evergreen Program.

Definition of Principal Business Operations. Current law allows the authority to make qualified investments in qualified businesses. To be eligible to receive a qualified investment, a qualified business is required to have its principal business operations located in New Jersey. The bill expands the scope of the term “principal business operations” to include any instance in which a business’s headquarters is located in the State, and of all states, the largest percentage of a business’s full-time employees, who are based in the United States and are not primarily engaged in retail sales, are located in New Jersey.

Tax Credit Auctions. Current law prohibits the authority from undertaking a tax credit auction, if, exclusive of reserves, more than \$15.0 million is available the authority from the monies received from any prior auction of tax credits through the program. The bill amends current law to prohibit the authority from undertaking an auction if more than \$50.0 million is available from these monies. Increasing this threshold will allow the authority to conduct additional tax credit auctions.

Amount of Qualified Investments. The Act authorizes the authority to allocate monies, generated from the proceeds of tax credit auctions, to one or more qualified venture firms, based on the amount of qualified investments made by each firm to qualified businesses. Current law provides that the amount of each qualified investment may not exceed \$5.0 million in initial investment, exclusive of follow-on investments. The bill increases the maximum qualified investment that may be earned for an initial investment to \$10.0 million.

However, a maximum qualified investment of \$6.25 million may be earned for initial investments made to any qualified business that meets one of the following criteria: (1) the qualified business utilizes intellectual property that is core to its business model and was developed at a New Jersey-based college or university; (2) the qualified business is considered a university spin-off business as determined by the authority; or (3) the qualified business is certified as a minority business or a women’s business. The bill increases the maximum initial qualified investment in a qualified business that meets one of the three aforementioned criteria to \$12.5 million.

The bill amends current law to require that a qualified investment either: (1) match a qualified venture firm’s initial investment in a qualified business for the purchase of shares of stock; or (2) in instances where the venture firm has a prior investment in the qualified business, occur at a higher valuation compared to the venture firm’s prior investments into the qualified business, as established by an independent third-party valuation or through participation by a third-party investor at the same valuation as the qualified venture firm.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill will have an indeterminate net impact on State finances. The bill may result in an increase in State costs, an increase in State revenues, and a loss of State revenues. These additional State costs and revenue losses may be offset by returns and dividends generated by qualified investments in qualified businesses. The OLS cannot predict if, and when, this will occur.

Tax Credit Auctions. The New Jersey Innovation Evergreen Act seeks to address New Jersey's lack of venture capital financing through the sale of up to \$300.0 million in tax credits over a nine-year period. The Act allows the authority to conduct competitive auctions of tax credits.

As of June 17, 2025, the authority has held one tax credit auction under the New Jersey Innovation Evergreen Program. In December 2022, the authority approved the sale of \$50 million in tax credits for an aggregate purchase price of \$41.1 million. The auction proceeds were supplemented by Fiscal Year 2023 appropriation of \$5.0 million from the State General Fund. The OLS notes that current law allows the authority to auction up to an additional \$250 million in tax credits through the end of FY 2029 (June 30, 2029). According to the authority's website, there is approximately \$22.0 million of unallocated capital in the New Jersey Innovation Evergreen Fund. Because the amount available to the authority from the December 2022 auction is greater than \$15.0 million, the authority is prohibited from undertaking another tax credit auction.

To the extent that the bill allows the authority to conduct additional tax credit auctions, the State would receive additional revenues in the form of payments from the purchasers of tax credits. Current law requires these revenues to be deposited into the New Jersey Innovation Evergreen Fund and allocated by the authority to qualified venture firms to make qualified investments of capital in qualified businesses, and to pay the administrative, legal, and auditing expenses associated with the program.

However, if all remaining tax credits are purchased and utilized by taxpayers, the State will incur revenue losses of up to \$250 million. However, the OLS notes that any revenue loss will be: a) temporally limited because current law places restrictions on the time period during which the authority may auction tax credits under the program; and b) spread out over several years since tax credits auctioned under the New Jersey Innovation Evergreen Program may be carried forward for up to seven privilege periods following the privilege periods in which the credit was first allowed.

Qualified Investments. The Act allows the authority to allocate the proceeds generated from the sale of the tax credits to one or more qualified venture firms, which in, turn, make investments in qualified businesses. Each qualified venture firm may apply to the authority to utilize moneys in the New Jersey Innovation Evergreen Fund to make up to two investments per year in qualified businesses. The expansion of the definition of "principal business operations" proposed by the bill may allow additional businesses to qualify for an investment under the New Jersey Innovation Evergreen Program. To the extent that the bill increases the amount and frequency of investments under the program, the State will experience an increase in costs.

An investment in a qualified business may achieve a positive return for the State. These returns may offset the cost of any investments in a qualified business. However, the OLS cannot predict if, and when, this will occur. Current law requires dividends and returns on investments to be deposited into the New Jersey Innovation Evergreen Fund. Once the fund's holdings reach \$500 million, 50 percent of any return on investment in a qualified business that is in excess of twice the original and follow-on investment is paid to the State General Fund.

Section: Revenue, Finance and Appropriations

Analyst: Scott A. Brodsky
Staff Fiscal & Budget Analyst

Approved: Thomas Koenig
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Bills Gov Acted On

Posted on - 06/30/2025

The Governor has acted on the following bills:

BILL SIGNINGS:

S-4620/A-5879 (McKnight, Mukherji/McCann Stamato) - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) - Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-5100/S-3991 (Rodriguez/Stack) - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates \$3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

A-5807/S-4655 (Pintor Marin/Sarlo) - Makes FY2025 supplemental appropriations of \$142,615,000; adds various language provisions to FY2025 Appropriations Act

A-5803/SCS for S-3064 (Bagolie/McKeon, Turner) - Modifies tax on certain forms of online gaming and wagering

ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji) - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale) - Modifies tax rate on certain nicotine products

A-5804/S-4666 (Reynolds-Jackson/Wimberly) - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million

A-5809/S-4656 (Murphy/Vitale) - "Healthcare Finance Enhancement Act"

S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips) - Makes various changes to “New Jersey Angel Investor Tax Credit Act” and Technology Business Tax Certificate Transfer Program; repeals “New Jersey Ignite Act”

S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort) - Provides for publication of required legal notices on government Internet websites and through certain online news publications

A-5801/S-4692 (Freiman/Sarlo) - Appropriates \$247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects

(BUDGET BILL – w/Rev Cert. LIV, Summary)

BILL VETOED:

[S-2026/A-5800](#) (Sarlo/Pintor Marin, Park) – w/LINE ITEM Appropriates \$58,782,119,000 in State funds and \$31,007,261,743 in federal funds for the State budget for fiscal year 2026

BILL SIGNINGS:

A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight) - Promotes equity in health insurance appeal process

S-4632/A-5812 (Scutari, Ruiz/Schaer) - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider) - Directs DEP and DOT to establish “Wildlife Corridor Action Plan”

S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie) - Establishes School Supervisor Mentorship Pilot Program; appropriates \$500,000

A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker) - Extends statutory pause on collection of student growth objective data

A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker) - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon) - Modifies certain requirements and award availability under film and digital media content production tax credit program

S-4122/A-5257 (Burzichelli/Stanley, Egan) - Revises apportionment of State lottery contributions

Governor Murphy Signs Package of Bills to Support Innovative Businesses in New Jersey

Posted on - 06/30/2025

TRENTON – Governor Murphy today signed a three-bill package to help support New Jersey’s thriving innovation ecosystem by enabling entrepreneurs to start and grow their businesses in the Garden State.

“Over the course of our administration, we have firmly established New Jersey as a global leader in technology and innovation. Aided by strategic investments to provide our entrepreneurs with the tools and resources necessary to drive their businesses forward, New Jersey has become the destination to both start and scale a business,” **said Governor Murphy**. “Today’s bill signing underscores our commitment to aspiring entrepreneurs and innovative companies while driving our state’s economy forward.”

“Governor Murphy and the New Jersey Legislature have consistently recognized the vital role entrepreneurs play in New Jersey’s economy and remain committed to providing them with the resources needed to build and grow successful businesses,” **said NJEDA Chief Executive Officer Tim Sullivan**. “The New Jersey Innovation Evergreen Fund and Angel Tax Credit programs have become key NJEDA tools to help bolster early-stage innovation companies, resulting in greater investment into the life sciences, technology, and clean energy sectors. The package of bills signed today will increase participation into the programs, unlock capital for entrepreneurs, and spur greater venture investment. Additionally, the QSBS bill perfectly complements the suite of innovation programs built under the Murphy Administration and will encourage entrepreneurs to continue building new businesses in New Jersey. Together, these bills will support new cutting-edge businesses, job creation, and a stronger innovation economy.”

The three bills signed today include:

- [A5795/S4619](#), which modifies the New Jersey Innovation Evergreen Act to increase the maximum amount of the qualified investment. The bill would also allow for a “qualified investment” to be a venture firm’s second or later investment into a business if it is larger than the first investment or occurs at a higher valuation than the first investment. It also allows the Economic Development Authority to conduct additional tax credit auctions through the program.
- [A2365/S3189](#), which increases the amount of the tax credit provided under the New Jersey Angel Investor Tax Credit Act. The bill allows the Economic Development Authority to utilize unused credits from the annual allocation from the Technology Business Tax Certificate Transfer Program to support the award of tax credits under the “New Jersey Angel Investor Tax Credit Act.” It also revises the definitions of “New Jersey based business” and “New Jersey emerging technology business” to lower the maximum number of employees that a business may employ to qualify for the tax credit.
- [A4455/S4503](#), which allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock (QSBS) after December 31, 2025.

“These bills will support emerging businesses, attract private investment, and ensure that our economy benefits from the incredible talent and research institutions already based in our state,” **said Senator Andrew Zwicker**. “By supporting fledgling startups and women and minority-owned businesses through the use of tax credits and public matching funds, we will ensure they can grow and thrive in New Jersey. These changes will allow entrepreneurs to continue to innovate the next breakthrough technologies in our state, creating high-quality jobs and positioning New Jersey as the best place to start a business.”

“We aspire to make New Jersey the best State for people to start a business, especially in emerging technology industries. This legislation is the next step in making that aspiration a reality,” **said Senator Paul Sarlo**. “Raising the Angel Investor Tax Credit will exponentially increase the investment that we see in start-ups across our State, helping small businesses to grow and create the breakthrough technologies of tomorrow.”

“By joining the other 45 states that recognize QSBS, New Jersey is sending a clear signal that we welcome innovation and are committed to fostering long-term investment in our small and emerging businesses. We’re giving entrepreneurs, investors, and job creators a powerful reason to build and stay in the Garden State,” **said Senator Raj Mukherji**. “This law is a smart, strategic incentive that will remove a competitive disadvantage and drive economic growth, especially for startups.”

“This bill aims to revise the New Jersey Innovation Evergreen Fund policies, further strengthening the State’s ability to invest in promising startups, encouraging their growth, and creating a stronger incentive for others to build their business right here in New Jersey,” **said Assemblywoman Eliana Pintor Marin**. “By expanding both the scope of potential investments as well as the amount we can invest, we are telling these innovative businesses that they have our support.”

“New Jersey’s innovation industry drives our economy, creates good-paying jobs, and delivers revolutionary breakthroughs that impact the entire world,” **said Assemblyman Chris Tully, Chair of the Assembly Science, Innovation and Technology Committee**. “Through A2365, we’re encouraging early-stage investment in New Jersey companies by increasing the tax credits available to eligible investors.

“Young companies rely on angel funding to grow their businesses and entrepreneurs have repeatedly hailed the Angel Investor Tax Credit Program as an important tool in attracting investments,” **said Assemblywoman Carol Murphy**. “By increasing the amount that a taxpayer can receive for their investments into a New Jersey-based company through this program, we’re reaffirming our commitment to the state’s innovation sector and to small businesses throughout the Garden State.”

“The goal here is to further incentivize investment in New Jersey’s early stage startups, not just to grow the technology industry, but to support jobs and stimulate the economy. This legislation signals to the industry that New Jersey can not only compete nationally, but globally in the innovation economy,” **said Assemblyman Christopher P. DePhillips**.

“New Jersey has always been a place where businesses and startups can grow, but to stay competitive, we need to keep supporting investment in our small and mid-sized businesses,” **said Assemblyman Roy Freiman**. “This legislation is an essential step in protecting the backbone of our economy and ensuring the tools to thrive are not only available, but accessible to those that need them most.”

“By making it easier to attract capital, we can help grow local businesses and build a more inclusive economy that benefits everyone,” **said Assemblyman Gary Schaer**. “Through this legislation we remove one of the barriers that has unfortunately made New Jersey less competitive for investors. By aligning ourselves with the federal

standard, we're giving small businesses a better shot at success and strengthening the communities they support."

"Through this bill we send a clear message to the rest of the country that New Jersey is ready to support innovation, economic growth, and the job growth that follows," **said Assemblyman Robert Karabinchak**. "By encouraging long-term investment in local companies, we're giving these businesses the tools they need to thrive and ensuring that the next generation of talent and innovation happens right here in New Jersey."

"Coinciding with the State budget, BioNJ commends the Governor and Legislature for passing several pieces of legislation that will enhance New Jersey's competitiveness and foster innovation-driven growth. The expansion of the Angel Investor Tax Credit program, along with novel policies to incentivize the development of manufacturing in New Jersey — including the Next New Jersey Manufacturing Program and New Jersey Innovation Evergreen Act — are prudent measures to support continued growth of our life sciences sector," **said Debbie Hart, President and CEO of BioNJ**. "We appreciate the receptivity that the Governor and Legislature both demonstrated regarding opportunities for the State to sustain our reputation as being the Medicine Chest of the World. BioNJ remains committed to working alongside policymakers to advance innovation in New Jersey, Because Patients Can't Wait®."

"The Innovation Evergreen Fund and the Angel Tax Credit were great programs to support the entrepreneurial ecosystem in New Jersey, and I am very glad that the Governor has taken to heart suggestions that will make them even better," **said Stephen Socolof, Managing Partner, Tech Council Ventures**. "QSBS also aligns New Jersey with many other states as well as federal tax incentives for long-term business investment. Thanks to the Governor for making these changes."

Governor Murphy Signs Fiscal Year 2026 Budget into Law

Posted on - 06/30/2025

Budget Builds on Governor Murphy's Historic Record of Fiscal Responsibility – With a \$6.7 Billion Surplus to Help Weather Future Financial Challenges Compared to Just \$409 Million Surplus Inherited in 2018

Budget Provides An All-Time High Level of Property Tax Relief, the Highest Level of School Funding in History, and a Fifth Consecutive Full Pension Payment

Budget Makes Historic Investments in Women's Health Care and Provides Funding to Fully Modernize NJ TRANSIT's Fleet

TRENTON – Governor Phil Murphy today signed into law the Fiscal Year 2026 Appropriations Act, marking a culmination of the Murphy Administration's longstanding commitment to fiscal responsibility, affordability, and opportunity. Over nine budgets spanning nearly eight years in office, Governor Murphy has presided over sustained economic growth while making long overdue investments in addressing the needs of working New Jerseyans, from property tax relief, to school funding, to restoring funding for the State's pension systems.

The \$58.78 billion Fiscal Year 2026 (FY2026) budget, which was passed by the Legislature earlier today, redirects over 75 percent of the total budget back into our communities in the form of grants-in-aid for property tax relief, social services, higher education, as well as State aid to schools, municipalities, and counties. The budget includes an all-time high level of direct property tax relief for homeowners and renters, yields the highest level of school funding in history, and delivers a fifth consecutive full pension payment. It also prioritizes quality health services for women and families, and it invests in beginning to fully modernize NJ TRANSIT's fleet.

Upon taking office, Governor Murphy inherited a \$409 million surplus from his predecessor. Eight years later, the Governor will leave his successor with a surplus 16 times greater than that amount—\$6.7 billion.

"This budget exemplifies our dedication to fiscal responsibility, affordability, and opportunity for all New Jerseyans," **said Governor Murphy**. "Over nearly eight years in office, we have maintained a steadfast commitment to building a stronger and fairer New Jersey and righting our fiscal ship. I'm proud that this budget caps off an eight-year journey to turn our state around and delivers greater economic security and opportunity to every family. With the help of our legislative partners, we are moving New Jersey toward a brighter future for every child, student, worker, parent, and senior citizen who calls our great state home."

"The budget upholds our administration's promise to make sure that New Jersey remains the best state in the nation to live, work, raise a family, and retire," **said Lieutenant Governor Tahesha Way**. "Over the past seven and a half years, we have made historic strides in making our state more affordable for hardworking residents and families through expanded tax relief and major investments in affordable housing, social services, and

education. This state budget is a direct result of the strong collaboration between Governor Murphy, Treasurer Muoio, and legislative leadership.”

“This budget is the culmination of a nearly eight-year effort to improve conditions for all New Jerseyans, building a fiscally stronger state that is more affordable for all,” **said State Treasurer Elizabeth Maher Muoio**. “As always, this budget could not have been completed without the hard work of my staff at the Department of the Treasury and particularly the folks at the Office of Management and Budget and the Office of Revenue and Economic Analysis. I want to thank all of them for their tireless work, dedication, and exemplary professionalism over the past seven and a half years.”

“This is a fiscally responsible budget that puts New Jersey families first. At a time when working people are being left behind by misguided decisions in Washington, we’re making smart, strategic investments that deliver meaningful support, especially through historic property tax reductions, strong funding for public education, higher education, healthcare, transit, and a full pension payment,” **said Senate President Nick Scutari, Senate Majority Leader M. Teresa Ruiz and Senator Paul Sarlo, Chair of the Senate Budget Committee**. “We’re grateful to Governor Murphy and our colleagues in the Legislature for coming together to enact a disciplined, forward-looking budget that safeguards essential services, expands opportunity, and reinforces New Jersey’s long-term fiscal strength.”

Fiscal Responsibility

The budget once again provides a full payment to the pension systems. This year’s \$7.2 billion payment marks the fifth year in a row Governor Murphy has fully funded the systems. Total pension contributions by the Murphy Administration are on track to exceed \$47 billion – nearly four times the \$12.2 billion in total contributions of the previous six governors combined.

With an eye toward ensuring New Jersey remains prepared for the future, this budget provides a surplus of \$6.7 billion, more than ten times larger than the average surplus under the previous administration.

Additionally, the budget includes \$788 million in funding from the Corporate Transit Fee dedicated to support NJ TRANSIT and builds upon \$1.358 billion in interest saved by taxpayers over the last four years by paying down debt and minimizing new debt taken on.

The budget also includes several tax policy changes, including increases for the highest tier of realty transfer fees, sports betting, and cigarettes and vaping, as well as a new exemption for small business investment and reforms to the Angel Investor Tax Credit.

These changes, along with the cuts in appropriations, help ensure that revenues are more closely in line with expenditures.

Affordability and Economic Security

Continuing efforts to make New Jersey affordable for all, this budget includes nearly \$4.3 billion in direct property tax relief for New Jersey homeowners and renters, including \$2.4 billion for the continuation of the popular ANCHOR program, which last year delivered more than \$2.2 billion in property tax relief to nearly two million residents. The budget also continues the Senior Freeze program, with a \$239 million allocation to benefit more than 235,000 taxpayers.

The budget also includes additional funding for the landmark Stay NJ program, allocating \$600 million in

resources to significantly reduce property taxes for more than 432,000 senior homeowners. Stay NJ is expected to launch for the 2025 tax season and will reimburse eligible seniors for up to 50 percent of their property tax bills.

Continuing the focus on making the state more affordable for working and middle-class families, the budget maintains recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit.

The tax relief included in this budget brings the total relief provided by the Murphy Administration and our partners in the Legislature to more than double any prior administration.

Continuing efforts to provide quality health services for all, a top priority of this administration, the budget includes \$165 million for the continuation of Cover All Kids; \$55.4 million for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs, helping more than 149,000 seniors and residents with disabilities; \$52 million for family planning services and reproductive health programs; and \$35.8 million for Family Connects NJ, which has provided nearly 2,500 free in-home nurse visits to families with newborns and is now available in 11 counties; and \$52 million for family planning services and reproductive health programs.

The proposal also includes \$10 million for a new initiative to provide State employees with full pay while they take family leave to care for a newborn, adopted, or fostered child.

Supporting the Next Generation of New Jerseyans

Last year, Governor Murphy became the first Governor to fully fund the K-12 school funding formula. This budget builds on that commitment, providing record-high school funding in FY2026. The budget includes a record \$12.1 billion for K-12 schools, a nearly \$4 billion increase since FY2018. This budget also addresses feedback from school districts by capping losses in major school aid categories and reducing input volatility, ensuring no district sees a steep reduction in aid from one year to the next. A district's K-12 State aid will not decrease by an amount greater than 3% of the prior year's State aid in the four primary categories: equalization, special education, security, and transportation.

The budget also proposes \$7.5 million in new grant funding to support districts in providing high-impact tutoring to students in need of extra academic support, as well as \$3 million in incentive grants for schools that want to go entirely phone-free, giving students the best opportunity to learn without distraction.

Continuing the push for universal pre-school throughout New Jersey, the FY2026 budget proposes \$1.27 billion for Preschool Education Aid. Since 2018, the Murphy Administration has expanded pre-K to 229 school districts and created nearly 20,000 new seats.

Building New Jersey's Future

In an effort to fortify our transportation infrastructure, this budget includes \$1.23 billion for critical investments in State and local highway and bridge projects, and another \$767 million for NJ TRANSIT to begin to fully modernize its fleet.

To ensure stability and future success for New Jersey's institutions of higher education, this budget provides \$755.2 million in institutional support for State colleges and universities, as well as \$169.1 million for county colleges and \$8.6 million for independent institutions of higher education in New Jersey. This totals \$932.9 million, a nearly 50% increase over the \$629.6 million in funding provided in FY2018.

The budget agreement also provides for \$250 million in bonding for capital grants to higher education institutions. This builds on the \$400 million in capital grants announced in 2023.

The budget also sets aside \$222 million from the Debt Defeasance and Prevention Fund for a critical investment in the construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women.

An additional one-page policy summary on the central commitments of the FY2026 budget can be found online [here](#).

Governor Murphy signed the Appropriations Act into law today:

S-2026/A-5800 (Sarlo/Pintor Marin, Park) – w/LINE ITEM Appropriates \$58,782,119,000 in State funds and \$31,007,261,743 in federal funds for the State budget for fiscal year 2026

[Line Item Veto Message](#)

[Line Item Veto Summary](#)

[Revenue Certification](#)

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

S-4620/A-5879 (McKnight, Mukherji/McCann Stamato) - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) - Appropriates \$128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-5100/S-3991 (Rodriguez/Stack) - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates \$3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

A-5807/S-4655 (Pintor Marin/Sarlo) - Makes FY2025 supplemental appropriations of \$142,615,000; adds various language provisions to FY2025 Appropriations Act

A-5803/SCS for S-3064 (Bagolie/McKeon, Turner) - Modifies tax on certain forms of online gaming and wagering

ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji) - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale) - Modifies tax rate on certain nicotine products

A-5804/S-4666 (Reynolds-Jackson/Wimberly) - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over \$2 million

A-5809/S-4656 (Murphy/Vitale) - "Healthcare Finance Enhancement Act

S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips) - Makes various changes to "New Jersey Angel Investor Tax Credit Act" and Technology Business Tax Certificate Transfer Program; repeals "New Jersey Ignite Act"

S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort) - Provides for publication of required legal notices on government Internet websites and through certain online news publications

A-5801/S-4692 (Freiman/Sarlo) - Appropriates \$247,128,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects

A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight) - Promotes equity in health insurance appeal process

S-4632/A-5812 (Scutari, Ruiz/Schaer) - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider) - Directs DEP and DOT to establish "Wildlife Corridor Action Plan"

S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie) - Establishes School Supervisor Mentorship Pilot Program; appropriates \$500,000

A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker) - Extends statutory pause on collection of student growth objective data

A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker) - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon) - Modifies certain requirements and award availability under film and digital media content production tax credit program

S-4122/A-5257 (Burzichelli/Stamley, Egan) - Revises apportionment of State lottery contributions