

Compiled by the NJ State Law Library

LEGISLATIVE FISCAL ESTIMATE:	Yes	02/07/2024	1R
-------------------------------------	-----	------------	----

S4071/3155 (SCS)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	S4071 S3155	
REPRINT(S):	Yes	SCU 5/6/24 1R SCU 5/12/25 1R SBA 6/26/25 SCS S3155	
TECHNICAL REVIEW OF BILL:	No		
COMMITTEE STATEMENT:	ASSEMBLY:	No	
	SENATE:	Yes	Community & Urban Affairs 05/06/2024 Budget & Appropriations 05/12/2025

(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	06/30/25 07/3/25
VETO MESSAGE:	No	
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes	
LEGISLATOR STATEMENT:	Yes	
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:	No	

CL/MMcB

P.L. 2025, CHAPTER 111, *approved July 22, 2025*
Assembly, No. 3128 (*Second Reprint*)

1 AN ACT concerning the ²**[issuance]** use² of ²**[certain]**² tax credits
2 ²for certain housing programs², amending P.L.2020, c.156, and
3 supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).
4

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

8 ¹**[1.** Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
9 read as follows:

10 98. a. The combined value of all tax credits awarded under the
11 "Historic Property Reinvestment Act," sections 2 through 8 of
12 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
13 "Brownfields Redevelopment Incentive Program Act," sections 9
14 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
15 the "New Jersey Innovation Evergreen Act," sections 20 through 34
16 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
17 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
18 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
19 Anchored Development Act," sections 43 through 53 of P.L.2020,
20 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
21 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
22 322 through 34:1B-335); the "Emerge Program Act," sections 68
23 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); and section 6 of
24 P.L.2010, c.57 (C.34:1B-209.4) shall not exceed an overall cap of
25 \$11.5 billion over a nine-year period, subject to the conditions and
26 limitations set forth in this section. Of this \$11.5 billion, \$2.5
27 billion shall be reserved for transformative projects approved under
28 the Aspire Program.

29 b. (1) The total value of tax credits awarded under any
30 constituent program of the "New Jersey Economic Recovery Act of
31 2020," P.L.2020, c.156 (C.34:1B-269 et al.) shall be subject to the
32 following annual limitations, except as otherwise provided in
33 subsection c. of this section:

34 (a) for tax credits awarded under the "Historic Property
35 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
36 (C.34:1B-270 through 34:1B-276), the total value of tax credits
37 annually awarded during each of the first six years of the nine-year
38 period shall not exceed \$50 million;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted January 29, 2024.

²Senate SBA committee amendments adopted June 26, 2025.

1 (b) for tax credits awarded under the "Brownfields
2 Redevelopment Incentive Program Act," sections 9 through 19 of
3 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
4 of tax credits annually awarded during each of the first six years of
5 the nine-year period shall not exceed \$50 million;

6 (c) for tax credits awarded under the "New Jersey Innovation
7 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
8 (C.34:1B-288 through 34:1B-302), the total value of tax credits
9 annually awarded during each of the first six years of the nine-year
10 period shall not exceed \$60 million and the total value of tax credits
11 awarded over the entirety of the nine-year period shall not exceed
12 \$300,000,000;

13 (d) for tax credits awarded under the "Food Desert Relief Act,"
14 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
15 34:1B-310), the total value of tax credits annually awarded during
16 each of the first six years of the nine-year period shall not exceed
17 \$40 million;

18 (e) for tax credits awarded under the "New Jersey Community-
19 Anchored Development Act," sections 43 through 53 of P.L.2020,
20 c.156 (C.34:1B-311 through 34:1B-321), the total value of tax
21 credits annually awarded during each of the first six years of the
22 nine-year period shall not exceed \$200 million, except that during
23 each of the first six years of the nine-year period, the authority shall
24 annually award tax credits valuing no greater than \$130 million for
25 projects located in the 13 northern counties of the State, and the
26 authority shall annually award tax credits valuing no greater than
27 \$70 million for projects located in the eight southern counties of the
28 State. If during any of the first six years of the nine-year period, the
29 authority awards tax credits in an amount less than the annual
30 limitation for projects located in northern counties or southern
31 counties, as applicable, the uncommitted portion of the annual
32 limitation shall be [available to be deployed by the authority in a
33 subsequent year, provided that the uncommitted portion of tax
34 credits shall be awarded for projects located in the applicable
35 geographic area, except that (i) after the completion of the third
36 year of the nine-year period, the authority may deploy 50 percent of
37 the uncommitted portion of tax credits from any previous year
38 without consideration to the county in which a project is located;
39 and (ii) after the completion of the sixth year of the nine-year
40 period, the authority may deploy all available tax credits, including
41 the uncommitted portion of the annual limitation for any previous
42 year, without consideration to the county in which a project is
43 located] reallocated to the New Jersey Housing and Mortgage
44 Finance Agency, established pursuant to P.L.1983, c.530
45 (C.55:14K-1 et seq.), for the purposes authorized in
46 P.L. , c. (C.) (pending before the Legislature as this bill).

1 Notwithstanding any provision of law or regulation to the contrary,
2 the tax credits reallocated to the New Jersey Housing and Mortgage
3 Finance Agency shall not be subject to any requirements or
4 conditions of the "New Jersey Economic Recovery Act of 2020,"
5 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;
6 (f) for tax credits awarded under the "New Jersey Aspire
7 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
8 322 through 34:1B-335), and the "Emerge Program Act," sections
9 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
10 including tax credits awarded for transformative projects, the total
11 value of tax credits annually awarded during each of the first six
12 years of the nine-year period shall not exceed \$1.1 billion. If the
13 authority awards tax credits in an amount less than the annual
14 limitation, then the uncommitted portion of the annual limitation
15 shall be made available for qualified offshore wind projects
16 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
17 pursuant to subparagraph (h) of this paragraph, or New Jersey
18 studio partners and New Jersey film-lease production companies
19 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
20 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
21 and subsection d. of this section. During each of the first six years
22 of the nine-year period, the authority shall annually award tax
23 credits valuing no greater than \$715 million for projects located in
24 the northern counties of the State, and the authority shall annually
25 award tax credits valuing no greater than \$385 million for projects
26 located in the southern counties of the State under the "New Jersey
27 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
28 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
29 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
30 during any of the first six years of the nine-year period, the
31 authority awards tax credits under the "New Jersey Aspire Program
32 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
33 through 34:1B-335), and the "Emerge Program Act," sections 68
34 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
35 less than the annual limitation for projects located in northern
36 counties or southern counties, as applicable, the uncommitted
37 portion of the annual limitation shall be available to be deployed by
38 the authority in a subsequent year, provided that the uncommitted
39 portion of tax credits shall be awarded for projects located in the
40 applicable geographic area, except that (i) after the completion of
41 the third year of the nine-year period, the authority may deploy 50
42 percent of the uncommitted portion of tax credits for any previous
43 year without consideration to the county in which a project is
44 located; and (ii) after the completion of the sixth year of the nine-
45 year period, the authority may deploy all available tax credits,
46 including the uncommitted portion of the annual limitation for any

1 previous year, without consideration to the county in which a
2 project is located;

3 (g) except as provided in subparagraph (j) of this paragraph, for
4 tax credits awarded for transformative projects under the "New
5 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
6 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
7 credits awarded during the nine-year period shall not exceed \$2.5
8 billion. The total value of tax credits awarded for transformative
9 projects in a given year shall not be subject to an annual limitation,
10 except that the total value of tax credits awarded to any
11 transformative project shall not exceed \$400 million;

12 (h) from the tax credits made available, pursuant to
13 subparagraph (f) of this paragraph, to the "New Jersey Aspire
14 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
15 322 through 34:1B-335), and the "Emerge Program Act," sections
16 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
17 including tax credits awarded for transformative projects, an
18 amount not to exceed \$350,000,000 shall be made available for
19 qualified offshore wind projects awarded a credit pursuant to
20 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
21 years of the nine-year period;

22 (i) beginning in fiscal year 2023, from the tax credits made
23 available, pursuant to subparagraph (f) of this paragraph, to the
24 "New Jersey Aspire Program Act," sections 54 through 67 of
25 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
26 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
27 (C.34:1B-336 et al.), not including tax credits awarded for
28 transformative projects, additional amounts shall be made available
29 for New Jersey studio partners and New Jersey film-lease
30 production companies pursuant to sections 1 and 2 of P.L.2018,
31 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

32 (j) beginning in fiscal year 2024, from the tax credits made
33 available, pursuant to subparagraph (f) of this paragraph, to the
34 "New Jersey Aspire Program Act," sections 54 through 67 of
35 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
36 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
37 336 et al.), not including tax credits awarded for transformative
38 projects, an amount not to exceed \$500,000,000 may be annually
39 transferred for the award to transformative projects under the "New
40 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
41 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
42 remaining allocation of tax credits otherwise available for
43 transformative projects, pursuant to subparagraph (g) of this
44 paragraph, is less than \$1,000,000,000; and (ii) the authority board
45 determines that the transfer of tax credits is warranted based on
46 such criteria as the authority deems appropriate, which may include
47 the criteria set forth in paragraph (2) of this subsection. If a transfer

1 of tax credits is made pursuant to this subparagraph, the authority
2 shall award no greater than 65 percent of the tax credits transferred
3 pursuant to this subparagraph to transformative projects located in
4 the northern counties of the State and no greater than 35 percent of
5 the tax credits transferred pursuant to this subparagraph to
6 transformative projects located in the southern counties of the State.

7 (2) The authority may in any given year determine that it is in
8 the State's interest to approve an amount of tax credits in excess of
9 the annual limitations set forth in paragraph (1) of this subsection,
10 but in no event more than \$200,000,000 in excess of the annual
11 limitation, upon a determination by the authority board that such
12 increase is warranted based on specific criteria that may include:

13 (i) the increased demand for opportunities to create or retain
14 employment and investment in the State as indicated by the volume
15 of project applications and the amount of tax credits being sought
16 by those applications;

17 (ii) the need to protect the State's economic position in the event
18 of an economic downturn;

19 (iii) the quality of project applications and the net economic
20 benefit to the State and municipalities associated with those
21 applications;

22 (iv) opportunities for project applications to strengthen or protect
23 the competitiveness of the State under the prevailing market
24 conditions;

25 (v) enhanced access to employment and investment for
26 underserved populations in distressed municipalities and qualified
27 incentives tracts;

28 (vi) increased investment and employment in high-growth
29 technology sectors and in projects that entail collaboration with
30 education institutions in the State;

31 (vii) increased development proximate to mass transit
32 facilities;

33 (viii) any other factor deemed relevant by the authority.

34 c. In the event that the authority in any year approves projects
35 for tax credits in an amount less than the annual limitations set forth
36 in paragraph (1) of subsection b. of this section, then the
37 uncommitted portion of the annual limitation shall be available to
38 be deployed by the authority in future years for projects under the
39 same program; provided however, that in no event shall the
40 aggregate amount of tax credits approved be in excess of the overall
41 cap of \$11.5 billion, and in no event shall the uncommitted portion
42 of the annual limitation for any previous year be deployed after the
43 conclusion of the nine-year period.

44 d. Notwithstanding the provisions of any other law to the
45 contrary, the uncommitted balance of the total value of tax credits
46 authorized for award by the authority pursuant to subparagraph (f)
47 of paragraph (1) of subsection b. of this section to the "New Jersey

1 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
2 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
3 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
4 available for tax credits allowed to New Jersey studio partners and
5 New Jersey film-lease production companies pursuant to sections 1
6 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
7 value of tax credits, including tax credits allowed through the
8 granting of tax credit transfer certificates, made available to New
9 Jersey studio partners and New Jersey film-lease production
10 companies pursuant to this subsection shall be as follows:

11 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
12 partners and \$250,000,000 for New Jersey film-lease production
13 companies;

14 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
15 partners and \$250,000,000 for New Jersey film-lease production
16 companies; and

17 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
18 partners and \$250,000,000 for New Jersey film-lease production
19 companies.

20 If the value of tax credits, including tax credits allowed through
21 the granting of tax credit transfer certificates, approved to New
22 Jersey studio partners and New Jersey film-lease production
23 companies in any fiscal year pursuant to this subsection is less than
24 the cumulative total amount of tax credits permitted to be approved
25 in that fiscal year, the authority shall certify the amount of the
26 remaining tax credits available for approval to each such category
27 in that fiscal year, and shall increase the cumulative total amount of
28 tax credits permitted to be approved for New Jersey studio partners
29 and New Jersey film-lease production companies in the subsequent
30 fiscal year by the certified amount remaining for each such category
31 from the prior fiscal year.

32 (cf: P.L.2023, c.98, s.13) **1'**

33

34 **2'** **1.** Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended
35 to read as follows:

36 98. a. The combined value of all tax credits awarded under the
37 "Historic Property Reinvestment Act," sections 2 through 8 of
38 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
39 "Brownfields Redevelopment Incentive Program Act," sections 9
40 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
41 the "New Jersey Innovation Evergreen Act," sections 20 through 34
42 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
43 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
44 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
45 Anchored Development Act," sections 43 through 53 of P.L.2020,
46 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire

1 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
2 322 through 34:1B-335); the "Emerge Program Act," sections 68
3 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
4 P.L.2010, c.57 (C.34:1B-209.4) **[.]** ; and the "Cultural Arts
5 Incentives Program Act," P.L.2023, c.197 (C.), shall not
6 exceed an overall cap of \$11.5 billion over a nine-year period,
7 subject to the conditions and limitations set forth in this section. Of
8 this \$11.5 billion, \$2.5 billion shall be reserved for transformative
9 projects approved under the Aspire Program.

10 b. (1) The total value of tax credits awarded under any
11 constituent program of the "New Jersey Economic Recovery Act of
12 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts
13 Incentives Program Act," P.L.2023, c.197 (C.), subject to the
14 following limitations, except as otherwise provided in subsection c.
15 of this section:

16 (a) for tax credits awarded under the "Historic Property
17 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
18 (C.34:1B-270 through 34:1B-276), the total value of tax credits
19 annually awarded during each of the first six years of the nine-year
20 period shall not exceed \$50 million;

21 (b) for tax credits awarded under the "Brownfields
22 Redevelopment Incentive Program Act," sections 9 through 19 of
23 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
24 of tax credits annually awarded during each of the first six years of
25 the nine-year period shall not exceed \$50 million;

26 (c) for tax credits awarded under the "New Jersey Innovation
27 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
28 (C.34:1B-288 through 34:1B-302), the total value of tax credits
29 annually awarded during each of the first six years of the nine-year
30 period shall not exceed \$60 million and the total value of tax credits
31 awarded over the entirety of the nine-year period shall not exceed
32 \$300,000,000;

33 (d) for tax credits awarded under the "Food Desert Relief Act,"
34 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
35 34:1B-310), the total value of tax credits annually awarded during
36 each of the first six years of the nine-year period shall not exceed
37 \$40 million;

38 (e) for tax credits awarded under the "New Jersey Community-
39 Anchored Development Act," sections 43 through 53 of P.L.2020,
40 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
41 Incentives Program Act," P.L.2023, c.197 (C.), the total value
42 of tax credits awarded during the nine-year period shall not exceed
43 \$1,200,000,000; provided, however, tax credits shall not be
44 available under the "New Jersey Community-Anchored
45 Development Act," sections 43 through 53 of P.L.2020, c.156
46 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
47 Beginning January 1, 2026, the authority shall annually award tax

1 credits under the "New Jersey Community-Anchored Development
2 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
3 through 34:1B-321), valuing no greater than \$130 million for
4 projects located in the 13 northern counties of the State, and the
5 authority shall annually award tax credits valuing no greater than
6 \$70 million for projects located in the eight southern counties of the
7 State. If during any year of operation of the "New Jersey
8 Community-Anchored Development Act," sections 43 through 53 of
9 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
10 awards tax credits pursuant to the program in an amount less than
11 the annual limitation for projects located in northern counties or
12 southern counties, as applicable, the uncommitted portion of the
13 annual limitation shall be available to be deployed by the authority
14 in a subsequent year without consideration to the county in which a
15 project is located reallocated to the New Jersey Housing and
16 Mortgage Finance Agency, established pursuant to P.L.1983, c.530
17 (C.55:14K-1 et seq.), for the purposes authorized in
18 P.L. , c. (C.) (pending before the Legislature as this bill).
19 Notwithstanding any provision of law or regulation to the contrary,
20 the tax credits reallocated to the New Jersey Housing and Mortgage
21 Finance Agency shall not be subject to any requirements or
22 conditions of the "New Jersey Economic Recovery Act of 2020,"
23 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;
24 (f) for tax credits awarded under the "New Jersey Aspire
25 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
26 322 through 34:1B-335), and the "Emerge Program Act," sections
27 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
28 including tax credits awarded for transformative projects, the total
29 value of tax credits annually awarded during each of the first six
30 years of the nine-year period shall not exceed \$1.1 billion. If the
31 authority awards tax credits in an amount less than the annual
32 limitation, then the uncommitted portion of the annual limitation
33 shall be made available for qualified offshore wind projects
34 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
35 pursuant to subparagraph (h) of this paragraph, or New Jersey
36 studio partners and New Jersey film-lease production companies
37 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
38 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
39 and subsection d. of this section. During each of the first six years
40 of the nine-year period, the authority shall annually award tax
41 credits valuing no greater than \$715 million for projects located in
42 the northern counties of the State, and the authority shall annually
43 award tax credits valuing no greater than \$385 million for projects
44 located in the southern counties of the State under the "New Jersey
45 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
46 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"

1 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
2 during any of the first six years of the nine-year period, the
3 authority awards tax credits under the "New Jersey Aspire Program
4 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
5 through 34:1B-335), and the "Emerge Program Act," sections 68
6 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
7 less than the annual limitation for projects located in northern
8 counties or southern counties, as applicable, the uncommitted
9 portion of the annual limitation shall be available to be deployed by
10 the authority in a subsequent year, provided that the uncommitted
11 portion of tax credits shall be awarded for projects located in the
12 applicable geographic area, except that (i) after the completion of
13 the third year of the nine-year period, the authority may deploy 50
14 percent of the uncommitted portion of tax credits for any previous
15 year without consideration to the county in which a project is
16 located; and (ii) after the completion of the sixth year of the nine-
17 year period, the authority may deploy all available tax credits,
18 including the uncommitted portion of the annual limitation for any
19 previous year, without consideration to the county in which a
20 project is located;

21 (g) except as provided in subparagraph (j) of this paragraph, for
22 tax credits awarded for transformative projects under the "New
23 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
24 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
25 credits awarded during the nine-year period shall not exceed \$2.5
26 billion. The total value of tax credits awarded for transformative
27 projects in a given year shall not be subject to an annual limitation,
28 except that the total value of tax credits awarded to any
29 transformative project shall not exceed \$400 million;

30 (h) from the tax credits made available, pursuant to
31 subparagraph (f) of this paragraph, to the "New Jersey Aspire
32 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
33 322 through 34:1B-335), and the "Emerge Program Act," sections
34 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
35 including tax credits awarded for transformative projects, an
36 amount not to exceed \$350,000,000 shall be made available for
37 qualified offshore wind projects awarded a credit pursuant to
38 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
39 years of the nine-year period;

40 (i) beginning in fiscal year 2023, from the tax credits made
41 available, pursuant to subparagraph (f) of this paragraph, to the
42 "New Jersey Aspire Program Act," sections 54 through 67 of
43 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
44 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
45 (C.34:1B-336 et al.), not including tax credits awarded for
46 transformative projects, additional amounts shall be made available
47 for New Jersey studio partners and New Jersey film-lease

1 production companies pursuant to sections 1 and 2 of P.L.2018,
2 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

3 (j) beginning in fiscal year 2024, from the tax credits made
4 available, pursuant to subparagraph (f) of this paragraph, to the
5 "New Jersey Aspire Program Act," sections 54 through 67 of
6 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
7 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
8 336 et al.), not including tax credits awarded for transformative
9 projects, an amount not to exceed \$500,000,000 may be annually
10 transferred for the award to transformative projects under the "New
11 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
12 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
13 remaining allocation of tax credits otherwise available for
14 transformative projects, pursuant to subparagraph (g) of this
15 paragraph, is less than \$1,000,000,000; and (ii) the authority board
16 determines that the transfer of tax credits is warranted based on
17 such criteria as the authority deems appropriate, which may include
18 the criteria set forth in paragraph (2) of this subsection. If a transfer
19 of tax credits is made pursuant to this subparagraph, the authority
20 shall award no greater than 65 percent of the tax credits transferred
21 pursuant to this subparagraph to transformative projects located in
22 the northern counties of the State and no greater than 35 percent of
23 the tax credits transferred pursuant to this subparagraph to
24 transformative projects located in the southern counties of the State.

25 (2) The authority may in any given year determine that it is in
26 the State's interest to approve an amount of tax credits in excess of
27 the annual limitations set forth in paragraph (1) of this subsection,
28 but in no event more than \$200,000,000 in excess of the annual
29 limitation, upon a determination by the authority board that such
30 increase is warranted based on specific criteria that may include:

31 (i) the increased demand for opportunities to create or retain
32 employment and investment in the State as indicated by the volume
33 of project applications and the amount of tax credits being sought
34 by those applications;

35 (ii) the need to protect the State's economic position in the event
36 of an economic downturn;

37 (iii) the quality of project applications and the net economic
38 benefit to the State and municipalities associated with those
39 applications;

40 (iv) opportunities for project applications to strengthen or protect
41 the competitiveness of the State under the prevailing market
42 conditions;

43 (v) enhanced access to employment and investment for
44 underserved populations in distressed municipalities and qualified
45 incentives tracts;

1 (vi) increased investment and employment in high-growth
2 technology sectors and in projects that entail collaboration with
3 education institutions in the State;

4 (vii) increased development proximate to mass transit facilities;

5 (viii) any other factor deemed relevant by the authority.

6 c. In the event that the authority in any year approves projects
7 for tax credits in an amount less than the annual limitations set forth
8 in paragraph (1) of subsection b. of this section, then the
9 uncommitted portion of the annual limitation shall be available to
10 be deployed by the authority in future years for projects under the
11 same program; provided however, that in no event shall the
12 aggregate amount of tax credits approved be in excess of the overall
13 cap of \$11.5 billion, and in no event shall the uncommitted portion
14 of the annual limitation for any previous year be deployed after the
15 conclusion of the nine-year period.

16 d. Notwithstanding the provisions of any other law to the
17 contrary, the uncommitted balance of the total value of tax credits
18 authorized for award by the authority pursuant to subparagraph (f)
19 of paragraph (1) of subsection b. of this section to the "New Jersey
20 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
21 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
22 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
23 available for tax credits allowed to New Jersey studio partners and
24 New Jersey film-lease production companies pursuant to sections 1
25 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
26 value of tax credits, including tax credits allowed through the
27 granting of tax credit transfer certificates, made available to New
28 Jersey studio partners and New Jersey film-lease production
29 companies pursuant to this subsection shall be as follows:

30 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
31 partners and \$250,000,000 for New Jersey film-lease production
32 companies;

33 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
34 partners and \$250,000,000 for New Jersey film-lease production
35 companies; and

36 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
37 partners and \$250,000,000 for New Jersey film-lease production
38 companies.

39 If the value of tax credits, including tax credits allowed through
40 the granting of tax credit transfer certificates, approved to New
41 Jersey studio partners and New Jersey film-lease production
42 companies in any fiscal year pursuant to this subsection is less than
43 the cumulative total amount of tax credits permitted to be approved
44 in that fiscal year, the authority shall certify the amount of the
45 remaining tax credits available for approval to each such category
46 in that fiscal year, and shall increase the cumulative total amount of
47 tax credits permitted to be approved for New Jersey studio partners

1 and New Jersey film-lease production companies in the subsequent
2 fiscal year by the certified amount remaining for each such category
3 from the prior fiscal year.¹
4 (cf: P.L.2023, c.197, s.13)]²

5
6 ²[2. (New section) As used in sections 2 through 5 of P.L. , c.
7 (C.) (pending before the Legislature as this bill):

8 “Agency” means the New Jersey Housing and Mortgage Finance
9 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
10 seq.).

11 “Director” means the Director of the Division of Taxation in the
12 Department of the Treasury.

13 “Low income housing tax credit” means a tax credit provided
14 through the federal Low Income Housing Tax Credit program
15 pursuant to section 42 of the Internal Revenue Code (26 U.S.C.
16 s.42).

17 “Project financing gap” means the same as the term is defined in
18 section 55 of P.L.2020, c.156 (C.34:1B-323).

19 “Qualified project” means a housing project that satisfies all
20 eligibility requirements, as determined by the agency, for the
21 receipt of a nine-percent low income housing tax credit,
22 notwithstanding the availability or unavailability of such funds.]²

23
24 ²[3. (New section) a. Notwithstanding any provision of law or
25 regulation to the contrary, the agency may award the total amount
26 of tax credits allocated to the agency pursuant to subparagraph (e)
27 of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
28 (C.34:1B-362) in accordance with the provisions of this section.

29 b. The agency may award project financing tax credits to the
30 developers of qualified projects, which tax credits shall supplement
31 the value of any four-percent low income housing tax credits
32 previously awarded to the developer for the qualified project,
33 subject to the provisions of section 4 of P.L. , c. (C.)
34 (pending before the Legislature as this bill).

35 c. In addition to any other eligibility requirements that the
36 agency may deem appropriate, the tax credits authorized under this
37 section shall be available to any developer of a qualified project
38 that:

39 (1) received a four-percent low income housing tax credit for
40 the qualified project from the agency due to the total demand for
41 nine-percent low income housing tax credits exceeding the total
42 value of such tax credits available for distribution by the agency, as
43 made available to the agency pursuant to section 42 of the Internal
44 Revenue Code of 1986 (26 U.S.C. s.42); and

45 (2) demonstrates the existence of a project financing gap for the
46 qualified project.

1 d. The total value of tax credits awarded to a developer shall
2 equal the lesser of:

3 (1) the amount necessary to ensure that the qualified project
4 receives a total subsidy in an amount equivalent to the receipt of a
5 nine-percent low-income housing tax credit for the qualified
6 project; or

7 (2) the amount of the project financing gap for the qualified
8 project.

9 e. (1) All tax credits authorized pursuant to this section shall be
10 awarded upon application to the agency, which applications shall be
11 submitted in a form and manner prescribed by the agency.
12 Notwithstanding any provision of law or regulation to the contrary,
13 the agency may award some or all of the tax credits authorized
14 under this section as part of an existing program operated by the
15 agency on or before the effective date of P.L. , c. (C.)
16 (pending before the Legislature as this bill) or through the
17 establishment of a new program to effectuate the provisions of
18 P.L. , c. (C.) (pending before the Legislature as this bill).

19 (2) Upon approval of any application for tax credits pursuant to
20 this section, and upon the satisfaction of such additional
21 requirements as the agency deems appropriate, the agency shall
22 provide the tax credit recipient and the director with a certificate of
23 compliance indicating the amount of tax credits that the recipient
24 may apply against the recipient's tax liability, subject to the
25 provisions of section 4 of P.L. , c. (C.) (pending before the
26 Legislature as this bill).²

27
28 ²[4. (New section) a. The tax credits issued by the agency
29 pursuant to section 3 of P.L. , c. (C.) (pending before the
30 Legislature as this bill) may be applied against a developer's tax
31 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
32 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
33 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the
34 tax credit amount for a privilege period, the developer shall submit
35 to the director the certificate of compliance issued by the agency
36 pursuant to paragraph (2) of subsection e. of section 3 of P.L. , c.
37 (C.) (pending before the Legislature as this bill).

38 b. (1) The director shall prescribe the order of priority of the
39 application of the tax credit allowed under this section, together
40 with any other credits allowed by law, against the tax imposed
41 under section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
42 period. The amount of the tax credit applied under this section
43 against the tax imposed pursuant to section 5 of P.L.1945, c.162
44 (C.54:10A-5) for a privilege period, together with any other credits
45 allowed by law, shall not reduce the tax liability to an amount less

1 than the statutory minimum provided in subsection (e) of section 5
2 of P.L.1945, c.162 (C.54:10A-5).

3 (2) A developer may carry forward any unused tax credit
4 resulting from the limitations of paragraph (1) of this subsection or
5 from the insufficiency of a tax liability, as applicable, for use in the
6 five privilege periods next following the privilege period for which
7 the credits are awarded.

8 (3) Credits granted to a partnership shall be passed through to
9 the partners, members, or owners, respectively, pro-rata, or
10 pursuant to an executed agreement among the partners, members, or
11 owners documenting an alternate distribution method provided to
12 the director accompanied by any additional information as the
13 director may prescribe.

14 c. (1) A developer may apply to the director and the agency for
15 a tax credit transfer certificate, covering one or more years, in lieu
16 of the developer being allowed any amount of the credit against the
17 tax liability of the developer. An application for a tax credit
18 transfer certificate shall not be approved unless the agency
19 affirmatively determines, based on such considerations as the
20 agency deems appropriate, that the sale or assignment of the tax
21 credit transfer certificate is socially beneficial to the State.

22 (2) Upon approval of a developer's application for a tax credit
23 transfer certificate, and upon receipt thereof by the developer from
24 the director and the agency, the tax credit transfer certificate may be
25 sold or assigned, in full or in part, for an amount not less than
26 \$25,000, in the privilege period during which the developer receives
27 the tax credit transfer certificate to another person, who may apply
28 the credit against a tax liability pursuant to section 5 of P.L.1945,
29 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
30 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
31 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
32 in paragraph (2) of subsection b. of this section. The certificate
33 provided to the developer shall include a statement waiving the
34 developer's right to claim the amount of the tax credit that the
35 developer has elected to sell or assign against the developer's tax
36 liability.

37 (3) The developer shall not sell or assign, including a collateral
38 assignment, a tax credit transfer certificate allowed under this
39 section for consideration received by the developer of less than 85
40 percent of the transferred credit amount before considering any
41 further discounting to present value that shall be permitted.

42 (4) A purchaser or assignee of a tax credit transfer certificate
43 pursuant to this section shall not make any subsequent transfers,
44 assignments, or sales of the tax credit transfer certificate.¹²

1 ²5. (New section) Notwithstanding the provisions of the
2 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
3 seq.) to the contrary, the agency may adopt, immediately, upon
4 filing with the Office of Administrative Law, such rules and
5 regulations as the agency deems necessary to implement the
6 provisions of P.L. , c. (C.) (pending before the Legislature
7 as this bill), which regulations shall be effective for a period not to
8 exceed 180 days from the date of the filing. Thereafter, the agency
9 shall amend, adopt, or readopt the regulations in accordance with
10 the requirements of the “Administrative Procedure Act,” P.L.1968,
11 c.410 (C.52:14B-1 et seq.).¹²

12
13 ²1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to
14 read as follows:

15 89. a. The Director of the Division of Taxation in the
16 Department of the Treasury may purchase unused tax credits
17 awarded under a program listed in subsection b. of this section,
18 including tax credit transfer certificates issued by the director in
19 lieu of a tax credit allowed under such programs. The director shall
20 not pay consideration in excess of 75 percent of the credit amount
21 to be purchased, except for a credit awarded under:

22 (1) the "Emerge Program Act," sections 68 through 81 of
23 P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the
24 provisions of paragraph (4) of subsection d. of section 77 of
25 P.L.2020, c.156 (C.34:1B-345);

26 (2) the "New Jersey Aspire Program Act," sections 54 through
27 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as
28 amended and supplemented, for which the director shall pay an
29 amount equal to 85 percent of the credit amount, provided that the
30 issuance date of the tax credit certificate or tax credit transfer
31 certificate to the developer or the holder of such certificate occurred
32 at least one year prior to the date of application to the director, and
33 further provided that, if the application to the director is submitted
34 after the sixth year of the eligibility period, the amount in excess of
35 the reasonable and appropriate rate of return on investment that the
36 developer is required to pay pursuant to subsection c. of section 60
37 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent; or

38 (3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197
39 (C.34:1B-383 et al.), for which the director shall pay an amount
40 equal to 85 percent of the credit amount, provided that the issuance
41 date of the tax credit certificate or tax credit transfer certificate to
42 the developer or the holder of such certificate occurred at least one
43 year prior to the date of application to the director.

44 b. The Director of the Division of Taxation in the Department
45 of the Treasury may purchase tax credits awarded under the
46 following:

- 1 (1) the "Historic Property Reinvestment Act," sections 2 through
- 2 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);
- 3 (2) the "Brownfield Redevelopment Incentive Program Act,"
- 4 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
- 5 C.34:1B-287);
- 6 (3) the "New Jersey Innovation Evergreen Act," sections 20
- 7 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);
- 8 (4) the "Food Desert Relief Act," sections 35 through 42 of
- 9 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);
- 10 (5) the "New Jersey Community-Anchored Development Act,"
- 11 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
- 12 C.34:1B-321);
- 13 (6) the "New Jersey Aspire Program Act," sections 54 through
- 14 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);
- 15 (7) the "Emerge Program Act," sections 68 through 81 of
- 16 P.L.2020, c.156 (C.34:1B-336 et al.);
- 17 (8) the Grow New Jersey Assistance Program established
- 18 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);
- 19 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);
- 20 (10) the State Economic Redevelopment and Growth Grant
- 21 program established pursuant to section 5 of P.L.2009, c.90
- 22 (C.52:27D-489e);
- 23 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);
- 24 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b); **and**
- 25 (13) the "Cultural Arts Incentives Program Act," P.L.2023,
- 26 c.197 (C.34:1B-383 et al.); and
- 27 (14) sections 3 through 7 of P.L. , c. (C. through)
- 28 (pending before the Legislature as this bill).²
- 29 (cf: P.L.2025, c.2, s.9)
- 30

31 ²2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 32 read as follows:

33 98. a. The combined value of all tax credits awarded under the
 34 "Historic Property Reinvestment Act," sections 2 through 8 of
 35 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 36 "Brownfields Redevelopment Incentive Program Act," sections 9
 37 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 38 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 39 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 40 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 41 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 42 Anchored Development Act," sections 43 through 53 of P.L.2020,
 43 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 44 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 45 322 through 34:1B-335); the "Emerge Program Act," sections 68
 46 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of

1 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
 2 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the
 3 "Next New Jersey Program Act," P.L.2024, c.49 (**【**C.34:1B-362 et
 4 seq.**】** C.34:1B-394 et al.); and P.L. , c. (C.) (pending
 5 before the Legislature as this bill) shall not exceed an overall cap of
 6 \$11.5 billion over a nine-year period, subject to the conditions and
 7 limitations set forth in this section. Of this \$11.5 billion, \$2.5
 8 billion shall be reserved for transformative projects approved under
 9 the Aspire Program.

10 b. (1) The total value of tax credits awarded under any
 11 constituent program of the "New Jersey Economic Recovery Act of
 12 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
 13 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
 14 **【and】** the "Next New Jersey Program Act," P.L.2024, c.49
 15 (**【**C.34:1B-362 et seq.**】** C.34:1B-394 et al.), and P.L. ,
 16 c. (C.) (pending before the Legislature as this bill), shall be
 17 subject to the following limitations, except as otherwise provided in
 18 subsection c. of this section:

19 (a) for tax credits awarded under the "Historic Property
 20 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
 21 (C.34:1B-270 through 34:1B-276), the total value of tax credits
 22 annually awarded during each of the first six years of the nine-year
 23 period shall not exceed \$50 million;

24 (b) (i) for tax credits awarded under the "Brownfields
 25 Redevelopment Incentive Program Act," sections 9 through 19 of
 26 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
 27 of tax credits annually awarded during each of the first six years of
 28 the nine-year period shall not exceed \$50 million and the total value
 29 of tax credits awarded over the entirety of the nine-year period shall
 30 not exceed \$100,000,000;

31 (ii) from the tax credits made available to the "Brownfields
 32 Redevelopment Incentive Program Act," sections 9 through 19 of
 33 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of
 34 \$200,000,000 in tax credits shall be allocated to the New Jersey
 35 Housing and Mortgage Finance Agency, established pursuant to
 36 P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be
 37 sold through competitive auctions conducted pursuant to sections 3
 38 through 7 of P.L. , c. (C.) (pending before the Legislature
 39 as this bill). All proceeds of the tax credit auctions shall be used by
 40 the New Jersey Housing and Mortgage Finance Agency for the
 41 purposes authorized in subsection b. of section 4 of P.L. ,
 42 c. (C.) (pending before the Legislature as this bill).
 43 Notwithstanding any provision of law or regulation to the contrary,
 44 the tax credits reallocated to the New Jersey Housing and Mortgage
 45 Finance Agency shall not be subject to any requirements or

1 conditions of the "New Jersey Economic Recovery Act of 2020,"
2 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

3 (c) for tax credits awarded under the "New Jersey Innovation
4 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
5 (C.34:1B-288 through 34:1B-302), the total value of tax credits
6 annually awarded during each of the first six years of the nine-year
7 period shall not exceed \$60 million and the total value of tax credits
8 awarded over the entirety of the nine-year period shall not exceed
9 \$300,000,000;

10 (d) for tax credits awarded under the "Food Desert Relief Act,"
11 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
12 34:1B-310), the total value of tax credits annually awarded during
13 each of the first six years of the nine-year period shall not exceed
14 \$40 million;

15 (e) for tax credits awarded under the "New Jersey Community-
16 Anchored Development Act," sections 43 through 53 of P.L.2020,
17 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
18 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
19 total value of tax credits awarded during the nine-year period shall
20 not exceed \$1,200,000,000; provided, however, tax credits shall not
21 be available under the "New Jersey Community-Anchored
22 Development Act," sections 43 through 53 of P.L.2020, c.156
23 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
24 Beginning January 1, 2026, the authority shall annually award tax
25 credits under the "New Jersey Community-Anchored Development
26 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
27 through 34:1B-321), valuing no greater than \$130 million for
28 projects located in the 13 northern counties of the State, and the
29 authority shall annually award tax credits valuing no greater than
30 \$70 million for projects located in the eight southern counties of the
31 State. If during any year of operation of the "New Jersey
32 Community-Anchored Development Act," sections 43 through 53 of
33 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
34 awards tax credits pursuant to the program in an amount less than
35 the annual limitation for projects located in northern counties or
36 southern counties, as applicable, the uncommitted portion of the
37 annual limitation shall be available to be deployed by the authority
38 in a subsequent year without consideration to the county in which a
39 project is located;

40 (f) for tax credits awarded under the "New Jersey Aspire
41 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
42 322 through 34:1B-335), and the "Emerge Program Act," sections
43 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
44 including tax credits awarded for transformative projects, the total
45 value of tax credits annually awarded during each of the first six
46 years of the nine-year period shall not exceed \$1.1 billion. If the
47 authority awards tax credits in an amount less than the annual

1 limitation, then the uncommitted portion of the annual limitation
2 shall be made available for qualified offshore wind projects
3 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
4 pursuant to subparagraph (h) of this paragraph, projects awarded a
5 tax credit pursuant to the "Next New Jersey Program Act,"
6 P.L.2024, c.49 (~~【C.34:1B-362 et seq.】~~ C.34:1B-394 et al.), pursuant
7 to subparagraph (k) of this paragraph, or New Jersey studio
8 partners, New Jersey film-lease production companies, and
9 taxpayers, other than New Jersey studio partners and New Jersey
10 film-lease production companies awarded under sections 1 and 2 of
11 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
12 subparagraph (i) of this paragraph and subsection d. of this section.
13 During each of the first six years of the nine-year period, the
14 authority shall annually award tax credits valuing no greater than
15 \$715 million for projects located in the northern counties of the
16 State, and the authority shall annually award tax credits valuing no
17 greater than \$385 million for projects located in the southern
18 counties of the State under the "New Jersey Aspire Program Act,"
19 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
20 34:1B-335), and the "Emerge Program Act," sections 68 through 81
21 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
22 six years of the nine-year period, the authority awards tax credits
23 under the "New Jersey Aspire Program Act," sections 54 through 67
24 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
25 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
26 (C.34:1B-336 et al.), in an amount less than the annual limitation
27 for projects located in northern counties or southern counties, as
28 applicable, the uncommitted portion of the annual limitation shall
29 be available to be deployed by the authority in a subsequent year,
30 provided that the uncommitted portion of tax credits shall be
31 awarded for projects located in the applicable geographic area,
32 except that (i) after the completion of the third year of the nine-year
33 period, the authority may deploy 50 percent of the uncommitted
34 portion of tax credits for any previous year without consideration to
35 the county in which a project is located; and (ii) after the
36 completion of the sixth year of the nine-year period, the authority
37 may deploy all available tax credits, including the uncommitted
38 portion of the annual limitation for any previous year, without
39 consideration to the county in which a project is located;

40 (g) except as provided in subparagraph (j) of this paragraph, for
41 tax credits awarded for transformative projects under the "New
42 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
43 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
44 credits awarded during the nine-year period shall not exceed \$2.5
45 billion. The total value of tax credits awarded for transformative
46 projects in a given year shall not be subject to an annual limitation,

1 except that the total value of tax credits awarded to any
2 transformative project shall not exceed \$400 million;

3 (h) from the tax credits made available, pursuant to
4 subparagraph (f) of this paragraph, to the "New Jersey Aspire
5 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
6 322 through 34:1B-335), and the "Emerge Program Act," sections
7 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
8 including tax credits awarded for transformative projects, an
9 amount not to exceed \$350,000,000 shall be made available for
10 qualified offshore wind projects awarded a credit pursuant to
11 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
12 years of the nine-year period;

13 (i) beginning in fiscal year 2023, from the tax credits made
14 available, pursuant to subparagraph (f) of this paragraph, to the
15 "New Jersey Aspire Program Act," sections 54 through 67 of
16 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
17 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
18 (C.34:1B-336 et al.), not including tax credits awarded for
19 transformative projects, additional amounts shall be made available
20 for New Jersey studio partners, New Jersey film-lease production
21 companies, and taxpayers, other than New Jersey studio partners
22 and New Jersey film-lease production companies pursuant to
23 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
24 12b);

25 (j) beginning in fiscal year 2024, from the tax credits made
26 available, pursuant to subparagraph (f) of this paragraph, to the
27 "New Jersey Aspire Program Act," sections 54 through 67 of
28 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
29 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
30 336 et al.), not including tax credits awarded for transformative
31 projects, an amount not to exceed \$500,000,000 may be annually
32 transferred for the award to transformative projects under the "New
33 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
34 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
35 remaining allocation of tax credits otherwise available for
36 transformative projects, pursuant to subparagraph (g) of this
37 paragraph, is less than \$1,000,000,000; and (ii) the authority board
38 determines that the transfer of tax credits is warranted based on
39 such criteria as the authority deems appropriate, which may include
40 the criteria set forth in paragraph (2) of this subsection. If a transfer
41 of tax credits is made pursuant to this subparagraph, the authority
42 shall award no greater than 65 percent of the tax credits transferred
43 pursuant to this subparagraph to transformative projects located in
44 the northern counties of the State and no greater than 35 percent of
45 the tax credits transferred pursuant to this subparagraph to
46 transformative projects located in the southern counties of the State;

47 **【and】**

1 (k) beginning in fiscal year 2025, from the tax credits made
 2 available, pursuant to subparagraph (f) of this paragraph, to the
 3 "New Jersey Aspire Program Act," sections 54 through 67 of
 4 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
 5 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 6 336 et al.), but not including tax credits awarded for transformative
 7 projects, an amount not to exceed \$500,000,000 shall be made
 8 available for projects awarded a tax credit pursuant to the "Next
 9 New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et seq.)]**
 10 (C.34:1B-394 et al.); and

11 (l) once the tax credits allocated for competitive auctions
 12 conducted pursuant to sections 3 through 7 of P.L. , c. (C.)
 13 (pending before the Legislature as this bill) pursuant to
 14 subsubparagraph (ii) of subparagraph (b) of this paragraph are
 15 exhausted, from the tax credits made available, pursuant to
 16 subparagraph (f) of this paragraph, to the "New Jersey Aspire
 17 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 18 322 through 34:1B-335) and the "Emerge Program Act," sections 68
 19 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not
 20 including tax credits awarded for transformative projects, the sum
 21 of \$300,000,000 shall be made available to the New Jersey Housing
 22 and Mortgage Finance Agency, established pursuant to P.L.1983,
 23 c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through
 24 competitive auctions conducted pursuant to sections 3 through 7 of
 25 P.L. , c. (C.) (pending before the Legislature as this bill).
 26 The amount made available pursuant to this subparagraph shall be
 27 allocated in annual instalments, each of which is not to exceed the
 28 cap set forth in paragraph (3) of subsection a. of section 4 of
 29 P.L. , c. (pending before the Legislature as this bill), as needed
 30 to conduct auctions pursuant to that section. All proceeds of the tax
 31 credit auctions shall be used by the New Jersey Housing and
 32 Mortgage Finance Agency for the purposes authorized in subsection
 33 b. of section 4 of P.L. , c. (C) (pending before the
 34 Legislature as this bill). Notwithstanding any provision of law or
 35 regulation to the contrary, the tax credits reallocated to the New
 36 Jersey Housing and Mortgage Finance Agency shall not be subject
 37 to any requirements or conditions of the "New Jersey Economic
 38 Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as
 39 amended or supplemented.

40 (2) The authority may in any given year determine that it is in
 41 the State's interest to approve an amount of tax credits in excess of
 42 the annual limitations set forth in paragraph (1) of this subsection,
 43 but in no event more than \$200,000,000 in excess of the annual
 44 limitation, upon a determination by the authority board that such
 45 increase is warranted based on specific criteria that may include:

46 (i) the increased demand for opportunities to create or retain
 47 employment and investment in the State as indicated by the volume

1 of project applications and the amount of tax credits being sought
2 by those applications;

3 (ii) the need to protect the State's economic position in the event
4 of an economic downturn;

5 (iii) the quality of project applications and the net economic
6 benefit to the State and municipalities associated with those
7 applications;

8 (iv) opportunities for project applications to strengthen or protect
9 the competitiveness of the State under the prevailing market
10 conditions;

11 (v) enhanced access to employment and investment for
12 underserved populations in distressed municipalities and qualified
13 incentives tracts;

14 (vi) increased investment and employment in high-growth
15 technology sectors and in projects that entail collaboration with
16 education institutions in the State;

17 (vii) increased development proximate to mass transit facilities;

18 (viii) any other factor deemed relevant by the authority.

19 c. In the event that the authority in any year approves projects
20 for tax credits in an amount less than the annual limitations set forth
21 in paragraph (1) of subsection b. of this section, then the
22 uncommitted portion of the annual limitation shall be available to
23 be deployed by the authority in future years for projects under the
24 same program; provided however, that in no event shall the
25 aggregate amount of tax credits approved be in excess of the overall
26 cap of \$11.5 billion, and in no event shall the uncommitted portion
27 of the annual limitation for any previous year be deployed after the
28 conclusion of the nine-year period.

29 d. Notwithstanding the provisions of any other law to the
30 contrary, the uncommitted balance of the total value of tax credits
31 authorized for award by the authority pursuant to subparagraph (f)
32 of paragraph (1) of subsection b. of this section to the "New Jersey
33 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
34 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
35 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
36 available for tax credits allowed to New Jersey studio partners, New
37 Jersey film-lease production companies, and taxpayers, other than
38 New Jersey studio partners and New Jersey film-lease production
39 companies pursuant to sections 1 and 2 of P.L.2018, c.56
40 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
41 including tax credits allowed through the granting of tax credit
42 transfer certificates, made available to New Jersey studio partners,
43 New Jersey film-lease production companies, and taxpayers, other
44 than New Jersey studio partners and New Jersey film-lease
45 production companies pursuant to this subsection shall be as
46 follows:

(1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;

(2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.²

(cf: P.L.2024, c.49, s.10)

²3. (New section) As used in sections 4 through 7 of P.L. , c. (C. through) (pending before the Legislature as this bill):

"Agency" means the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.).

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

"Distressed older suburban municipality" means a municipality that is not designated by the agency as a targeted urban municipality, and that, in the determination of the agency, meets at least four of the following criteria:

a. has experienced a sustained drop in income levels compared to the region;

b. has an elevated percentage of residents living below 100 percent of the poverty line, adjusted for family size, established and adjusted under section 673 of the federal "Community Services Block Grant Act," (42 U.S.C. s.9902);

c. experiences high rates of unemployment or low labor force participation rates;

d. has a large share of homes built before 1960 and elevated rates of residential property vacancy and abandonment;

1 e. experiences stagnant or declining property values;
2 f. experiences declining commercial ratables; and
3 g. experiences declining municipal capacity as a consequence of
4 budget stress.

5 "Four-Percent Low Income Housing Tax Credit" means the four-
6 percent allocation from the federal Low Income Housing Tax Credit
7 program established pursuant to section 42 of the federal Internal
8 Revenue Code (26 U.S.C. s.42).

9 "Low- and moderate-income housing" means housing affordable
10 according to federal Department of Housing and Urban
11 Development or other recognized standards for home ownership
12 and rental costs and occupied or reserved for occupancy by
13 households with a gross household income equal to less than 80
14 percent of the median gross household income for households of the
15 same size within the housing region in which the housing is located.

16 "Middle-income workforce housing" means housing affordable
17 according to federal Department of Housing and Urban
18 Development or other recognized standards for home ownership
19 and rental costs and occupied or reserved for occupancy by
20 households with a gross household income of 80 percent or more,
21 but not exceeding 120 percent, of the median gross household
22 income for households of the same size within the housing region in
23 which the housing is located.

24 "Targeted urban municipality" means the same as that term is
25 defined by the agency pursuant to N.J.A.C.5:80-33.2, or successor
26 regulation.²

27
28 ²4. (New section) a. (1) Beginning on the effective date of
29 P.L. , c. (C.) (pending before the Legislature as this bill),
30 the agency shall sell up to \$500,000,000 in tax credits over the
31 course of no more than six years.

32 (2) The competitive auctions shall be conducted in a manner
33 consistent with the processes set forth in section 24 of P.L.2020,
34 c.156 (C.34:1B-292), as determined by the agency. The agency
35 shall be permitted to join or be added to any contracts that the New
36 Jersey Economic Development Authority has utilized for its
37 auctions, although auctions held for the purposes of administering
38 P.L. , c. (C.) (pending before the Legislature as this bill)
39 shall not be counted towards the limitation imposed pursuant to
40 subsection d. of section 24 of P.L.2020, c.156 (C.34:1B-292) and
41 the requirement on purchasers under paragraph (3) of subsection b.
42 of section 24 of P.L.2020, c.156 (C.34:1B-292) shall not apply.
43 The agency shall deposit funds received at an auction pursuant to
44 this subsection minus those reserved for administrative or
45 operational costs into a nonlapsing account established and

1 maintained by the agency for the purposes of administering P.L. ,
2 c. (C.) (pending before the Legislature as this bill).

3 (3) The agency shall be limited to selling \$100,000,000 in tax
4 credits annually and shall not sell tax credits for less than 80
5 percent of the tax credit amount.

6 b. (1) (a) Fifty percent of the proceeds deposited into the
7 nonlapsing account created pursuant to paragraph (2) of subsection
8 a. of this section shall be reserved for use by the agency for the
9 purposes of providing financial assistance to create middle-income
10 workforce housing. Fifty percent of the proceeds deposited into the
11 nonlapsing account created pursuant to paragraph (2) of subsection
12 a. of this section shall be reserved for use by the agency for the
13 purposes of providing financial assistance to create low- and
14 moderate-income housing toward the fulfillment of a municipality's
15 current or prior round fair share affordable housing obligation
16 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
17 et al.).

18 (b) The 50 percent set asides established by subparagraph (a) of
19 this paragraph for monies deposited into the nonlapsing account in
20 each program funding year, pursuant to paragraph (2) of subsection
21 a. of this section, shall remain in effect until December 31 of that
22 year. If any funds deposited into the nonlapsing account during that
23 program funding year remain unreserved for qualified projects
24 subject to the set asides after December 31 of the program funding
25 year when the monies are deposited, the set aside shall no longer
26 apply to those funds, which may then be used for any qualified
27 project under sections 4 through 7 of P.L. , c.
28 (C. through) (pending before the Legislature as this bill).
29 The initial program funding year shall begin on July 1, 2025, and
30 shall conclude on December 31, 2025. Each subsequent program
31 funding year shall conform to the calendar year.

32 (c) In the distribution of proceeds pursuant to this section for the
33 purposes of providing financial assistance to create low- and
34 moderate-income housing toward the fulfillment of a municipality's
35 current or prior round fair share affordable housing obligation
36 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
37 et al.), the agency shall prioritize an application for development
38 that is in a distressed older suburban municipality, as defined in
39 section 3 of P.L. , c. (C.) (pending before the Legislature
40 as this bill).

41 (d) Housing created pursuant to this section may include, but
42 shall not be limited to, new construction or the rehabilitation or
43 construction of residential units within multiple dwellings.

44 (e) Following the enactment of P.L. , c. (C.) (pending
45 before the Legislature as this bill), the agency shall promptly and
46 actively promote the middle-income workforce housing component
47 of the housing program established pursuant to this section to

1 ensure that a substantial range of potential applicants to obtain
2 funding to provide middle-income workforce housing are made
3 aware of the program. The promotion efforts of the agency shall
4 include, but shall not be limited to: the provision of information
5 sessions on the program and application process; and the provision
6 of technical assistance to applicants in completing the application
7 process.

8 (2) The agency shall promulgate guidelines for a housing
9 program to fulfill the purposes of this section within 90 days
10 following the effective date of P.L. , c. (C.) (pending
11 before the Legislature as this bill) to govern the application and
12 award processes for qualified projects seeking funds deposited
13 under P.L. , c. (C.) (pending before the Legislature as this
14 bill). In addition to any other eligibility requirements that the
15 agency deems appropriate, the project financing subsidy authorized
16 under this section shall only be made available to projects in receipt
17 of a Four-Percent Low Income Housing Tax Credit administered by
18 the agency.

19 (3) The agency may utilize up to five percent of the proceeds to
20 reimburse for administrative and operational costs, including
21 contracts necessary to hold the auction.²

22
23 ^{25.} (New section) A purchaser that submits a successful bid for
24 the purchase of tax credits pursuant to section 4 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill) shall enter
26 into a contract with the agency that includes payment information
27 and the commitments made by the purchaser in its auction bid. A
28 purchaser that submits a successful bid for the purchase of tax
29 credits pursuant to section 4 of P.L. , c. (C.) (pending
30 before the Legislature as this bill) shall pay by wire transfer the
31 amount specified in its auction bid to the agency. Upon receipt
32 thereof, the Executive Director of the agency shall notify the
33 director to issue tax credits in the amount approved. Failure by the
34 purchaser to pay the amount agreed upon on time shall disqualify
35 the purchaser from purchasing the tax credits and the agency may
36 reassign the right to purchase the credits to another bidder. Failure
37 by the purchaser to adhere to the commitments made in its auction
38 bid shall disqualify the purchaser from participating in future
39 auctions and may result in the recapture of a portion of the tax
40 credits.²

41
42 ^{26.} (New section) a. A purchaser shall apply a credit awarded
43 pursuant to section 4 of P.L. , c. (C.) (pending before the
44 Legislature as this bill) against the purchaser's State tax liability due
45 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
46 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1

1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current
2 privilege period as of the date of the approval of the credits. A
3 purchaser may carry forward an unused credit resulting from the
4 limitations of subsection b. of this section, if necessary, for use in
5 the seven privilege periods next following the privilege period for
6 which the credit is awarded.

7 b. The director shall prescribe the order of priority of the
8 application of the credits awarded under section 4 of
9 P.L. , c. (C.) (pending before the Legislature as this bill)
10 and any other credits allowed by law. The amount of a credit
11 applied under section 4 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) against the tax imposed pursuant to section
13 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together
14 with any other credits allowed by law, shall not reduce the tax
15 liability of the purchaser to an amount less than the statutory
16 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
17 (C.54:10A-5).²

18
19 ²7. (New section) a. A purchaser may apply to the agency and
20 the director for a tax credit transfer certificate in lieu of the
21 purchaser being allowed to apply any amount of the tax credit
22 against the purchaser's State tax liability. A tax credit may be sold
23 or assigned, in full or in part, to another person that may have a tax
24 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
25 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
26 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
27 tax credit transfer certificate provided to the purchaser shall include
28 a statement waiving the purchaser's right to claim the credit that the
29 purchaser has elected to sell or assign.

30 b. The purchaser shall not sell or assign a tax credit transfer
31 certificate allowed under this section for consideration received by
32 the purchaser of less than 80 percent of the transferred credit
33 amount before considering any further discounting to present value
34 which shall be permitted. The tax credit transfer certificate issued
35 to a purchaser by the director shall be subject to any limitations and
36 conditions imposed on the application of State tax credits pursuant
37 to section 6 of P.L. , c. (C.) (pending before the Legislature
38 as this bill) and any other terms and conditions that the director may
39 prescribe.

40 c. A buyer or assignee of a tax credit transfer certificate
41 pursuant to this section shall not make any subsequent transfers,
42 assignments, or sales of the tax credit transfer certificate.

43 d. Ten percent of the consideration received by a purchaser
44 from the sale or assignment of a tax credit transfer certificate
45 pursuant to this section shall be remitted to the director and
46 deposited in the General Fund of the State.

(5) the consideration received by the transferor.²

²[6.] 8.² This act shall take effect immediately.

Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for certain housing purposes.

CHAPTER 111
CORRECTED COPY

AN ACT concerning the use of tax credits for certain housing programs, amending P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).

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

1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to read as follows:

C.52:18A-263 Purchase of unused tax credits.

89. a. The Director of the Division of Taxation in the Department of the Treasury may purchase unused tax credits awarded under a program listed in paragraphs (1) through (5) or paragraphs (7) through (12) of subsection b. of this section and shall purchase unused tax credits awarded under a program listed in paragraphs (6), (13), and (14) of subsection b. of this section, including tax credit transfer certificates issued by the director in lieu of a tax credit allowed under such programs. The director shall not pay consideration in excess of 75 percent of the credit amount to be purchased, except for a credit awarded under:

(1) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the provisions of paragraph (4) of subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345);

(2) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as amended and supplemented, for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director, and further provided that, if the application to the director is submitted after the sixth year of the eligibility period, the amount in excess of the reasonable and appropriate rate of return on investment that the developer is required to pay pursuant to subsection c. of section 60 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent;

(3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director; or

(4) the "Garden State Film and Digital Media Jobs Act," P.L.2018, c.56 (C.54:10A-5.39b et al.), for which the director shall pay an amount equal to 95 percent of the credit amount 1for any original application approved by the authority on or after January 1, 2026, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the taxpayer, which taxpayer is a New Jersey studio partner or the holder of such certificate originally issued to a New Jersey studio partner, occurred at least one year prior to the date of application to the director and provided that the director shall purchase such certificates valued at no more than a cumulative amount of \$80,000,000 in State fiscal year 2026, \$160,000,000 in State fiscal year 2027, \$240,000,000 in State fiscal year 2028, and \$200,000,000 in each State fiscal year thereafter, subject to the conditions in this paragraph. If an application to the director for the purchase of tax credits otherwise qualifies pursuant to this paragraph, but the value of tax credits for which the director receives applications exceeds the maximum cumulative amount for the State fiscal year in which the application is made, the director shall purchase the remaining tax credits in the State fiscal year next following the State fiscal year in which the application is made, provided that the director shall not purchase a cumulative amount above

the maximum cumulative amount for the respective State fiscal year. No payments shall be made pursuant to this paragraph unless the following conditions are met: full funding is provided for the fiscal year to satisfy the requirement in Article VIII, Section IV, paragraph 1 of the New Jersey Constitution that the Legislature provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of children in the State between the ages of five and 18 years; full payment of the contributions required by law for the fiscal year is made to the State-administered retirement systems; and the annual appropriations act for the State fiscal year maintains a budgetary surplus of no less than 12 percent of total appropriations from the General Fund and the Property Tax Relief Fund.

b. The Director of the Division of Taxation in the Department of the Treasury may or shall, subject to the provisions of subsection a. of this section, purchase tax credits awarded under the following:

- (1) the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);
- (2) the "Brownfield Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through C.34:1B-287);
- (3) the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);
- (4) the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);
- (5) the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321);
- (6) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);
- (7) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.);
- (8) the Grow New Jersey Assistance Program established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);
- (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);
- (10) the State Economic Redevelopment and Growth Grant program established pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e);
- (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);
- (12) section 2 of P.L.2018, c.56 (C.54A:4-12b);
- (13) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.);
- (14) the "Garden State Film and Digital Media Jobs Act," P.L.2018, c.56 (C.54:10A-5.39b et al.); and
- (15) sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110).

2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to read as follows:

C.34:1B-362 Combined value, all tax credits.

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program Act," sections 54 through

67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); and P.L.2025, c.111 (C.55:14K-106 et al.) shall not exceed an overall cap of \$11.5 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), and P.L.2025, c.111 (C.55:14K-106 et al.), shall be subject to the following limitations, except as otherwise provided in subsection c. of this section:

(a) for tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$50 million;

(b) (i) for tax credits awarded under the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$50 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$100,000,000;

(ii) from the tax credits made available to the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of \$200,000,000 in tax credits shall be allocated to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

(c) for tax credits awarded under the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$60 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed \$300,000,000;

(d) for tax credits awarded under the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310), the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$40 million;

(e) for tax credits awarded under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the total value of tax credits awarded during the nine-year period shall not exceed \$1,200,000,000, provided, however, tax credits shall not be available under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-

321), until January 1, 2026. Beginning January 1, 2026, the authority shall annually award tax credits under the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), valuing no greater than \$130 million for projects located in the 13 northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$70 million for projects located in the eight southern counties of the State. If during any year of operation of the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority awards tax credits pursuant to the program in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year without consideration to the county in which a project is located;

(f) for tax credits awarded under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed \$1.1 billion. If the authority awards tax credits in an amount less than the annual limitation, then the uncommitted portion of the annual limitation shall be made available for qualified offshore wind projects awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this paragraph, projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), pursuant to subparagraph (k) of this paragraph, or New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and subsection d. of this section. During each of the first six years of the nine-year period, the authority shall annually award tax credits valuing no greater than \$715 million for projects located in the northern counties of the State, and the authority shall annually award tax credits valuing no greater than \$385 million for projects located in the southern counties of the State under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first six years of the nine-year period, the authority awards tax credits under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year, provided that the uncommitted portion of tax credits shall be awarded for projects located in the applicable geographic area, except that (i) after the completion of the third year of the nine-year period, the authority may deploy 50 percent of the uncommitted portion of tax credits for any previous year without consideration to the county in which a project is located; and (ii) after the completion of the sixth year of the nine-year period, the authority may deploy all available tax credits, including the uncommitted portion of the annual limitation for any previous year, without consideration to the county in which a project is located;

(g) except as provided in subparagraph (j) of this paragraph, for tax credits awarded for transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits awarded during the nine-year period shall not exceed \$2.5 billion. The total value of tax credits awarded for

transformative projects in a given year shall not be subject to an annual limitation, except that the total value of tax credits awarded to any transformative project shall not exceed \$400 million;

(h) from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed \$350,000,000 shall be made available for qualified offshore wind projects awarded a credit pursuant to section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three years of the nine-year period;

(i) beginning in fiscal year 2023, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, additional amounts shall be made available for New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b);

(j) beginning in fiscal year 2024, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 may be annually transferred for the award to transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the remaining allocation of tax credits otherwise available for transformative projects, pursuant to subparagraph (g) of this paragraph, is less than \$1,000,000,000; and (ii) the authority board determines that the transfer of tax credits is warranted based on such criteria as the authority deems appropriate, which may include the criteria set forth in paragraph (2) of this subsection. If a transfer of tax credits is made pursuant to this subparagraph, the authority shall award no greater than 65 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the northern counties of the State and no greater than 35 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the southern counties of the State;

(k) beginning in fiscal year 2025, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed \$500,000,000 shall be made available for projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); and

(l) once the tax credits allocated for competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110) pursuant to subparagraph (ii) of subparagraph (b) of this paragraph are exhausted, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, the sum of \$300,000,000 shall be made available to the New Jersey Housing and Mortgage Finance Agency, established pursuant to

P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). The amount made available pursuant to this subparagraph shall be allocated in annual installments, each of which is not to exceed the cap set forth in paragraph (3) of subsection a. of section 4 of P.L.2025, c.111 (C.55:14K-107), as needed to conduct auctions pursuant to that section. All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented.

(2) The authority may in any given year determine that it is in the State's interest to approve an amount of tax credits in excess of the annual limitations set forth in paragraph (1) of this subsection, but in no event more than \$200,000,000 in excess of the annual limitation, upon a determination by the authority board that such increase is warranted based on specific criteria that may include:

(i) the increased demand for opportunities to create or retain employment and investment in the State as indicated by the volume of project applications and the amount of tax credits being sought by those applications;

(ii) the need to protect the State's economic position in the event of an economic downturn;

(iii) the quality of project applications and the net economic benefit to the State and municipalities associated with those applications;

(iv) opportunities for project applications to strengthen or protect the competitiveness of the State under the prevailing market conditions;

(v) enhanced access to employment and investment for underserved populations in distressed municipalities and qualified incentives tracts;

(vi) increased investment and employment in high-growth technology sectors and in projects that entail collaboration with education institutions in the State;

(vii) increased development proximate to mass transit facilities;

(viii) any other factor deemed relevant by the authority.

c. In the event that the authority in any year approves projects for tax credits in an amount less than the annual limitations set forth in paragraph (1) of subsection b. of this section, then the uncommitted portion of the annual limitation shall be available to be deployed by the authority in future years for projects under the same program, provided, however, that in no event shall the aggregate amount of tax credits approved be in excess of the overall cap of \$11.5 billion, and in no event shall the uncommitted portion of the annual limitation for any previous year be deployed after the conclusion of the nine-year period.

d. Notwithstanding the provisions of any other law to the contrary, the uncommitted balance of the total value of tax credits authorized for award by the authority pursuant to subparagraph (f) of paragraph (1) of subsection b. of this section to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made available for tax credits allowed to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to New Jersey studio partners, New

Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this subsection shall be as follows:

(1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;

(2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.

C.55:14K-106 Definitions.

3. As used in sections 4 through 7 of P.L.2025, c.111 (C.55:14K-107 through 55:14K-110):

"Agency" means the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.).

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

"Distressed older suburban municipality" means a municipality that is not designated by the agency as a targeted urban municipality, and that, in the determination of the agency, meets at least four of the following criteria:

has experienced a sustained drop in income levels compared to the region;

has an elevated percentage of residents living below 100 percent of the poverty line, adjusted for family size, established and adjusted under section 673 of the federal "Community Services Block Grant Act," (42 U.S.C. s.9902);

experiences high rates of unemployment or low labor force participation rates;

has a large share of homes built before 1960 and elevated rates of residential property vacancy and abandonment;

experiences stagnant or declining property values;

experiences declining commercial ratables; and

experiences declining municipal capacity as a consequence of budget stress.

"Four-Percent Low Income Housing Tax Credit" means the four-percent allocation from the federal Low Income Housing Tax Credit program established pursuant to section 42 of the federal Internal Revenue Code (26 U.S.C. s.42).

"Low- and moderate-income housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to less than 80 percent of the median gross household income for households of the same size within the housing region in which the housing is located.

"Middle-income workforce housing" means housing affordable according to federal Department of Housing and Urban Development or other recognized standards for home

ownership and rental costs and occupied or reserved for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located.

"Targeted urban municipality" means the same as that term is defined by the agency pursuant to N.J.A.C.5:80-33.2, or successor regulation.

C.55:14K-107 Tax credits to be sold by the New Jersey Housing and Mortgage Finance Agency, competitive auctions.

4. a. (1) Beginning on the effective date of P.L.2025, c.111 (C.55:14K-106 et al.), the agency shall sell up to \$500,000,000 in tax credits over the course of no more than six years.

(2) The competitive auctions shall be conducted in a manner consistent with the processes set forth in section 24 of P.L.2020, c.156 (C.34:1B-292), as determined by the agency. The agency shall be permitted to join or be added to any contracts that the New Jersey Economic Development Authority has utilized for its auctions, although auctions held for the purposes of administering P.L.2025, c.111 (C.55:14K-106 et al.) shall not be counted towards the limitation imposed pursuant to subsection d. of section 24 of P.L.2020, c.156 (C.34:1B-292) and the requirement on purchasers under paragraph (3) of subsection b. of section 24 of P.L.2020, c.156 (C.34:1B-292) shall not apply. The agency shall deposit funds received at an auction pursuant to this subsection minus those reserved for administrative or operational costs into a nonlapsing account established and maintained by the agency for the purposes of administering P.L.2025, c.111 (C.55:14K-106 et al.).

(3) The agency shall be limited to selling \$100,000,000 in tax credits annually and shall not sell tax credits for less than 80 percent of the tax credit amount.

b. (1) (a) Fifty percent of the proceeds deposited into the nonlapsing account created pursuant to paragraph (2) of subsection a. of this section shall be reserved for use by the agency for the purposes of providing financial assistance to create middle-income workforce housing. Fifty percent of the proceeds deposited into the nonlapsing account created pursuant to paragraph (2) of subsection a. of this section shall be reserved for use by the agency for the purposes of providing financial assistance to create low- and moderate-income housing toward the fulfillment of a municipality's current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

(b) The 50 percent set asides established by subparagraph (a) of this paragraph for monies deposited into the nonlapsing account in each program funding year, pursuant to paragraph (2) of subsection a. of this section, shall remain in effect until December 31 of that year. If any funds deposited into the nonlapsing account during that program funding year remain unreserved for qualified projects subject to the set asides after December 31 of the program funding year when the monies are deposited, the set aside shall no longer apply to those funds, which may then be used for any qualified project under sections 4 through 7 of P.L.2025, c.111 (C.55:14K-107 through 55:14K-110). The initial program funding year shall begin on July 1, 2025, and shall conclude on December 31, 2025. Each subsequent program funding year shall conform to the calendar year.

(c) In the distribution of proceeds pursuant to this section for the purposes of providing financial assistance to create low- and moderate-income housing toward the fulfillment of a municipality's current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.), the agency shall prioritize an application for development that is in a distressed older suburban municipality, as defined in section 3 of P.L.2025, c.111 (C.55:14K-106).

(d) Housing created pursuant to this section may include, but shall not be limited to, new construction or the rehabilitation or construction of residential units within multiple dwellings.

(e) Following the enactment of P.L.2025, c.111 (C.55:14K-106 et al.), the agency shall promptly and actively promote the middle-income workforce housing component of the housing program established pursuant to this section to ensure that a substantial range of potential applicants to obtain funding to provide middle-income workforce housing are made aware of the program. The promotion efforts of the agency shall include, but shall not be limited to: the provision of information sessions on the program and application process and the provision of technical assistance to applicants in completing the application process.

(2) The agency shall promulgate guidelines for a housing program to fulfill the purposes of this section within 90 days following the effective date of P.L.2025, c.111 (C.55:14K-106 et al.) to govern the application and award processes for qualified projects seeking funds deposited under P.L.2025, c.111 (C.55:14K-106 et al.). In addition to any other eligibility requirements that the agency deems appropriate, the project financing subsidy authorized under this section shall only be made available to projects in receipt of a Four-Percent Low Income Housing Tax Credit administered by the agency.

(3) The agency may utilize up to five percent of the proceeds to reimburse for administrative and operational costs, including contracts necessary to hold the auction.

C.55:14K-108 Tax credit purchaser, contract, New Jersey Housing and Mortgage Finance Agency.

5. A purchaser that submits a successful bid for the purchase of tax credits pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) shall enter into a contract with the agency that includes payment information and the commitments made by the purchaser in its auction bid. A purchaser that submits a successful bid for the purchase of tax credits pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) shall pay by wire transfer the amount specified in its auction bid to the agency. Upon receipt thereof, the Executive Director of the agency shall notify the director to issue tax credits in the amount approved. Failure by the purchaser to pay the amount agreed upon on time shall disqualify the purchaser from purchasing the tax credits and the agency may reassign the right to purchase the credits to another bidder. Failure by the purchaser to adhere to the commitments made in its auction bid shall disqualify the purchaser from participating in future auctions and may result in the recapture of a portion of the tax credits.

C.55:14K-109 Tax credit purchaser, application, State tax liability, privilege period.

6. a. A purchaser shall apply a credit awarded pursuant to section 4 of P.L.2025, c.111 (C.55:14K-107) against the purchaser's State tax liability due pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current privilege period as of the date of the approval of the credits. A purchaser may carry forward an unused credit resulting from the limitations of subsection b. of this section, if necessary, for use in the seven privilege periods next following the privilege period for which the credit is awarded.

b. The director shall prescribe the order of priority of the application of the credits awarded under section 4 of P.L.2025, c.111 (C.55:14K-107) and any other credits allowed by law. The amount of a credit applied under section 4 of P.L.2025, c.111 (C.55:14K-107) against the tax imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together with any other credits allowed by law, shall not reduce the tax liability of the purchaser to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162 (C.54:10A-5).

C.55:14K-110 Tax credit transfer certificate, selling, assigning abilities, limitations.

7. a. A purchaser may apply to the agency and the director for a tax credit transfer certificate in lieu of the purchaser being allowed to apply any amount of the tax credit against the purchaser's State tax liability. A tax credit may be sold or assigned, in full or in part, to another person that may have a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The tax credit transfer certificate provided to the purchaser shall include a statement waiving the purchaser's right to claim the credit that the purchaser has elected to sell or assign.

b. The purchaser shall not sell or assign a tax credit transfer certificate allowed under this section for consideration received by the purchaser of less than 80 percent of the transferred credit amount before considering any further discounting to present value which shall be permitted. The tax credit transfer certificate issued to a purchaser by the director shall be subject to any limitations and conditions imposed on the application of State tax credits pursuant to section 6 of P.L.2025, c.111 (C.55:14K-109) and any other terms and conditions that the director may prescribe.

c. A buyer or assignee of a tax credit transfer certificate pursuant to this section shall not make any subsequent transfers, assignments, or sales of the tax credit transfer certificate.

d. Ten percent of the consideration received by a purchaser from the sale or assignment of a tax credit transfer certificate pursuant to this section shall be remitted to the director and deposited in the General Fund of the State.

e. The agency shall publish on its Internet website the following information concerning each tax credit transfer certificate approved by the agency and the director pursuant to this section:

- (1) the name of the transferor;
- (2) the name of the transferee;
- (3) the value of the tax credit transfer certificate;
- (4) the State tax against which the transferee may apply the tax credit; and
- (5) the consideration received by the transferor.

8. This act shall take effect immediately.

Approved July 22, 2025.

ASSEMBLY, No. 3128

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Atkins

SYNOPSIS

Authorizes HMFA to issue tax credits for certain purposes.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning the issuance of certain tax credits, amending
 2 P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-
 3 1 et seq.).
 4

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

8 1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 9 read as follows:

10 98. a. The combined value of all tax credits awarded under the
 11 "Historic Property Reinvestment Act," sections 2 through 8 of
 12 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 13 "Brownfields Redevelopment Incentive Program Act," sections 9
 14 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 15 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 16 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 17 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 18 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 19 Anchored Development Act," sections 43 through 53 of P.L.2020,
 20 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 21 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 22 322 through 34:1B-335); the "Emerge Program Act," sections 68
 23 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); and section 6 of
 24 P.L.2010, c.57 (C.34:1B-209.4) shall not exceed an overall cap of
 25 \$11.5 billion over a nine-year period, subject to the conditions and
 26 limitations set forth in this section. Of this \$11.5 billion, \$2.5
 27 billion shall be reserved for transformative projects approved under
 28 the Aspire Program.

29 b. (1) The total value of tax credits awarded under any
 30 constituent program of the "New Jersey Economic Recovery Act of
 31 2020," P.L.2020, c.156 (C.34:1B-269 et al.) shall be subject to the
 32 following annual limitations, except as otherwise provided in
 33 subsection c. of this section:

34 (a) for tax credits awarded under the "Historic Property
 35 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
 36 (C.34:1B-270 through 34:1B-276), the total value of tax credits
 37 annually awarded during each of the first six years of the nine-year
 38 period shall not exceed \$50 million;

39 (b) for tax credits awarded under the "Brownfields
 40 Redevelopment Incentive Program Act," sections 9 through 19 of
 41 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
 42 of tax credits annually awarded during each of the first six years of
 43 the nine-year period shall not exceed \$50 million;

44 (c) for tax credits awarded under the "New Jersey Innovation
 45 Evergreen Act," sections 20 through 34 of P.L.2020, c.156

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 (C.34:1B-288 through 34:1B-302), the total value of tax credits
2 annually awarded during each of the first six years of the nine-year
3 period shall not exceed \$60 million and the total value of tax credits
4 awarded over the entirety of the nine-year period shall not exceed
5 \$300,000,000;

6 (d) for tax credits awarded under the "Food Desert Relief Act,"
7 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
8 34:1B-310), the total value of tax credits annually awarded during
9 each of the first six years of the nine-year period shall not exceed
10 \$40 million;

11 (e) for tax credits awarded under the "New Jersey Community-
12 Anchored Development Act," sections 43 through 53 of P.L.2020,
13 c.156 (C.34:1B-311 through 34:1B-321), the total value of tax
14 credits annually awarded during each of the first six years of the
15 nine-year period shall not exceed \$200 million, except that during
16 each of the first six years of the nine-year period, the authority shall
17 annually award tax credits valuing no greater than \$130 million for
18 projects located in the 13 northern counties of the State, and the
19 authority shall annually award tax credits valuing no greater than
20 \$70 million for projects located in the eight southern counties of the
21 State. If during any of the first six years of the nine-year period, the
22 authority awards tax credits in an amount less than the annual
23 limitation for projects located in northern counties or southern
24 counties, as applicable, the uncommitted portion of the annual
25 limitation shall be [available to be deployed by the authority in a
26 subsequent year, provided that the uncommitted portion of tax
27 credits shall be awarded for projects located in the applicable
28 geographic area, except that (i) after the completion of the third
29 year of the nine-year period, the authority may deploy 50 percent of
30 the uncommitted portion of tax credits from any previous year
31 without consideration to the county in which a project is located;
32 and (ii) after the completion of the sixth year of the nine-year
33 period, the authority may deploy all available tax credits, including
34 the uncommitted portion of the annual limitation for any previous
35 year, without consideration to the county in which a project is
36 located] reallocated to the New Jersey Housing and Mortgage
37 Finance Agency, established pursuant to P.L.1983, c.530
38 (C.55:14K-1 et seq.), for the purposes authorized in
39 P.L. , c. (C.) (pending before the Legislature as this bill).
40 Notwithstanding any provision of law or regulation to the contrary,
41 the tax credits reallocated to the New Jersey Housing and Mortgage
42 Finance Agency shall not be subject to any requirements or
43 conditions of the "New Jersey Economic Recovery Act of 2020,"
44 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

45 (f) for tax credits awarded under the "New Jersey Aspire
46 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
47 322 through 34:1B-335), and the "Emerge Program Act," sections
48 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not

1 including tax credits awarded for transformative projects, the total
2 value of tax credits annually awarded during each of the first six
3 years of the nine-year period shall not exceed \$1.1 billion. If the
4 authority awards tax credits in an amount less than the annual
5 limitation, then the uncommitted portion of the annual limitation
6 shall be made available for qualified offshore wind projects
7 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
8 pursuant to subparagraph (h) of this paragraph, or New Jersey
9 studio partners and New Jersey film-lease production companies
10 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
11 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
12 and subsection d. of this section. During each of the first six years
13 of the nine-year period, the authority shall annually award tax
14 credits valuing no greater than \$715 million for projects located in
15 the northern counties of the State, and the authority shall annually
16 award tax credits valuing no greater than \$385 million for projects
17 located in the southern counties of the State under the "New Jersey
18 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
19 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
20 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
21 during any of the first six years of the nine-year period, the
22 authority awards tax credits under the "New Jersey Aspire Program
23 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
24 through 34:1B-335), and the "Emerge Program Act," sections 68
25 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
26 less than the annual limitation for projects located in northern
27 counties or southern counties, as applicable, the uncommitted
28 portion of the annual limitation shall be available to be deployed by
29 the authority in a subsequent year, provided that the uncommitted
30 portion of tax credits shall be awarded for projects located in the
31 applicable geographic area, except that (i) after the completion of
32 the third year of the nine-year period, the authority may deploy 50
33 percent of the uncommitted portion of tax credits for any previous
34 year without consideration to the county in which a project is
35 located; and (ii) after the completion of the sixth year of the nine-
36 year period, the authority may deploy all available tax credits,
37 including the uncommitted portion of the annual limitation for any
38 previous year, without consideration to the county in which a
39 project is located;

40 (g) except as provided in subparagraph (j) of this paragraph, for
41 tax credits awarded for transformative projects under the "New
42 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
43 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
44 credits awarded during the nine-year period shall not exceed \$2.5
45 billion. The total value of tax credits awarded for transformative
46 projects in a given year shall not be subject to an annual limitation,
47 except that the total value of tax credits awarded to any
48 transformative project shall not exceed \$400 million;

1 (h) from the tax credits made available, pursuant to
2 subparagraph (f) of this paragraph, to the "New Jersey Aspire
3 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
4 322 through 34:1B-335), and the "Emerge Program Act," sections
5 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
6 including tax credits awarded for transformative projects, an
7 amount not to exceed \$350,000,000 shall be made available for
8 qualified offshore wind projects awarded a credit pursuant to
9 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
10 years of the nine-year period;

11 (i) beginning in fiscal year 2023, from the tax credits made
12 available, pursuant to subparagraph (f) of this paragraph, to the
13 "New Jersey Aspire Program Act," sections 54 through 67 of
14 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
15 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
16 (C.34:1B-336 et al.), not including tax credits awarded for
17 transformative projects, additional amounts shall be made available
18 for New Jersey studio partners and New Jersey film-lease
19 production companies pursuant to sections 1 and 2 of P.L.2018,
20 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

21 (j) beginning in fiscal year 2024, from the tax credits made
22 available, pursuant to subparagraph (f) of this paragraph, to the
23 "New Jersey Aspire Program Act," sections 54 through 67 of
24 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
25 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
26 336 et al.), not including tax credits awarded for transformative
27 projects, an amount not to exceed \$500,000,000 may be annually
28 transferred for the award to transformative projects under the "New
29 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
30 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
31 remaining allocation of tax credits otherwise available for
32 transformative projects, pursuant to subparagraph (g) of this
33 paragraph, is less than \$1,000,000,000; and (ii) the authority board
34 determines that the transfer of tax credits is warranted based on
35 such criteria as the authority deems appropriate, which may include
36 the criteria set forth in paragraph (2) of this subsection. If a transfer
37 of tax credits is made pursuant to this subparagraph, the authority
38 shall award no greater than 65 percent of the tax credits transferred
39 pursuant to this subparagraph to transformative projects located in
40 the northern counties of the State and no greater than 35 percent of
41 the tax credits transferred pursuant to this subparagraph to
42 transformative projects located in the southern counties of the State.

43 (2) The authority may in any given year determine that it is in
44 the State's interest to approve an amount of tax credits in excess of
45 the annual limitations set forth in paragraph (1) of this subsection,
46 but in no event more than \$200,000,000 in excess of the annual
47 limitation, upon a determination by the authority board that such
48 increase is warranted based on specific criteria that may include:

- 1 (i) the increased demand for opportunities to create or retain
- 2 employment and investment in the State as indicated by the volume
- 3 of project applications and the amount of tax credits being sought
- 4 by those applications;
- 5 (ii) the need to protect the State's economic position in the event
- 6 of an economic downturn;
- 7 (iii) the quality of project applications and the net economic
- 8 benefit to the State and municipalities associated with those
- 9 applications;
- 10 (iv) opportunities for project applications to strengthen or protect
- 11 the competitiveness of the State under the prevailing market
- 12 conditions;
- 13 (v) enhanced access to employment and investment for
- 14 underserved populations in distressed municipalities and qualified
- 15 incentives tracts;
- 16 (vi) increased investment and employment in high-growth
- 17 technology sectors and in projects that entail collaboration with
- 18 education institutions in the State;
- 19 (vii) increased development proximate to mass transit
- 20 facilities;
- 21 (viii) any other factor deemed relevant by the authority.
- 22 c. In the event that the authority in any year approves projects
- 23 for tax credits in an amount less than the annual limitations set forth
- 24 in paragraph (1) of subsection b. of this section, then the
- 25 uncommitted portion of the annual limitation shall be available to
- 26 be deployed by the authority in future years for projects under the
- 27 same program; provided however, that in no event shall the
- 28 aggregate amount of tax credits approved be in excess of the overall
- 29 cap of \$11.5 billion, and in no event shall the uncommitted portion
- 30 of the annual limitation for any previous year be deployed after the
- 31 conclusion of the nine-year period.
- 32 d. Notwithstanding the provisions of any other law to the
- 33 contrary, the uncommitted balance of the total value of tax credits
- 34 authorized for award by the authority pursuant to subparagraph (f)
- 35 of paragraph (1) of subsection b. of this section to the "New Jersey
- 36 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
- 37 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
- 38 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
- 39 available for tax credits allowed to New Jersey studio partners and
- 40 New Jersey film-lease production companies pursuant to sections 1
- 41 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
- 42 value of tax credits, including tax credits allowed through the
- 43 granting of tax credit transfer certificates, made available to New
- 44 Jersey studio partners and New Jersey film-lease production
- 45 companies pursuant to this subsection shall be as follows:
- 46 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
- 47 partners and \$250,000,000 for New Jersey film-lease production
- 48 companies;

1 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
2 partners and \$250,000,000 for New Jersey film-lease production
3 companies; and

4 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
5 partners and \$250,000,000 for New Jersey film-lease production
6 companies.

7 If the value of tax credits, including tax credits allowed through
8 the granting of tax credit transfer certificates, approved to New
9 Jersey studio partners and New Jersey film-lease production
10 companies in any fiscal year pursuant to this subsection is less than
11 the cumulative total amount of tax credits permitted to be approved
12 in that fiscal year, the authority shall certify the amount of the
13 remaining tax credits available for approval to each such category
14 in that fiscal year, and shall increase the cumulative total amount of
15 tax credits permitted to be approved for New Jersey studio partners
16 and New Jersey film-lease production companies in the subsequent
17 fiscal year by the certified amount remaining for each such category
18 from the prior fiscal year.

19 (cf: P.L.2023, c.98, s.13)

20
21 2. (New section) As used in sections 2 through 5 of P.L. , c.
22 (C.) (pending before the Legislature as this bill):

23 “Agency” means the New Jersey Housing and Mortgage Finance
24 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
25 seq.).

26 “Director” means the Director of the Division of Taxation in the
27 Department of the Treasury.

28 “Low income housing tax credit” means a tax credit provided
29 through the federal Low Income Housing Tax Credit program
30 pursuant to section 42 of the Internal Revenue Code (26 U.S.C.
31 s.42).

32 “Project financing gap” means the same as the term is defined in
33 section 55 of P.L.2020, c.156 (C.34:1B-323).

34 “Qualified project” means a housing project that satisfies all
35 eligibility requirements, as determined by the agency, for the
36 receipt of a nine-percent low income housing tax credit,
37 notwithstanding the availability or unavailability of such funds.

38
39 3. (New section) a. Notwithstanding any provision of law or
40 regulation to the contrary, the agency may award the total amount
41 of tax credits allocated to the agency pursuant to subparagraph (e)
42 of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
43 (C.34:1B-362) in accordance with the provisions of this section.

44 b. The agency may award project financing tax credits to the
45 developers of qualified projects, which tax credits shall supplement
46 the value of any four-percent low income housing tax credits
47 previously awarded to the developer for the qualified project,

1 subject to the provisions of section 4 of P.L. , c. (C.)
2 (pending before the Legislature as this bill).

3 c. In addition to any other eligibility requirements that the
4 agency may deem appropriate, the tax credits authorized under this
5 section shall be available to any developer of a qualified project
6 that:

7 (1) received a four-percent low income housing tax credit for
8 the qualified project from the agency due to the total demand for
9 nine-percent low income housing tax credits exceeding the total
10 value of such tax credits available for distribution by the agency, as
11 made available to the agency pursuant to section 42 of the Internal
12 Revenue Code of 1986 (26 U.S.C. s.42); and

13 (2) demonstrates the existence of a project financing gap for the
14 qualified project.

15 d. The total value of tax credits awarded to a developer shall
16 equal the lesser of:

17 (1) the amount necessary to ensure that the qualified project
18 receives a total subsidy in an amount equivalent to the receipt of a
19 nine-percent low-income housing tax credit for the qualified
20 project; or

21 (2) the amount of the project financing gap for the qualified
22 project.

23 e. (1) All tax credits authorized pursuant to this section shall be
24 awarded upon application to the agency, which applications shall be
25 submitted in a form and manner prescribed by the agency.
26 Notwithstanding any provision of law or regulation to the contrary,
27 the agency may award some or all of the tax credits authorized
28 under this section as part of an existing program operated by the
29 agency on or before the effective date of P.L. , c. (C.)
30 (pending before the Legislature as this bill) or through the
31 establishment of a new program to effectuate the provisions of
32 P.L. , c. (C.) (pending before the Legislature as this bill).

33 (2) Upon approval of any application for tax credits pursuant to
34 this section, and upon the satisfaction of such additional
35 requirements as the agency deems appropriate, the agency shall
36 provide the tax credit recipient and the director with a certificate of
37 compliance indicating the amount of tax credits that the recipient
38 may apply against the recipient's tax liability, subject to the
39 provisions of section 4 of P.L. , c. (C.) (pending before the
40 Legislature as this bill).

41
42 4. (New section) a. The tax credits issued by the agency
43 pursuant to section 3 of P.L. , c. (C.) (pending before the
44 Legislature as this bill) may be applied against a developer's tax
45 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
46 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
47 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the
48 tax credit amount for a privilege period, the developer shall submit

1 to the director the certificate of compliance issued by the agency
2 pursuant to paragraph (2) of subsection e. of section 3 of P.L. , c.
3 (C.) (pending before the Legislature as this bill).

4 b. (1) The director shall prescribe the order of priority of the
5 application of the tax credit allowed under this section, together
6 with any other credits allowed by law, against the tax imposed
7 under section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
8 period. The amount of the tax credit applied under this section
9 against the tax imposed pursuant to section 5 of P.L.1945, c.162
10 (C.54:10A-5) for a privilege period, together with any other credits
11 allowed by law, shall not reduce the tax liability to an amount less
12 than the statutory minimum provided in subsection (e) of section 5
13 of P.L.1945, c.162 (C.54:10A-5).

14 (2) A developer may carry forward any unused tax credit
15 resulting from the limitations of paragraph (1) of this subsection or
16 from the insufficiency of a tax liability, as applicable, for use in the
17 five privilege periods next following the privilege period for which
18 the credits are awarded.

19 (3) Credits granted to a partnership shall be passed through to
20 the partners, members, or owners, respectively, pro-rata, or
21 pursuant to an executed agreement among the partners, members, or
22 owners documenting an alternate distribution method provided to
23 the director accompanied by any additional information as the
24 director may prescribe.

25 c. (1) A developer may apply to the director and the agency for
26 a tax credit transfer certificate, covering one or more years, in lieu
27 of the developer being allowed any amount of the credit against the
28 tax liability of the developer. An application for a tax credit
29 transfer certificate shall not be approved unless the agency
30 affirmatively determines, based on such considerations as the
31 agency deems appropriate, that the sale or assignment of the tax
32 credit transfer certificate is socially beneficial to the State.

33 (2) Upon approval of a developer's application for a tax credit
34 transfer certificate, and upon receipt thereof by the developer from
35 the director and the agency, the tax credit transfer certificate may be
36 sold or assigned, in full or in part, for an amount not less than
37 \$25,000, in the privilege period during which the developer receives
38 the tax credit transfer certificate to another person, who may apply
39 the credit against a tax liability pursuant to section 5 of P.L.1945,
40 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
41 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
42 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
43 in paragraph (2) of subsection b. of this section. The certificate
44 provided to the developer shall include a statement waiving the
45 developer's right to claim the amount of the tax credit that the
46 developer has elected to sell or assign against the developer's tax
47 liability.

1 (3) The developer shall not sell or assign, including a collateral
2 assignment, a tax credit transfer certificate allowed under this
3 section for consideration received by the developer of less than 85
4 percent of the transferred credit amount before considering any
5 further discounting to present value that shall be permitted.

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

9
10 5. (New section) Notwithstanding the provisions of the
11 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
12 seq.) to the contrary, the agency may adopt, immediately, upon
13 filing with the Office of Administrative Law, such rules and
14 regulations as the agency deems necessary to implement the
15 provisions of P.L. , c. (C.) (pending before the Legislature
16 as this bill), which regulations shall be effective for a period not to
17 exceed 180 days from the date of the filing. Thereafter, the agency
18 shall amend, adopt, or readopt the regulations in accordance with
19 the requirements of the “Administrative Procedure Act,” P.L.1968,
20 c.410 (C.52:14B-1 et seq.).

21
22 6. This act shall take effect immediately.

23
24
25 STATEMENT

26
27 This bill authorizes the New Jersey Housing and Mortgage
28 Finance Agency (HMFA) to issue project financing tax credits to
29 support the development of certain housing projects.

30 Under the bill, the uncommitted portion of tax credits otherwise
31 authorized to be awarded by the New Jersey Economic
32 Development Authority under the Community-Anchored
33 Development Program are to be annually reallocated to the HMFA
34 to support the purposes set forth in this bill.

35 Specifically, the bill permits the HMFA to award project
36 financing tax credits to the developers of certain qualified projects
37 that: (1) have received a four-percent federal low income housing
38 tax credit (LIHTC) when the total demand for nine-percent LIHTC
39 exceeds the total value available for distribution; and (2) have a
40 project financing gap demonstrated by the developer at the time of
41 application. The total tax credit award is not to exceed the lesser
42 of: (1) the amount necessary to ensure that the qualified project
43 receives a total subsidy in an amount equivalent to the receipt of a
44 nine-percent LIHTC for the qualified project; or (2) the amount of
45 the project financing gap for a qualified project.

46 The bill provides that the HMFA may award some or all of these
47 tax credits as part of an existing program operated by the HMFA or
48 through the establishment of a new program to effectuate the

1 provisions of this bill. The bill also provides that certain of these
2 tax credits may be sold or transferred by the recipient, subject to
3 certain restrictions specified in the bill.

[First Reprint]

ASSEMBLY, No. 3128

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Co-Sponsored by:

**Assemblyman Atkins, Assemblywoman Park, Assemblyman Verrelli,
Assemblywomen Collazos-Gill and Speight**

SYNOPSIS

Authorizes HMFA to issue tax credits for certain purposes.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing Committee on January 29, 2024, with amendments.



(Sponsorship Updated As Of: 2/12/2024)

1 AN ACT concerning the issuance of certain tax credits, amending
2 P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-1
3 et seq.).
4

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

8 ¹**[**1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
9 read as follows:

10 98. a. The combined value of all tax credits awarded under the
11 "Historic Property Reinvestment Act," sections 2 through 8 of
12 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields
13 Redevelopment Incentive Program Act," sections 9 through 19 of
14 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey
15 Innovation Evergreen Act," sections 20 through 34 of P.L.2020,
16 c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief
17 Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303
18 through 34:1B-310); the "New Jersey Community-Anchored
19 Development Act," sections 43 through 53 of P.L.2020, c.156
20 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program
21 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
22 through 34:1B-335); the "Emerge Program Act," sections 68 through
23 81 of P.L.2020, c.156 (C.34:1B-336 et al.); and section 6 of P.L.2010,
24 c.57 (C.34:1B-209.4) shall not exceed an overall cap of \$11.5 billion
25 over a nine-year period, subject to the conditions and limitations set
26 forth in this section. Of this \$11.5 billion, \$2.5 billion shall be
27 reserved for transformative projects approved under the Aspire
28 Program.

29 b. (1) The total value of tax credits awarded under any
30 constituent program of the "New Jersey Economic Recovery Act of
31 2020," P.L.2020, c.156 (C.34:1B-269 et al.) shall be subject to the
32 following annual limitations, except as otherwise provided in
33 subsection c. of this section:

34 (a) for tax credits awarded under the "Historic Property
35 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
36 (C.34:1B-270 through 34:1B-276), the total value of tax credits
37 annually awarded during each of the first six years of the nine-year
38 period shall not exceed \$50 million;

39 (b) for tax credits awarded under the "Brownfields
40 Redevelopment Incentive Program Act," sections 9 through 19 of
41 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of
42 tax credits annually awarded during each of the first six years of the
43 nine-year period shall not exceed \$50 million;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted January 29, 2024.

1 (c) for tax credits awarded under the "New Jersey Innovation
2 Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-
3 288 through 34:1B-302), the total value of tax credits annually
4 awarded during each of the first six years of the nine-year period shall
5 not exceed \$60 million and the total value of tax credits awarded over
6 the entirety of the nine-year period shall not exceed \$300,000,000;

7 (d) for tax credits awarded under the "Food Desert Relief Act,"
8 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
9 34:1B-310), the total value of tax credits annually awarded during
10 each of the first six years of the nine-year period shall not exceed \$40
11 million;

12 (e) for tax credits awarded under the "New Jersey Community-
13 Anchored Development Act," sections 43 through 53 of P.L.2020,
14 c.156 (C.34:1B-311 through 34:1B-321), the total value of tax credits
15 annually awarded during each of the first six years of the nine-year
16 period shall not exceed \$200 million, except that during each of the
17 first six years of the nine-year period, the authority shall annually
18 award tax credits valuing no greater than \$130 million for projects
19 located in the 13 northern counties of the State, and the authority
20 shall annually award tax credits valuing no greater than \$70 million
21 for projects located in the eight southern counties of the State. If
22 during any of the first six years of the nine-year period, the authority
23 awards tax credits in an amount less than the annual limitation for
24 projects located in northern counties or southern counties, as
25 applicable, the uncommitted portion of the annual limitation shall be
26 【available to be deployed by the authority in a subsequent year,
27 provided that the uncommitted portion of tax credits shall be awarded
28 for projects located in the applicable geographic area, except that (i)
29 after the completion of the third year of the nine-year period, the
30 authority may deploy 50 percent of the uncommitted portion of tax
31 credits from any previous year without consideration to the county in
32 which a project is located; and (ii) after the completion of the sixth
33 year of the nine-year period, the authority may deploy all available
34 tax credits, including the uncommitted portion of the annual
35 limitation for any previous year, without consideration to the county
36 in which a project is located】 reallocated to the New Jersey Housing
37 and Mortgage Finance Agency, established pursuant to P.L.1983,
38 c.530 (C.55:14K-1 et seq.), for the purposes authorized in
39 P.L. , c. (C.) (pending before the Legislature as this bill).
40 Notwithstanding any provision of law or regulation to the contrary,
41 the tax credits reallocated to the New Jersey Housing and Mortgage
42 Finance Agency shall not be subject to any requirements or
43 conditions of the "New Jersey Economic Recovery Act of 2020,"
44 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

45 (f) for tax credits awarded under the "New Jersey Aspire Program
46 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
47 through 34:1B-335), and the "Emerge Program Act," sections 68
48 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax

1 credits awarded for transformative projects, the total value of tax
2 credits annually awarded during each of the first six years of the nine-
3 year period shall not exceed \$1.1 billion. If the authority awards tax
4 credits in an amount less than the annual limitation, then the
5 uncommitted portion of the annual limitation shall be made available
6 for qualified offshore wind projects awarded under section 6 of
7 P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this
8 paragraph, or New Jersey studio partners and New Jersey film-lease
9 production companies awarded under sections 1 and 2 of P.L.2018,
10 c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph
11 (i) of this paragraph and subsection d. of this section. During each
12 of the first six years of the nine-year period, the authority shall
13 annually award tax credits valuing no greater than \$715 million for
14 projects located in the northern counties of the State, and the
15 authority shall annually award tax credits valuing no greater than
16 \$385 million for projects located in the southern counties of the State
17 under the "New Jersey Aspire Program Act," sections 54 through 67
18 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
19 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
20 (C.34:1B-336 et al.). If during any of the first six years of the nine-
21 year period, the authority awards tax credits under the "New Jersey
22 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
23 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
24 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an
25 amount less than the annual limitation for projects located in northern
26 counties or southern counties, as applicable, the uncommitted portion
27 of the annual limitation shall be available to be deployed by the
28 authority in a subsequent year, provided that the uncommitted portion
29 of tax credits shall be awarded for projects located in the applicable
30 geographic area, except that (i) after the completion of the third year
31 of the nine-year period, the authority may deploy 50 percent of the
32 uncommitted portion of tax credits for any previous year without
33 consideration to the county in which a project is located; and (ii) after
34 the completion of the sixth year of the nine-year period, the authority
35 may deploy all available tax credits, including the uncommitted
36 portion of the annual limitation for any previous year, without
37 consideration to the county in which a project is located;

38 (g) except as provided in subparagraph (j) of this paragraph, for
39 tax credits awarded for transformative projects under the "New
40 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
41 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits
42 awarded during the nine-year period shall not exceed \$2.5 billion.
43 The total value of tax credits awarded for transformative projects in
44 a given year shall not be subject to an annual limitation, except that
45 the total value of tax credits awarded to any transformative project
46 shall not exceed \$400 million;

47 (h) from the tax credits made available, pursuant to subparagraph
48 (f) of this paragraph, to the "New Jersey Aspire Program Act,"

1 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
2 34:1B-335), and the "Emerge Program Act," sections 68 through 81
3 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits
4 awarded for transformative projects, an amount not to exceed
5 \$350,000,000 shall be made available for qualified offshore wind
6 projects awarded a credit pursuant to section 6 of P.L.2010, c.57
7 (C.34:1B-209.4) during the first three years of the nine-year period;

8 (i) beginning in fiscal year 2023, from the tax credits made
9 available, pursuant to subparagraph (f) of this paragraph, to the "New
10 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
11 c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program
12 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
13 not including tax credits awarded for transformative projects,
14 additional amounts shall be made available for New Jersey studio
15 partners and New Jersey film-lease production companies pursuant
16 to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
17 12b); and

18 (j) beginning in fiscal year 2024, from the tax credits made
19 available, pursuant to subparagraph (f) of this paragraph, to the "New
20 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
21 c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program
22 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
23 not including tax credits awarded for transformative projects, an
24 amount not to exceed \$500,000,000 may be annually transferred for
25 the award to transformative projects under the "New Jersey Aspire
26 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
27 322 through 34:1B-335), provided that: (i) the remaining allocation
28 of tax credits otherwise available for transformative projects,
29 pursuant to subparagraph (g) of this paragraph, is less than
30 \$1,000,000,000; and (ii) the authority board determines that the
31 transfer of tax credits is warranted based on such criteria as the
32 authority deems appropriate, which may include the criteria set forth
33 in paragraph (2) of this subsection. If a transfer of tax credits is made
34 pursuant to this subparagraph, the authority shall award no greater
35 than 65 percent of the tax credits transferred pursuant to this
36 subparagraph to transformative projects located in the northern
37 counties of the State and no greater than 35 percent of the tax credits
38 transferred pursuant to this subparagraph to transformative projects
39 located in the southern counties of the State.

40 (2) The authority may in any given year determine that it is in the
41 State's interest to approve an amount of tax credits in excess of the
42 annual limitations set forth in paragraph (1) of this subsection, but in
43 no event more than \$200,000,000 in excess of the annual limitation,
44 upon a determination by the authority board that such increase is
45 warranted based on specific criteria that may include:

46 (i) the increased demand for opportunities to create or retain
47 employment and investment in the State as indicated by the volume

- 1 of project applications and the amount of tax credits being sought by
2 those applications;
- 3 (ii) the need to protect the State's economic position in the event
4 of an economic downturn;
- 5 (iii) the quality of project applications and the net economic
6 benefit to the State and municipalities associated with those
7 applications;
- 8 (iv) opportunities for project applications to strengthen or protect
9 the competitiveness of the State under the prevailing market
10 conditions;
- 11 (v) enhanced access to employment and investment for
12 underserved populations in distressed municipalities and qualified
13 incentives tracts;
- 14 (vi) increased investment and employment in high-growth
15 technology sectors and in projects that entail collaboration with
16 education institutions in the State;
- 17 (vii) increased development proximate to mass transit
18 facilities;
- 19 (viii) any other factor deemed relevant by the authority.
- 20 c. In the event that the authority in any year approves projects
21 for tax credits in an amount less than the annual limitations set forth
22 in paragraph (1) of subsection b. of this section, then the
23 uncommitted portion of the annual limitation shall be available to be
24 deployed by the authority in future years for projects under the same
25 program; provided however, that in no event shall the aggregate
26 amount of tax credits approved be in excess of the overall cap of
27 \$11.5 billion, and in no event shall the uncommitted portion of the
28 annual limitation for any previous year be deployed after the
29 conclusion of the nine-year period.
- 30 d. Notwithstanding the provisions of any other law to the
31 contrary, the uncommitted balance of the total value of tax credits
32 authorized for award by the authority pursuant to subparagraph (f) of
33 paragraph (1) of subsection b. of this section to the "New Jersey
34 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
35 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
36 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
37 available for tax credits allowed to New Jersey studio partners and
38 New Jersey film-lease production companies pursuant to sections 1
39 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
40 value of tax credits, including tax credits allowed through the
41 granting of tax credit transfer certificates, made available to New
42 Jersey studio partners and New Jersey film-lease production
43 companies pursuant to this subsection shall be as follows:
- 44 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
45 partners and \$250,000,000 for New Jersey film-lease production
46 companies;

1 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
2 partners and \$250,000,000 for New Jersey film-lease production
3 companies; and

4 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
5 partners and \$250,000,000 for New Jersey film-lease production
6 companies.

7 If the value of tax credits, including tax credits allowed through
8 the granting of tax credit transfer certificates, approved to New Jersey
9 studio partners and New Jersey film-lease production companies in
10 any fiscal year pursuant to this subsection is less than the cumulative
11 total amount of tax credits permitted to be approved in that fiscal
12 year, the authority shall certify the amount of the remaining tax
13 credits available for approval to each such category in that fiscal year,
14 and shall increase the cumulative total amount of tax credits
15 permitted to be approved for New Jersey studio partners and New
16 Jersey film-lease production companies in the subsequent fiscal year
17 by the certified amount remaining for each such category from the
18 prior fiscal year.

19 (cf: P.L.2023, c.98, s.13)】¹

20
21 ¹1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
22 read as follows:

23 98. a. The combined value of all tax credits awarded under the
24 "Historic Property Reinvestment Act," sections 2 through 8 of
25 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields
26 Redevelopment Incentive Program Act," sections 9 through 19 of
27 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey
28 Innovation Evergreen Act," sections 20 through 34 of P.L.2020,
29 c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief
30 Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303
31 through 34:1B-310); the "New Jersey Community-Anchored
32 Development Act," sections 43 through 53 of P.L.2020, c.156
33 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program
34 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
35 through 34:1B-335); the "Emerge Program Act," sections 68 through
36 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010,
37 c.57 (C.34:1B-209.4) 【,】; and the "Cultural Arts Incentives Program
38 Act," P.L.2023, c.197 (C.), shall not exceed an overall cap of
39 \$11.5 billion over a nine-year period, subject to the conditions and
40 limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion
41 shall be reserved for transformative projects approved under the
42 Aspire Program.

43 b. (1) The total value of tax credits awarded under any
44 constituent program of the "New Jersey Economic Recovery Act of
45 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts
46 Incentives Program Act," P.L.2023, c.197 (C.), subject to the
47 following limitations, except as otherwise provided in subsection c.
48 of this section:

1 (a) for tax credits awarded under the "Historic Property
2 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
3 (C.34:1B-270 through 34:1B-276), the total value of tax credits
4 annually awarded during each of the first six years of the nine-year
5 period shall not exceed \$50 million;

6 (b) for tax credits awarded under the "Brownfields
7 Redevelopment Incentive Program Act," sections 9 through 19 of
8 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value of
9 tax credits annually awarded during each of the first six years of the
10 nine-year period shall not exceed \$50 million;

11 (c) for tax credits awarded under the "New Jersey Innovation
12 Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-
13 288 through 34:1B-302), the total value of tax credits annually
14 awarded during each of the first six years of the nine-year period shall
15 not exceed \$60 million and the total value of tax credits awarded over
16 the entirety of the nine-year period shall not exceed \$300,000,000;

17 (d) for tax credits awarded under the "Food Desert Relief Act,"
18 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
19 34:1B-310), the total value of tax credits annually awarded during
20 each of the first six years of the nine-year period shall not exceed \$40
21 million;

22 (e) for tax credits awarded under the "New Jersey Community-
23 Anchored Development Act," sections 43 through 53 of P.L.2020,
24 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
25 Incentives Program Act," P.L.2023, c.197 (C.), the total value
26 of tax credits awarded during the nine-year period shall not exceed
27 \$1,200,000,000; provided, however, tax credits shall not be available
28 under the "New Jersey Community-Anchored Development Act,"
29 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
30 34:1B-321), until January 1, 2026. Beginning January 1, 2026, the
31 authority shall annually award tax credits under the "New Jersey
32 Community-Anchored Development Act," sections 43 through 53 of
33 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), valuing no
34 greater than \$130 million for projects located in the 13 northern
35 counties of the State, and the authority shall annually award tax
36 credits valuing no greater than \$70 million for projects located in the
37 eight southern counties of the State. If during any year of operation
38 of the "New Jersey Community-Anchored Development Act,"
39 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
40 34:1B-321), the authority awards tax credits pursuant to the program
41 in an amount less than the annual limitation for projects located in
42 northern counties or southern counties, as applicable, the
43 uncommitted portion of the annual limitation shall be [available to
44 be deployed by the authority in a subsequent year without
45 consideration to the county in which a project is located] reallocated
46 to the New Jersey Housing and Mortgage Finance Agency,
47 established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), for the
48 purposes authorized in P.L. , c. (C.) (pending before the

1 Legislature as this bill). Notwithstanding any provision of law or
2 regulation to the contrary, the tax credits reallocated to the New
3 Jersey Housing and Mortgage Finance Agency shall not be subject to
4 any requirements or conditions of the “New Jersey Economic
5 Recovery Act of 2020,” P.L.2020, c.156 (C.34:1B-269 et al.), as
6 amended or supplemented;

7 (f) for tax credits awarded under the "New Jersey Aspire Program
8 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
9 through 34:1B-335), and the "Emerge Program Act," sections 68
10 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax
11 credits awarded for transformative projects, the total value of tax
12 credits annually awarded during each of the first six years of the nine-
13 year period shall not exceed \$1.1 billion. If the authority awards tax
14 credits in an amount less than the annual limitation, then the
15 uncommitted portion of the annual limitation shall be made available
16 for qualified offshore wind projects awarded under section 6 of
17 P.L.2010, c.57 (C.34:1B-209.4), pursuant to subparagraph (h) of this
18 paragraph, or New Jersey studio partners and New Jersey film-lease
19 production companies awarded under sections 1 and 2 of P.L.2018,
20 c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph
21 (i) of this paragraph and subsection d. of this section. During each
22 of the first six years of the nine-year period, the authority shall
23 annually award tax credits valuing no greater than \$715 million for
24 projects located in the northern counties of the State, and the
25 authority shall annually award tax credits valuing no greater than
26 \$385 million for projects located in the southern counties of the State
27 under the "New Jersey Aspire Program Act," sections 54 through 67
28 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
29 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
30 (C.34:1B-336 et al.). If during any of the first six years of the nine-
31 year period, the authority awards tax credits under the "New Jersey
32 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
33 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
34 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an
35 amount less than the annual limitation for projects located in northern
36 counties or southern counties, as applicable, the uncommitted portion
37 of the annual limitation shall be available to be deployed by the
38 authority in a subsequent year, provided that the uncommitted portion
39 of tax credits shall be awarded for projects located in the applicable
40 geographic area, except that (i) after the completion of the third year
41 of the nine-year period, the authority may deploy 50 percent of the
42 uncommitted portion of tax credits for any previous year without
43 consideration to the county in which a project is located; and (ii) after
44 the completion of the sixth year of the nine-year period, the authority
45 may deploy all available tax credits, including the uncommitted
46 portion of the annual limitation for any previous year, without
47 consideration to the county in which a project is located;

1 (g) except as provided in subparagraph (j) of this paragraph, for
2 tax credits awarded for transformative projects under the "New
3 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
4 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits
5 awarded during the nine-year period shall not exceed \$2.5 billion.
6 The total value of tax credits awarded for transformative projects in
7 a given year shall not be subject to an annual limitation, except that
8 the total value of tax credits awarded to any transformative project
9 shall not exceed \$400 million;

10 (h) from the tax credits made available, pursuant to subparagraph
11 (f) of this paragraph, to the "New Jersey Aspire Program Act,"
12 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
13 34:1B-335), and the "Emerge Program Act," sections 68 through 81
14 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits
15 awarded for transformative projects, an amount not to exceed
16 \$350,000,000 shall be made available for qualified offshore wind
17 projects awarded a credit pursuant to section 6 of P.L.2010, c.57
18 (C.34:1B-209.4) during the first three years of the nine-year period;

19 (i) beginning in fiscal year 2023, from the tax credits made
20 available, pursuant to subparagraph (f) of this paragraph, to the "New
21 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
22 c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program
23 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
24 not including tax credits awarded for transformative projects,
25 additional amounts shall be made available for New Jersey studio
26 partners and New Jersey film-lease production companies pursuant
27 to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
28 12b); and

29 (j) beginning in fiscal year 2024, from the tax credits made
30 available, pursuant to subparagraph (f) of this paragraph, to the "New
31 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
32 c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program
33 Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.),
34 not including tax credits awarded for transformative projects, an
35 amount not to exceed \$500,000,000 may be annually transferred for
36 the award to transformative projects under the "New Jersey Aspire
37 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
38 322 through 34:1B-335), provided that: (i) the remaining allocation
39 of tax credits otherwise available for transformative projects,
40 pursuant to subparagraph (g) of this paragraph, is less than
41 \$1,000,000,000; and (ii) the authority board determines that the
42 transfer of tax credits is warranted based on such criteria as the
43 authority deems appropriate, which may include the criteria set forth
44 in paragraph (2) of this subsection. If a transfer of tax credits is made
45 pursuant to this subparagraph, the authority shall award no greater
46 than 65 percent of the tax credits transferred pursuant to this
47 subparagraph to transformative projects located in the northern
48 counties of the State and no greater than 35 percent of the tax credits

1 transferred pursuant to this subparagraph to transformative projects
2 located in the southern counties of the State.

3 (2) The authority may in any given year determine that it is in the
4 State's interest to approve an amount of tax credits in excess of the
5 annual limitations set forth in paragraph (1) of this subsection, but in
6 no event more than \$200,000,000 in excess of the annual limitation,
7 upon a determination by the authority board that such increase is
8 warranted based on specific criteria that may include:

9 (i) the increased demand for opportunities to create or retain
10 employment and investment in the State as indicated by the volume
11 of project applications and the amount of tax credits being sought by
12 those applications;

13 (ii) the need to protect the State's economic position in the event
14 of an economic downturn;

15 (iii) the quality of project applications and the net economic
16 benefit to the State and municipalities associated with those
17 applications;

18 (iv) opportunities for project applications to strengthen or protect
19 the competitiveness of the State under the prevailing market
20 conditions;

21 (v) enhanced access to employment and investment for
22 underserved populations in distressed municipalities and qualified
23 incentives tracts;

24 (vi) increased investment and employment in high-growth
25 technology sectors and in projects that entail collaboration with
26 education institutions in the State;

27 (vii) increased development proximate to mass transit facilities;

28 (viii) any other factor deemed relevant by the authority.

29 c. In the event that the authority in any year approves projects
30 for tax credits in an amount less than the annual limitations set forth
31 in paragraph (1) of subsection b. of this section, then the
32 uncommitted portion of the annual limitation shall be available to be
33 deployed by the authority in future years for projects under the same
34 program; provided however, that in no event shall the aggregate
35 amount of tax credits approved be in excess of the overall cap of
36 \$11.5 billion, and in no event shall the uncommitted portion of the
37 annual limitation for any previous year be deployed after the
38 conclusion of the nine-year period.

39 d. Notwithstanding the provisions of any other law to the
40 contrary, the uncommitted balance of the total value of tax credits
41 authorized for award by the authority pursuant to subparagraph (f) of
42 paragraph (1) of subsection b. of this section to the "New Jersey
43 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
44 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
45 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
46 available for tax credits allowed to New Jersey studio partners and
47 New Jersey film-lease production companies pursuant to sections 1
48 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The

1 value of tax credits, including tax credits allowed through the
2 granting of tax credit transfer certificates, made available to New
3 Jersey studio partners and New Jersey film-lease production
4 companies pursuant to this subsection shall be as follows:

5 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
6 partners and \$250,000,000 for New Jersey film-lease production
7 companies;

8 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
9 partners and \$250,000,000 for New Jersey film-lease production
10 companies; and

11 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
12 partners and \$250,000,000 for New Jersey film-lease production
13 companies.

14 If the value of tax credits, including tax credits allowed through
15 the granting of tax credit transfer certificates, approved to New Jersey
16 studio partners and New Jersey film-lease production companies in
17 any fiscal year pursuant to this subsection is less than the cumulative
18 total amount of tax credits permitted to be approved in that fiscal
19 year, the authority shall certify the amount of the remaining tax
20 credits available for approval to each such category in that fiscal year,
21 and shall increase the cumulative total amount of tax credits
22 permitted to be approved for New Jersey studio partners and New
23 Jersey film-lease production companies in the subsequent fiscal year
24 by the certified amount remaining for each such category from the
25 prior fiscal year.¹

26 (cf: P.L.2023, c.197, s.13)

27
28 2. (New section) As used in sections 2 through 5 of P.L. , c.
29 (C.) (pending before the Legislature as this bill):

30 “Agency” means the New Jersey Housing and Mortgage Finance
31 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
32 seq.).

33 “Director” means the Director of the Division of Taxation in the
34 Department of the Treasury.

35 “Low income housing tax credit” means a tax credit provided
36 through the federal Low Income Housing Tax Credit program
37 pursuant to section 42 of the Internal Revenue Code (26 U.S.C. s.42).

38 “Project financing gap” means the same as the term is defined in
39 section 55 of P.L.2020, c.156 (C.34:1B-323).

40 “Qualified project” means a housing project that satisfies all
41 eligibility requirements, as determined by the agency, for the receipt
42 of a nine-percent low income housing tax credit, notwithstanding the
43 availability or unavailability of such funds.

44
45 3. (New section) a. Notwithstanding any provision of law or
46 regulation to the contrary, the agency may award the total amount of
47 tax credits allocated to the agency pursuant to subparagraph (e) of

1 paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
2 (C.34:1B-362) in accordance with the provisions of this section.

3 b. The agency may award project financing tax credits to the
4 developers of qualified projects, which tax credits shall supplement
5 the value of any four-percent low income housing tax credits
6 previously awarded to the developer for the qualified project, subject
7 to the provisions of section 4 of P.L. , c. (C.) (pending before
8 the Legislature as this bill).

9 c. In addition to any other eligibility requirements that the
10 agency may deem appropriate, the tax credits authorized under this
11 section shall be available to any developer of a qualified project that:

12 (1) received a four-percent low income housing tax credit for the
13 qualified project from the agency due to the total demand for nine-
14 percent low income housing tax credits exceeding the total value of
15 such tax credits available for distribution by the agency, as made
16 available to the agency pursuant to section 42 of the Internal Revenue
17 Code of 1986 (26 U.S.C. s.42); and

18 (2) demonstrates the existence of a project financing gap for the
19 qualified project.

20 d. The total value of tax credits awarded to a developer shall
21 equal the lesser of:

22 (1) the amount necessary to ensure that the qualified project
23 receives a total subsidy in an amount equivalent to the receipt of a
24 nine-percent low-income housing tax credit for the qualified project;
25 or

26 (2) the amount of the project financing gap for the qualified
27 project.

28 e. (1) All tax credits authorized pursuant to this section shall be
29 awarded upon application to the agency, which applications shall be
30 submitted in a form and manner prescribed by the agency.
31 Notwithstanding any provision of law or regulation to the contrary,
32 the agency may award some or all of the tax credits authorized under
33 this section as part of an existing program operated by the agency on
34 or before the effective date of P.L. , c. (C.) (pending before
35 the Legislature as this bill) or through the establishment of a new
36 program to effectuate the provisions of P.L. , c. (C.)
37 (pending before the Legislature as this bill).

38 (2) Upon approval of any application for tax credits pursuant to
39 this section, and upon the satisfaction of such additional requirements
40 as the agency deems appropriate, the agency shall provide the tax
41 credit recipient and the director with a certificate of compliance
42 indicating the amount of tax credits that the recipient may apply
43 against the recipient's tax liability, subject to the provisions of
44 section 4 of P.L. , c. (C.) (pending before the Legislature as
45 this bill).

46
47 4. (New section) a. The tax credits issued by the agency
48 pursuant to section 3 of P.L. , c. (C.) (pending before the

1 Legislature as this bill) may be applied against a developer's tax
2 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
3 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
4 P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the tax
5 credit amount for a privilege period, the developer shall submit to the
6 director the certificate of compliance issued by the agency pursuant
7 to paragraph (2) of subsection e. of section 3 of P.L. , c. (C.)
8 (pending before the Legislature as this bill).

9 b. (1) The director shall prescribe the order of priority of the
10 application of the tax credit allowed under this section, together with
11 any other credits allowed by law, against the tax imposed under
12 section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period. The
13 amount of the tax credit applied under this section against the tax
14 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a
15 privilege period, together with any other credits allowed by law, shall
16 not reduce the tax liability to an amount less than the statutory
17 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
18 (C.54:10A-5).

19 (2) A developer may carry forward any unused tax credit
20 resulting from the limitations of paragraph (1) of this subsection or
21 from the insufficiency of a tax liability, as applicable, for use in the
22 five privilege periods next following the privilege period for which
23 the credits are awarded.

24 (3) Credits granted to a partnership shall be passed through to the
25 partners, members, or owners, respectively, pro-rata, or pursuant to
26 an executed agreement among the partners, members, or owners
27 documenting an alternate distribution method provided to the director
28 accompanied by any additional information as the director may
29 prescribe.

30 c. (1) A developer may apply to the director and the agency for
31 a tax credit transfer certificate, covering one or more years, in lieu of
32 the developer being allowed any amount of the credit against the tax
33 liability of the developer. An application for a tax credit transfer
34 certificate shall not be approved unless the agency affirmatively
35 determines, based on such considerations as the agency deems
36 appropriate, that the sale or assignment of the tax credit transfer
37 certificate is socially beneficial to the State.

38 (2) Upon approval of a developer's application for a tax credit
39 transfer certificate, and upon receipt thereof by the developer from
40 the director and the agency, the tax credit transfer certificate may be
41 sold or assigned, in full or in part, for an amount not less than
42 \$25,000, in the privilege period during which the developer receives
43 the tax credit transfer certificate to another person, who may apply
44 the credit against a tax liability pursuant to section 5 of P.L.1945,
45 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
46 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
47 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
48 in paragraph (2) of subsection b. of this section. The certificate

1 provided to the developer shall include a statement waiving the
2 developer's right to claim the amount of the tax credit that the
3 developer has elected to sell or assign against the developer's tax
4 liability.

5 (3) The developer shall not sell or assign, including a collateral
6 assignment, a tax credit transfer certificate allowed under this section
7 for consideration received by the developer of less than 85 percent of
8 the transferred credit amount before considering any further
9 discounting to present value that shall be permitted.

10 (4) A purchaser or assignee of a tax credit transfer certificate
11 pursuant to this section shall not make any subsequent transfers,
12 assignments, or sales of the tax credit transfer certificate.

13

14 5. (New section) Notwithstanding the provisions of the
15 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
16 seq.) to the contrary, the agency may adopt, immediately, upon filing
17 with the Office of Administrative Law, such rules and regulations as
18 the agency deems necessary to implement the provisions of P.L. ,
19 c. (C.) (pending before the Legislature as this bill), which
20 regulations shall be effective for a period not to exceed 180 days from
21 the date of the filing. Thereafter, the agency shall amend, adopt, or
22 readopt the regulations in accordance with the requirements of the
23 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
24 seq.).

25

26 6. This act shall take effect immediately.

[Second Reprint]

ASSEMBLY, No. 3128

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex and Hudson)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator TROY SINGLETON

District 7 (Burlington)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Atkins, Assemblywoman Park, Assemblyman Verrelli,

Assemblywomen Collazos-Gill, Speight and Senator McKnight

SYNOPSIS

Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for certain housing purposes.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 26, 2025, with amendments.

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

1 AN ACT concerning the ²**[issuance]** use² of ²**[certain]**² tax credits
 2 ²for certain housing programs², amending P.L.2020, c.156, and
 3 supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).
 4

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

8 ¹**[**1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 9 read as follows:
 10

11 98. a. The combined value of all tax credits awarded under the
 12 "Historic Property Reinvestment Act," sections 2 through 8 of
 13 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 14 "Brownfields Redevelopment Incentive Program Act," sections 9
 15 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 16 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 17 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 18 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 19 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 20 Anchored Development Act," sections 43 through 53 of P.L.2020,
 21 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 22 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 23 322 through 34:1B-335); the "Emerge Program Act," sections 68
 24 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); and section 6 of
 25 P.L.2010, c.57 (C.34:1B-209.4) shall not exceed an overall cap of
 26 \$11.5 billion over a nine-year period, subject to the conditions and
 27 limitations set forth in this section. Of this \$11.5 billion, \$2.5
 28 billion shall be reserved for transformative projects approved under
 the Aspire Program.

29 b. (1) The total value of tax credits awarded under any
 30 constituent program of the "New Jersey Economic Recovery Act of
 31 2020," P.L.2020, c.156 (C.34:1B-269 et al.) shall be subject to the
 32 following annual limitations, except as otherwise provided in
 33 subsection c. of this section:

34 (a) for tax credits awarded under the "Historic Property
 35 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
 36 (C.34:1B-270 through 34:1B-276), the total value of tax credits
 37 annually awarded during each of the first six years of the nine-year
 38 period shall not exceed \$50 million;

39 (b) for tax credits awarded under the "Brownfields
 40 Redevelopment Incentive Program Act," sections 9 through 19 of
 41 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
 42 of tax credits annually awarded during each of the first six years of
 43 the nine-year period shall not exceed \$50 million;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHO committee amendments adopted January 29, 2024.

²Senate SBA committee amendments adopted June 26, 2025.

1 (c) for tax credits awarded under the "New Jersey Innovation
2 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
3 (C.34:1B-288 through 34:1B-302), the total value of tax credits
4 annually awarded during each of the first six years of the nine-year
5 period shall not exceed \$60 million and the total value of tax credits
6 awarded over the entirety of the nine-year period shall not exceed
7 \$300,000,000;

8 (d) for tax credits awarded under the "Food Desert Relief Act,"
9 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
10 34:1B-310), the total value of tax credits annually awarded during
11 each of the first six years of the nine-year period shall not exceed
12 \$40 million;

13 (e) for tax credits awarded under the "New Jersey Community-
14 Anchored Development Act," sections 43 through 53 of P.L.2020,
15 c.156 (C.34:1B-311 through 34:1B-321), the total value of tax
16 credits annually awarded during each of the first six years of the
17 nine-year period shall not exceed \$200 million, except that during
18 each of the first six years of the nine-year period, the authority shall
19 annually award tax credits valuing no greater than \$130 million for
20 projects located in the 13 northern counties of the State, and the
21 authority shall annually award tax credits valuing no greater than
22 \$70 million for projects located in the eight southern counties of the
23 State. If during any of the first six years of the nine-year period, the
24 authority awards tax credits in an amount less than the annual
25 limitation for projects located in northern counties or southern
26 counties, as applicable, the uncommitted portion of the annual
27 limitation shall be [available to be deployed by the authority in a
28 subsequent year, provided that the uncommitted portion of tax
29 credits shall be awarded for projects located in the applicable
30 geographic area, except that (i) after the completion of the third
31 year of the nine-year period, the authority may deploy 50 percent of
32 the uncommitted portion of tax credits from any previous year
33 without consideration to the county in which a project is located;
34 and (ii) after the completion of the sixth year of the nine-year
35 period, the authority may deploy all available tax credits, including
36 the uncommitted portion of the annual limitation for any previous
37 year, without consideration to the county in which a project is
38 located] reallocated to the New Jersey Housing and Mortgage
39 Finance Agency, established pursuant to P.L.1983, c.530
40 (C.55:14K-1 et seq.), for the purposes authorized in
41 P.L. , c. (C.) (pending before the Legislature as this bill).
42 Notwithstanding any provision of law or regulation to the contrary,
43 the tax credits reallocated to the New Jersey Housing and Mortgage
44 Finance Agency shall not be subject to any requirements or
45 conditions of the "New Jersey Economic Recovery Act of 2020,"
46 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

47 (f) for tax credits awarded under the "New Jersey Aspire
48 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-

1 322 through 34:1B-335), and the "Emerge Program Act," sections
2 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
3 including tax credits awarded for transformative projects, the total
4 value of tax credits annually awarded during each of the first six
5 years of the nine-year period shall not exceed \$1.1 billion. If the
6 authority awards tax credits in an amount less than the annual
7 limitation, then the uncommitted portion of the annual limitation
8 shall be made available for qualified offshore wind projects
9 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
10 pursuant to subparagraph (h) of this paragraph, or New Jersey
11 studio partners and New Jersey film-lease production companies
12 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
13 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
14 and subsection d. of this section. During each of the first six years
15 of the nine-year period, the authority shall annually award tax
16 credits valuing no greater than \$715 million for projects located in
17 the northern counties of the State, and the authority shall annually
18 award tax credits valuing no greater than \$385 million for projects
19 located in the southern counties of the State under the "New Jersey
20 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
21 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
22 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
23 during any of the first six years of the nine-year period, the
24 authority awards tax credits under the "New Jersey Aspire Program
25 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
26 through 34:1B-335), and the "Emerge Program Act," sections 68
27 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
28 less than the annual limitation for projects located in northern
29 counties or southern counties, as applicable, the uncommitted
30 portion of the annual limitation shall be available to be deployed by
31 the authority in a subsequent year, provided that the uncommitted
32 portion of tax credits shall be awarded for projects located in the
33 applicable geographic area, except that (i) after the completion of
34 the third year of the nine-year period, the authority may deploy 50
35 percent of the uncommitted portion of tax credits for any previous
36 year without consideration to the county in which a project is
37 located; and (ii) after the completion of the sixth year of the nine-
38 year period, the authority may deploy all available tax credits,
39 including the uncommitted portion of the annual limitation for any
40 previous year, without consideration to the county in which a
41 project is located;

42 (g) except as provided in subparagraph (j) of this paragraph, for
43 tax credits awarded for transformative projects under the "New
44 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
45 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
46 credits awarded during the nine-year period shall not exceed \$2.5
47 billion. The total value of tax credits awarded for transformative
48 projects in a given year shall not be subject to an annual limitation,

1 except that the total value of tax credits awarded to any
2 transformative project shall not exceed \$400 million;

3 (h) from the tax credits made available, pursuant to
4 subparagraph (f) of this paragraph, to the "New Jersey Aspire
5 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
6 322 through 34:1B-335), and the "Emerge Program Act," sections
7 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
8 including tax credits awarded for transformative projects, an
9 amount not to exceed \$350,000,000 shall be made available for
10 qualified offshore wind projects awarded a credit pursuant to
11 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
12 years of the nine-year period;

13 (i) beginning in fiscal year 2023, from the tax credits made
14 available, pursuant to subparagraph (f) of this paragraph, to the
15 "New Jersey Aspire Program Act," sections 54 through 67 of
16 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
17 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
18 (C.34:1B-336 et al.), not including tax credits awarded for
19 transformative projects, additional amounts shall be made available
20 for New Jersey studio partners and New Jersey film-lease
21 production companies pursuant to sections 1 and 2 of P.L.2018,
22 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

23 (j) beginning in fiscal year 2024, from the tax credits made
24 available, pursuant to subparagraph (f) of this paragraph, to the
25 "New Jersey Aspire Program Act," sections 54 through 67 of
26 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
27 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
28 336 et al.), not including tax credits awarded for transformative
29 projects, an amount not to exceed \$500,000,000 may be annually
30 transferred for the award to transformative projects under the "New
31 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
32 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
33 remaining allocation of tax credits otherwise available for
34 transformative projects, pursuant to subparagraph (g) of this
35 paragraph, is less than \$1,000,000,000; and (ii) the authority board
36 determines that the transfer of tax credits is warranted based on
37 such criteria as the authority deems appropriate, which may include
38 the criteria set forth in paragraph (2) of this subsection. If a transfer
39 of tax credits is made pursuant to this subparagraph, the authority
40 shall award no greater than 65 percent of the tax credits transferred
41 pursuant to this subparagraph to transformative projects located in
42 the northern counties of the State and no greater than 35 percent of
43 the tax credits transferred pursuant to this subparagraph to
44 transformative projects located in the southern counties of the State.

45 (2) The authority may in any given year determine that it is in
46 the State's interest to approve an amount of tax credits in excess of
47 the annual limitations set forth in paragraph (1) of this subsection,
48 but in no event more than \$200,000,000 in excess of the annual

1 limitation, upon a determination by the authority board that such
2 increase is warranted based on specific criteria that may include:

3 (i) the increased demand for opportunities to create or retain
4 employment and investment in the State as indicated by the volume
5 of project applications and the amount of tax credits being sought
6 by those applications;

7 (ii) the need to protect the State's economic position in the event
8 of an economic downturn;

9 (iii) the quality of project applications and the net economic
10 benefit to the State and municipalities associated with those
11 applications;

12 (iv) opportunities for project applications to strengthen or protect
13 the competitiveness of the State under the prevailing market
14 conditions;

15 (v) enhanced access to employment and investment for
16 underserved populations in distressed municipalities and qualified
17 incentives tracts;

18 (vi) increased investment and employment in high-growth
19 technology sectors and in projects that entail collaboration with
20 education institutions in the State;

21 (vii) increased development proximate to mass transit
22 facilities;

23 (viii) any other factor deemed relevant by the authority.

24 c. In the event that the authority in any year approves projects
25 for tax credits in an amount less than the annual limitations set forth
26 in paragraph (1) of subsection b. of this section, then the
27 uncommitted portion of the annual limitation shall be available to
28 be deployed by the authority in future years for projects under the
29 same program; provided however, that in no event shall the
30 aggregate amount of tax credits approved be in excess of the overall
31 cap of \$11.5 billion, and in no event shall the uncommitted portion
32 of the annual limitation for any previous year be deployed after the
33 conclusion of the nine-year period.

34 d. Notwithstanding the provisions of any other law to the
35 contrary, the uncommitted balance of the total value of tax credits
36 authorized for award by the authority pursuant to subparagraph (f)
37 of paragraph (1) of subsection b. of this section to the "New Jersey
38 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
39 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
40 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
41 available for tax credits allowed to New Jersey studio partners and
42 New Jersey film-lease production companies pursuant to sections 1
43 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
44 value of tax credits, including tax credits allowed through the
45 granting of tax credit transfer certificates, made available to New
46 Jersey studio partners and New Jersey film-lease production
47 companies pursuant to this subsection shall be as follows:

1 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
2 partners and \$250,000,000 for New Jersey film-lease production
3 companies;

4 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
5 partners and \$250,000,000 for New Jersey film-lease production
6 companies; and

7 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
8 partners and \$250,000,000 for New Jersey film-lease production
9 companies.

10 If the value of tax credits, including tax credits allowed through
11 the granting of tax credit transfer certificates, approved to New
12 Jersey studio partners and New Jersey film-lease production
13 companies in any fiscal year pursuant to this subsection is less than
14 the cumulative total amount of tax credits permitted to be approved
15 in that fiscal year, the authority shall certify the amount of the
16 remaining tax credits available for approval to each such category
17 in that fiscal year, and shall increase the cumulative total amount of
18 tax credits permitted to be approved for New Jersey studio partners
19 and New Jersey film-lease production companies in the subsequent
20 fiscal year by the certified amount remaining for each such category
21 from the prior fiscal year.

22 (cf: P.L.2023, c.98, s.13)]¹

23
24 ²[¹1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended
25 to read as follows:

26 98. a. The combined value of all tax credits awarded under the
27 "Historic Property Reinvestment Act," sections 2 through 8 of
28 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
29 "Brownfields Redevelopment Incentive Program Act," sections 9
30 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
31 the "New Jersey Innovation Evergreen Act," sections 20 through 34
32 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
33 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
34 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
35 Anchored Development Act," sections 43 through 53 of P.L.2020,
36 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
37 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
38 322 through 34:1B-335); the "Emerge Program Act," sections 68
39 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
40 P.L.2010, c.57 (C.34:1B-209.4) [.] ; and the "Cultural Arts
41 Incentives Program Act," P.L.2023, c.197 (C.), shall not
42 exceed an overall cap of \$11.5 billion over a nine-year period,
43 subject to the conditions and limitations set forth in this section. Of
44 this \$11.5 billion, \$2.5 billion shall be reserved for transformative
45 projects approved under the Aspire Program.

46 b. (1) The total value of tax credits awarded under any
47 constituent program of the "New Jersey Economic Recovery Act of
48 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts

1 Incentives Program Act,” P.L.2023, c.197 (C.), subject to the
2 following limitations, except as otherwise provided in subsection c.
3 of this section:

4 (a) for tax credits awarded under the "Historic Property
5 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
6 (C.34:1B-270 through 34:1B-276), the total value of tax credits
7 annually awarded during each of the first six years of the nine-year
8 period shall not exceed \$50 million;

9 (b) for tax credits awarded under the "Brownfields
10 Redevelopment Incentive Program Act," sections 9 through 19 of
11 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
12 of tax credits annually awarded during each of the first six years of
13 the nine-year period shall not exceed \$50 million;

14 (c) for tax credits awarded under the "New Jersey Innovation
15 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
16 (C.34:1B-288 through 34:1B-302), the total value of tax credits
17 annually awarded during each of the first six years of the nine-year
18 period shall not exceed \$60 million and the total value of tax credits
19 awarded over the entirety of the nine-year period shall not exceed
20 \$300,000,000;

21 (d) for tax credits awarded under the "Food Desert Relief Act,"
22 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
23 34:1B-310), the total value of tax credits annually awarded during
24 each of the first six years of the nine-year period shall not exceed
25 \$40 million;

26 (e) for tax credits awarded under the "New Jersey Community-
27 Anchored Development Act," sections 43 through 53 of P.L.2020,
28 c.156 (C.34:1B-311 through 34:1B-321), and the “Cultural Arts
29 Incentives Program Act,” P.L.2023, c.197 (C.), the total value
30 of tax credits awarded during the nine-year period shall not exceed
31 \$1,200,000,000; provided, however, tax credits shall not be
32 available under the "New Jersey Community-Anchored
33 Development Act," sections 43 through 53 of P.L.2020, c.156
34 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
35 Beginning January 1, 2026, the authority shall annually award tax
36 credits under the "New Jersey Community-Anchored Development
37 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
38 through 34:1B-321), valuing no greater than \$130 million for
39 projects located in the 13 northern counties of the State, and the
40 authority shall annually award tax credits valuing no greater than
41 \$70 million for projects located in the eight southern counties of the
42 State. If during any year of operation of the "New Jersey
43 Community-Anchored Development Act," sections 43 through 53 of
44 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
45 awards tax credits pursuant to the program in an amount less than
46 the annual limitation for projects located in northern counties or
47 southern counties, as applicable, the uncommitted portion of the
48 annual limitation shall be [available to be deployed by the authority

1 in a subsequent year without consideration to the county in which a
2 project is located】 reallocated to the New Jersey Housing and
3 Mortgage Finance Agency, established pursuant to P.L.1983, c.530
4 (C.55:14K-1 et seq.), for the purposes authorized in
5 P.L. , c. (C.) (pending before the Legislature as this bill).
6 Notwithstanding any provision of law or regulation to the contrary,
7 the tax credits reallocated to the New Jersey Housing and Mortgage
8 Finance Agency shall not be subject to any requirements or
9 conditions of the “New Jersey Economic Recovery Act of 2020,”
10 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

11 (f) for tax credits awarded under the "New Jersey Aspire
12 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
13 322 through 34:1B-335), and the "Emerge Program Act," sections
14 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
15 including tax credits awarded for transformative projects, the total
16 value of tax credits annually awarded during each of the first six
17 years of the nine-year period shall not exceed \$1.1 billion. If the
18 authority awards tax credits in an amount less than the annual
19 limitation, then the uncommitted portion of the annual limitation
20 shall be made available for qualified offshore wind projects
21 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
22 pursuant to subparagraph (h) of this paragraph, or New Jersey
23 studio partners and New Jersey film-lease production companies
24 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
25 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
26 and subsection d. of this section. During each of the first six years
27 of the nine-year period, the authority shall annually award tax
28 credits valuing no greater than \$715 million for projects located in
29 the northern counties of the State, and the authority shall annually
30 award tax credits valuing no greater than \$385 million for projects
31 located in the southern counties of the State under the "New Jersey
32 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
33 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
34 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
35 during any of the first six years of the nine-year period, the
36 authority awards tax credits under the "New Jersey Aspire Program
37 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
38 through 34:1B-335), and the "Emerge Program Act," sections 68
39 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
40 less than the annual limitation for projects located in northern
41 counties or southern counties, as applicable, the uncommitted
42 portion of the annual limitation shall be available to be deployed by
43 the authority in a subsequent year, provided that the uncommitted
44 portion of tax credits shall be awarded for projects located in the
45 applicable geographic area, except that (i) after the completion of
46 the third year of the nine-year period, the authority may deploy 50
47 percent of the uncommitted portion of tax credits for any previous
48 year without consideration to the county in which a project is

1 located; and (ii) after the completion of the sixth year of the nine-
2 year period, the authority may deploy all available tax credits,
3 including the uncommitted portion of the annual limitation for any
4 previous year, without consideration to the county in which a
5 project is located;

6 (g) except as provided in subparagraph (j) of this paragraph, for
7 tax credits awarded for transformative projects under the "New
8 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
9 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
10 credits awarded during the nine-year period shall not exceed \$2.5
11 billion. The total value of tax credits awarded for transformative
12 projects in a given year shall not be subject to an annual limitation,
13 except that the total value of tax credits awarded to any
14 transformative project shall not exceed \$400 million;

15 (h) from the tax credits made available, pursuant to
16 subparagraph (f) of this paragraph, to the "New Jersey Aspire
17 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
18 322 through 34:1B-335), and the "Emerge Program Act," sections
19 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
20 including tax credits awarded for transformative projects, an
21 amount not to exceed \$350,000,000 shall be made available for
22 qualified offshore wind projects awarded a credit pursuant to
23 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
24 years of the nine-year period;

25 (i) beginning in fiscal year 2023, from the tax credits made
26 available, pursuant to subparagraph (f) of this paragraph, to the
27 "New Jersey Aspire Program Act," sections 54 through 67 of
28 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
29 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
30 (C.34:1B-336 et al.), not including tax credits awarded for
31 transformative projects, additional amounts shall be made available
32 for New Jersey studio partners and New Jersey film-lease
33 production companies pursuant to sections 1 and 2 of P.L.2018,
34 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

35 (j) beginning in fiscal year 2024, from the tax credits made
36 available, pursuant to subparagraph (f) of this paragraph, to the
37 "New Jersey Aspire Program Act," sections 54 through 67 of
38 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
39 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
40 336 et al.), not including tax credits awarded for transformative
41 projects, an amount not to exceed \$500,000,000 may be annually
42 transferred for the award to transformative projects under the "New
43 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
44 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
45 remaining allocation of tax credits otherwise available for
46 transformative projects, pursuant to subparagraph (g) of this
47 paragraph, is less than \$1,000,000,000; and (ii) the authority board
48 determines that the transfer of tax credits is warranted based on

1 such criteria as the authority deems appropriate, which may include
2 the criteria set forth in paragraph (2) of this subsection. If a transfer
3 of tax credits is made pursuant to this subparagraph, the authority
4 shall award no greater than 65 percent of the tax credits transferred
5 pursuant to this subparagraph to transformative projects located in
6 the northern counties of the State and no greater than 35 percent of
7 the tax credits transferred pursuant to this subparagraph to
8 transformative projects located in the southern counties of the State.

9 (2) The authority may in any given year determine that it is in
10 the State's interest to approve an amount of tax credits in excess of
11 the annual limitations set forth in paragraph (1) of this subsection,
12 but in no event more than \$200,000,000 in excess of the annual
13 limitation, upon a determination by the authority board that such
14 increase is warranted based on specific criteria that may include:

15 (i) the increased demand for opportunities to create or retain
16 employment and investment in the State as indicated by the volume
17 of project applications and the amount of tax credits being sought
18 by those applications;

19 (ii) the need to protect the State's economic position in the event
20 of an economic downturn;

21 (iii) the quality of project applications and the net economic
22 benefit to the State and municipalities associated with those
23 applications;

24 (iv) opportunities for project applications to strengthen or protect
25 the competitiveness of the State under the prevailing market
26 conditions;

27 (v) enhanced access to employment and investment for
28 underserved populations in distressed municipalities and qualified
29 incentives tracts;

30 (vi) increased investment and employment in high-growth
31 technology sectors and in projects that entail collaboration with
32 education institutions in the State;

33 (vii) increased development proximate to mass transit facilities;

34 (viii) any other factor deemed relevant by the authority.

35 c. In the event that the authority in any year approves projects
36 for tax credits in an amount less than the annual limitations set forth
37 in paragraph (1) of subsection b. of this section, then the
38 uncommitted portion of the annual limitation shall be available to
39 be deployed by the authority in future years for projects under the
40 same program; provided however, that in no event shall the
41 aggregate amount of tax credits approved be in excess of the overall
42 cap of \$11.5 billion, and in no event shall the uncommitted portion
43 of the annual limitation for any previous year be deployed after the
44 conclusion of the nine-year period.

45 d. Notwithstanding the provisions of any other law to the
46 contrary, the uncommitted balance of the total value of tax credits
47 authorized for award by the authority pursuant to subparagraph (f)
48 of paragraph (1) of subsection b. of this section to the "New Jersey

1 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
 2 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
 3 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
 4 available for tax credits allowed to New Jersey studio partners and
 5 New Jersey film-lease production companies pursuant to sections 1
 6 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
 7 value of tax credits, including tax credits allowed through the
 8 granting of tax credit transfer certificates, made available to New
 9 Jersey studio partners and New Jersey film-lease production
 10 companies pursuant to this subsection shall be as follows:

11 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
 12 partners and \$250,000,000 for New Jersey film-lease production
 13 companies;

14 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
 15 partners and \$250,000,000 for New Jersey film-lease production
 16 companies; and

17 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
 18 partners and \$250,000,000 for New Jersey film-lease production
 19 companies.

20 If the value of tax credits, including tax credits allowed through
 21 the granting of tax credit transfer certificates, approved to New
 22 Jersey studio partners and New Jersey film-lease production
 23 companies in any fiscal year pursuant to this subsection is less than
 24 the cumulative total amount of tax credits permitted to be approved
 25 in that fiscal year, the authority shall certify the amount of the
 26 remaining tax credits available for approval to each such category
 27 in that fiscal year, and shall increase the cumulative total amount of
 28 tax credits permitted to be approved for New Jersey studio partners
 29 and New Jersey film-lease production companies in the subsequent
 30 fiscal year by the certified amount remaining for each such category
 31 from the prior fiscal year.¹

32 (cf: P.L.2023, c.197, s.13) **1**²

33

34 ²**2.** (New section) As used in sections 2 through 5 of P.L. , c.
 35 (C.) (pending before the Legislature as this bill):

36 "Agency" means the New Jersey Housing and Mortgage Finance
 37 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
 38 seq.).

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

41 "Low income housing tax credit" means a tax credit provided
 42 through the federal Low Income Housing Tax Credit program
 43 pursuant to section 42 of the Internal Revenue Code (26 U.S.C.
 44 s.42).

45 "Project financing gap" means the same as the term is defined in
 46 section 55 of P.L.2020, c.156 (C.34:1B-323).

47 "Qualified project" means a housing project that satisfies all
 48 eligibility requirements, as determined by the agency, for the

1 receipt of a nine-percent low income housing tax credit,
2 notwithstanding the availability or unavailability of such funds.】²

3

4 ²【3. (New section) a. Notwithstanding any provision of law or
5 regulation to the contrary, the agency may award the total amount
6 of tax credits allocated to the agency pursuant to subparagraph (e)
7 of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
8 (C.34:1B-362) in accordance with the provisions of this section.

9 b. The agency may award project financing tax credits to the
10 developers of qualified projects, which tax credits shall supplement
11 the value of any four-percent low income housing tax credits
12 previously awarded to the developer for the qualified project,
13 subject to the provisions of section 4 of P.L. , c. (C.)
14 (pending before the Legislature as this bill).

15 c. In addition to any other eligibility requirements that the
16 agency may deem appropriate, the tax credits authorized under this
17 section shall be available to any developer of a qualified project
18 that:

19 (1) received a four-percent low income housing tax credit for
20 the qualified project from the agency due to the total demand for
21 nine-percent low income housing tax credits exceeding the total
22 value of such tax credits available for distribution by the agency, as
23 made available to the agency pursuant to section 42 of the Internal
24 Revenue Code of 1986 (26 U.S.C. s.42); and

25 (2) demonstrates the existence of a project financing gap for the
26 qualified project.

27 d. The total value of tax credits awarded to a developer shall
28 equal the lesser of:

29 (1) the amount necessary to ensure that the qualified project
30 receives a total subsidy in an amount equivalent to the receipt of a
31 nine-percent low-income housing tax credit for the qualified
32 project; or

33 (2) the amount of the project financing gap for the qualified
34 project.

35 e. (1) All tax credits authorized pursuant to this section shall be
36 awarded upon application to the agency, which applications shall be
37 submitted in a form and manner prescribed by the agency.
38 Notwithstanding any provision of law or regulation to the contrary,
39 the agency may award some or all of the tax credits authorized
40 under this section as part of an existing program operated by the
41 agency on or before the effective date of P.L. , c. (C.)
42 (pending before the Legislature as this bill) or through the
43 establishment of a new program to effectuate the provisions of
44 P.L. , c. (C.) (pending before the Legislature as this bill).

45 (2) Upon approval of any application for tax credits pursuant to
46 this section, and upon the satisfaction of such additional
47 requirements as the agency deems appropriate, the agency shall
48 provide the tax credit recipient and the director with a certificate of

1 compliance indicating the amount of tax credits that the recipient
2 may apply against the recipient's tax liability, subject to the
3 provisions of section 4 of P.L. , c. (C.) (pending before the
4 Legislature as this bill).]²

5
6 ²[4. (New section) a. The tax credits issued by the agency
7 pursuant to section 3 of P.L. , c. (C.) (pending before the
8 Legislature as this bill) may be applied against a developer's tax
9 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
10 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
11 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the
12 tax credit amount for a privilege period, the developer shall submit
13 to the director the certificate of compliance issued by the agency
14 pursuant to paragraph (2) of subsection e. of section 3 of P.L. , c.
15 (C.) (pending before the Legislature as this bill).

16 b. (1) The director shall prescribe the order of priority of the
17 application of the tax credit allowed under this section, together
18 with any other credits allowed by law, against the tax imposed
19 under section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
20 period. The amount of the tax credit applied under this section
21 against the tax imposed pursuant to section 5 of P.L.1945, c.162
22 (C.54:10A-5) for a privilege period, together with any other credits
23 allowed by law, shall not reduce the tax liability to an amount less
24 than the statutory minimum provided in subsection (e) of section 5
25 of P.L.1945, c.162 (C.54:10A-5).

26 (2) A developer may carry forward any unused tax credit
27 resulting from the limitations of paragraph (1) of this subsection or
28 from the insufficiency of a tax liability, as applicable, for use in the
29 five privilege periods next following the privilege period for which
30 the credits are awarded.

31 (3) Credits granted to a partnership shall be passed through to
32 the partners, members, or owners, respectively, pro-rata, or
33 pursuant to an executed agreement among the partners, members, or
34 owners documenting an alternate distribution method provided to
35 the director accompanied by any additional information as the
36 director may prescribe.

37 c. (1) A developer may apply to the director and the agency for
38 a tax credit transfer certificate, covering one or more years, in lieu
39 of the developer being allowed any amount of the credit against the
40 tax liability of the developer. An application for a tax credit
41 transfer certificate shall not be approved unless the agency
42 affirmatively determines, based on such considerations as the
43 agency deems appropriate, that the sale or assignment of the tax
44 credit transfer certificate is socially beneficial to the State.

45 (2) Upon approval of a developer's application for a tax credit
46 transfer certificate, and upon receipt thereof by the developer from
47 the director and the agency, the tax credit transfer certificate may be
48 sold or assigned, in full or in part, for an amount not less than

1 \$25,000, in the privilege period during which the developer receives
2 the tax credit transfer certificate to another person, who may apply
3 the credit against a tax liability pursuant to section 5 of P.L.1945,
4 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
5 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
6 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
7 in paragraph (2) of subsection b. of this section. The certificate
8 provided to the developer shall include a statement waiving the
9 developer's right to claim the amount of the tax credit that the
10 developer has elected to sell or assign against the developer's tax
11 liability.

12 (3) The developer shall not sell or assign, including a collateral
13 assignment, a tax credit transfer certificate allowed under this
14 section for consideration received by the developer of less than 85
15 percent of the transferred credit amount before considering any
16 further discounting to present value that shall be permitted.

17 (4) A purchaser or assignee of a tax credit transfer certificate
18 pursuant to this section shall not make any subsequent transfers,
19 assignments, or sales of the tax credit transfer certificate. **1**²

20

21 ²**5.** (New section) Notwithstanding the provisions of the
22 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
23 seq.) to the contrary, the agency may adopt, immediately, upon
24 filing with the Office of Administrative Law, such rules and
25 regulations as the agency deems necessary to implement the
26 provisions of P.L. , c. (C.) (pending before the Legislature
27 as this bill), which regulations shall be effective for a period not to
28 exceed 180 days from the date of the filing. Thereafter, the agency
29 shall amend, adopt, or readopt the regulations in accordance with
30 the requirements of the "Administrative Procedure Act," P.L.1968,
31 c.410 (C.52:14B-1 et seq.). **1**²

32

33 ²**1.** Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to
34 read as follows:

35 89. a. The Director of the Division of Taxation in the
36 Department of the Treasury may purchase unused tax credits
37 awarded under a program listed in subsection b. of this section,
38 including tax credit transfer certificates issued by the director in
39 lieu of a tax credit allowed under such programs. The director shall
40 not pay consideration in excess of 75 percent of the credit amount
41 to be purchased, except for a credit awarded under:

42 (1) the "Emerge Program Act," sections 68 through 81 of
43 P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the
44 provisions of paragraph (4) of subsection d. of section 77 of
45 P.L.2020, c.156 (C.34:1B-345);

46 (2) the "New Jersey Aspire Program Act," sections 54 through
47 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as
48 amended and supplemented, for which the director shall pay an

1 amount equal to 85 percent of the credit amount, provided that the
 2 issuance date of the tax credit certificate or tax credit transfer
 3 certificate to the developer or the holder of such certificate occurred
 4 at least one year prior to the date of application to the director, and
 5 further provided that, if the application to the director is submitted
 6 after the sixth year of the eligibility period, the amount in excess of
 7 the reasonable and appropriate rate of return on investment that the
 8 developer is required to pay pursuant to subsection c. of section 60
 9 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent; or

10 (3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197
 11 (C.34:1B-383 et al.), for which the director shall pay an amount
 12 equal to 85 percent of the credit amount, provided that the issuance
 13 date of the tax credit certificate or tax credit transfer certificate to
 14 the developer or the holder of such certificate occurred at least one
 15 year prior to the date of application to the director.

16 b. The Director of the Division of Taxation in the Department
 17 of the Treasury may purchase tax credits awarded under the
 18 following:

19 (1) the "Historic Property Reinvestment Act," sections 2 through
 20 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);

21 (2) the "Brownfield Redevelopment Incentive Program Act,"
 22 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
 23 C.34:1B-287);

24 (3) the "New Jersey Innovation Evergreen Act," sections 20
 25 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

26 (4) the "Food Desert Relief Act," sections 35 through 42 of
 27 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

28 (5) the "New Jersey Community-Anchored Development Act,"
 29 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
 30 C.34:1B-321);

31 (6) the "New Jersey Aspire Program Act," sections 54 through
 32 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

33 (7) the "Emerge Program Act," sections 68 through 81 of
 34 P.L.2020, c.156 (C.34:1B-336 et al.);

35 (8) the Grow New Jersey Assistance Program established
 36 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

37 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

38 (10) the State Economic Redevelopment and Growth Grant
 39 program established pursuant to section 5 of P.L.2009, c.90
 40 (C.52:27D-489e);

41 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);

42 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b); **and**

43 (13) the "Cultural Arts Incentives Program Act," P.L.2023,
 44 c.197 (C.34:1B-383 et al.); and

45 (14) sections 3 through 7 of P.L. , c. (C. through)
 46 (pending before the Legislature as this bill).²

47 (cf: P.L.2025, c.2, s.9)

1 ²2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
2 read as follows:

3 98. a. The combined value of all tax credits awarded under the
4 "Historic Property Reinvestment Act," sections 2 through 8 of
5 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
6 "Brownfields Redevelopment Incentive Program Act," sections 9
7 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
8 the "New Jersey Innovation Evergreen Act," sections 20 through 34
9 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
10 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
11 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
12 Anchored Development Act," sections 43 through 53 of P.L.2020,
13 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
14 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
15 322 through 34:1B-335); the "Emerge Program Act," sections 68
16 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
17 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
18 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **[and]** the
19 "Next New Jersey Program Act," P.L.2024, c.49 (**[**C.34:1B-362 et
20 seq.**]** C.34:1B-394 et al.); and P.L. , c. (C.) (pending
21 before the Legislature as this bill) shall not exceed an overall cap of
22 \$11.5 billion over a nine-year period, subject to the conditions and
23 limitations set forth in this section. Of this \$11.5 billion, \$2.5
24 billion shall be reserved for transformative projects approved under
25 the Aspire Program.

26 b. (1) The total value of tax credits awarded under any
27 constituent program of the "New Jersey Economic Recovery Act of
28 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
29 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
30 **[and]** the "Next New Jersey Program Act," P.L.2024, c.49
31 (**[**C.34:1B-362 et seq.**]** C.34:1B-394 et al.), and P.L. ,
32 c. (C.) (pending before the Legislature as this bill), shall be
33 subject to the following limitations, except as otherwise provided in
34 subsection c. of this section:

35 (a) for tax credits awarded under the "Historic Property
36 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
37 (C.34:1B-270 through 34:1B-276), the total value of tax credits
38 annually awarded during each of the first six years of the nine-year
39 period shall not exceed \$50 million;

40 (b) (i) for tax credits awarded under the "Brownfields
41 Redevelopment Incentive Program Act," sections 9 through 19 of
42 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
43 of tax credits annually awarded during each of the first six years of
44 the nine-year period shall not exceed \$50 million and the total value
45 of tax credits awarded over the entirety of the nine-year period shall
46 not exceed \$100,000,000;

1 (ii) from the tax credits made available to the "Brownfields
2 Redevelopment Incentive Program Act," sections 9 through 19 of
3 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of
4 \$200,000,000 in tax credits shall be allocated to the New Jersey
5 Housing and Mortgage Finance Agency, established pursuant to
6 P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be
7 sold through competitive auctions conducted pursuant to sections 3
8 through 7 of P.L. , c. (C.) (pending before the Legislature
9 as this bill). All proceeds of the tax credit auctions shall be used by
10 the New Jersey Housing and Mortgage Finance Agency for the
11 purposes authorized in subsection b. of section 4 of P.L. ,
12 c. (C) (pending before the Legislature as this bill).
13 Notwithstanding any provision of law or regulation to the contrary,
14 the tax credits reallocated to the New Jersey Housing and Mortgage
15 Finance Agency shall not be subject to any requirements or
16 conditions of the "New Jersey Economic Recovery Act of 2020,"
17 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;
18 (c) for tax credits awarded under the "New Jersey Innovation
19 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
20 (C.34:1B-288 through 34:1B-302), the total value of tax credits
21 annually awarded during each of the first six years of the nine-year
22 period shall not exceed \$60 million and the total value of tax credits
23 awarded over the entirety of the nine-year period shall not exceed
24 \$300,000,000;
25 (d) for tax credits awarded under the "Food Desert Relief Act,"
26 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
27 34:1B-310), the total value of tax credits annually awarded during
28 each of the first six years of the nine-year period shall not exceed
29 \$40 million;
30 (e) for tax credits awarded under the "New Jersey Community-
31 Anchored Development Act," sections 43 through 53 of P.L.2020,
32 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
33 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
34 total value of tax credits awarded during the nine-year period shall
35 not exceed \$1,200,000,000; provided, however, tax credits shall not
36 be available under the "New Jersey Community-Anchored
37 Development Act," sections 43 through 53 of P.L.2020, c.156
38 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
39 Beginning January 1, 2026, the authority shall annually award tax
40 credits under the "New Jersey Community-Anchored Development
41 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
42 through 34:1B-321), valuing no greater than \$130 million for
43 projects located in the 13 northern counties of the State, and the
44 authority shall annually award tax credits valuing no greater than
45 \$70 million for projects located in the eight southern counties of the
46 State. If during any year of operation of the "New Jersey
47 Community-Anchored Development Act," sections 43 through 53 of
48 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority

1 awards tax credits pursuant to the program in an amount less than
2 the annual limitation for projects located in northern counties or
3 southern counties, as applicable, the uncommitted portion of the
4 annual limitation shall be available to be deployed by the authority
5 in a subsequent year without consideration to the county in which a
6 project is located;

7 (f) for tax credits awarded under the "New Jersey Aspire
8 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
9 322 through 34:1B-335), and the "Emerge Program Act," sections
10 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
11 including tax credits awarded for transformative projects, the total
12 value of tax credits annually awarded during each of the first six
13 years of the nine-year period shall not exceed \$1.1 billion. If the
14 authority awards tax credits in an amount less than the annual
15 limitation, then the uncommitted portion of the annual limitation
16 shall be made available for qualified offshore wind projects
17 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
18 pursuant to subparagraph (h) of this paragraph, projects awarded a
19 tax credit pursuant to the "Next New Jersey Program Act,"
20 P.L.2024, c.49 (**[C.34:1B-362 et seq.] C.34:1B-394 et al.**), pursuant
21 to subparagraph (k) of this paragraph, or New Jersey studio
22 partners, New Jersey film-lease production companies, and
23 taxpayers, other than New Jersey studio partners and New Jersey
24 film-lease production companies awarded under sections 1 and 2 of
25 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
26 subparagraph (i) of this paragraph and subsection d. of this section.
27 During each of the first six years of the nine-year period, the
28 authority shall annually award tax credits valuing no greater than
29 \$715 million for projects located in the northern counties of the
30 State, and the authority shall annually award tax credits valuing no
31 greater than \$385 million for projects located in the southern
32 counties of the State under the "New Jersey Aspire Program Act,"
33 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
34 34:1B-335), and the "Emerge Program Act," sections 68 through 81
35 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
36 six years of the nine-year period, the authority awards tax credits
37 under the "New Jersey Aspire Program Act," sections 54 through 67
38 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
39 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
40 (C.34:1B-336 et al.), in an amount less than the annual limitation
41 for projects located in northern counties or southern counties, as
42 applicable, the uncommitted portion of the annual limitation shall
43 be available to be deployed by the authority in a subsequent year,
44 provided that the uncommitted portion of tax credits shall be
45 awarded for projects located in the applicable geographic area,
46 except that (i) after the completion of the third year of the nine-year
47 period, the authority may deploy 50 percent of the uncommitted
48 portion of tax credits for any previous year without consideration to

1 the county in which a project is located; and (ii) after the
2 completion of the sixth year of the nine-year period, the authority
3 may deploy all available tax credits, including the uncommitted
4 portion of the annual limitation for any previous year, without
5 consideration to the county in which a project is located;

6 (g) except as provided in subparagraph (j) of this paragraph, for
7 tax credits awarded for transformative projects under the "New
8 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
9 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
10 credits awarded during the nine-year period shall not exceed \$2.5
11 billion. The total value of tax credits awarded for transformative
12 projects in a given year shall not be subject to an annual limitation,
13 except that the total value of tax credits awarded to any
14 transformative project shall not exceed \$400 million;

15 (h) from the tax credits made available, pursuant to
16 subparagraph (f) of this paragraph, to the "New Jersey Aspire
17 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
18 322 through 34:1B-335), and the "Emerge Program Act," sections
19 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
20 including tax credits awarded for transformative projects, an
21 amount not to exceed \$350,000,000 shall be made available for
22 qualified offshore wind projects awarded a credit pursuant to
23 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
24 years of the nine-year period;

25 (i) beginning in fiscal year 2023, from the tax credits made
26 available, pursuant to subparagraph (f) of this paragraph, to the
27 "New Jersey Aspire Program Act," sections 54 through 67 of
28 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
29 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
30 (C.34:1B-336 et al.), not including tax credits awarded for
31 transformative projects, additional amounts shall be made available
32 for New Jersey studio partners, New Jersey film-lease production
33 companies, and taxpayers, other than New Jersey studio partners
34 and New Jersey film-lease production companies pursuant to
35 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
36 12b);

37 (j) beginning in fiscal year 2024, from the tax credits made
38 available, pursuant to subparagraph (f) of this paragraph, to the
39 "New Jersey Aspire Program Act," sections 54 through 67 of
40 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
41 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
42 336 et al.), not including tax credits awarded for transformative
43 projects, an amount not to exceed \$500,000,000 may be annually
44 transferred for the award to transformative projects under the "New
45 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
46 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
47 remaining allocation of tax credits otherwise available for
48 transformative projects, pursuant to subparagraph (g) of this

1 paragraph, is less than \$1,000,000,000; and (ii) the authority board
 2 determines that the transfer of tax credits is warranted based on
 3 such criteria as the authority deems appropriate, which may include
 4 the criteria set forth in paragraph (2) of this subsection. If a transfer
 5 of tax credits is made pursuant to this subparagraph, the authority
 6 shall award no greater than 65 percent of the tax credits transferred
 7 pursuant to this subparagraph to transformative projects located in
 8 the northern counties of the State and no greater than 35 percent of
 9 the tax credits transferred pursuant to this subparagraph to
 10 transformative projects located in the southern counties of the State;

11 **【and】**

12 (k) beginning in fiscal year 2025, from the tax credits made
 13 available, pursuant to subparagraph (f) of this paragraph, to the
 14 "New Jersey Aspire Program Act," sections 54 through 67 of
 15 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
 16 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
 17 336 et al.), but not including tax credits awarded for transformative
 18 projects, an amount not to exceed \$500,000,000 shall be made
 19 available for projects awarded a tax credit pursuant to the "Next
 20 New Jersey Program Act," P.L.2024, c.49 **【(C.34:1B-362 et seq.)】**
 21 (C.34:1B-394 et al.); and

22 (l) once the tax credits allocated for competitive auctions
 23 conducted pursuant to sections 3 through 7 of P.L. , c. (C.)
 24 (pending before the Legislature as this bill) pursuant to
 25 subsubparagraph (ii) of subparagraph (b) of this paragraph are
 26 exhausted, from the tax credits made available, pursuant to
 27 subparagraph (f) of this paragraph, to the "New Jersey Aspire
 28 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 29 322 through 34:1B-335) and the "Emerge Program Act," sections 68
 30 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not
 31 including tax credits awarded for transformative projects, the sum
 32 of \$300,000,000 shall be made available to the New Jersey Housing
 33 and Mortgage Finance Agency, established pursuant to P.L.1983,
 34 c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through
 35 competitive auctions conducted pursuant to sections 3 through 7 of
 36 P.L. , c. (C.) (pending before the Legislature as this bill).
 37 The amount made available pursuant to this subparagraph shall be
 38 allocated in annual instalments, each of which is not to exceed the
 39 cap set forth in paragraph (3) of subsection a. of section 4 of
 40 P.L. , c. (pending before the Legislature as this bill), as needed
 41 to conduct auctions pursuant to that section. All proceeds of the tax
 42 credit auctions shall be used by the New Jersey Housing and
 43 Mortgage Finance Agency for the purposes authorized in subsection
 44 b. of section 4 of P.L. , c. (C) (pending before the
 45 Legislature as this bill). Notwithstanding any provision of law or
 46 regulation to the contrary, the tax credits reallocated to the New
 47 Jersey Housing and Mortgage Finance Agency shall not be subject
 48 to any requirements or conditions of the "New Jersey Economic

1 Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as
2 amended or supplemented.

3 (2) The authority may in any given year determine that it is in
4 the State's interest to approve an amount of tax credits in excess of
5 the annual limitations set forth in paragraph (1) of this subsection,
6 but in no event more than \$200,000,000 in excess of the annual
7 limitation, upon a determination by the authority board that such
8 increase is warranted based on specific criteria that may include:

9 (i) the increased demand for opportunities to create or retain
10 employment and investment in the State as indicated by the volume
11 of project applications and the amount of tax credits being sought
12 by those applications;

13 (ii) the need to protect the State's economic position in the event
14 of an economic downturn;

15 (iii) the quality of project applications and the net economic
16 benefit to the State and municipalities associated with those
17 applications;

18 (iv) opportunities for project applications to strengthen or protect
19 the competitiveness of the State under the prevailing market
20 conditions;

21 (v) enhanced access to employment and investment for
22 underserved populations in distressed municipalities and qualified
23 incentives tracts;

24 (vi) increased investment and employment in high-growth
25 technology sectors and in projects that entail collaboration with
26 education institutions in the State;

27 (vii) increased development proximate to mass transit facilities;

28 (viii) any other factor deemed relevant by the authority.

29 c. In the event that the authority in any year approves projects
30 for tax credits in an amount less than the annual limitations set forth
31 in paragraph (1) of subsection b. of this section, then the
32 uncommitted portion of the annual limitation shall be available to
33 be deployed by the authority in future years for projects under the
34 same program; provided however, that in no event shall the
35 aggregate amount of tax credits approved be in excess of the overall
36 cap of \$11.5 billion, and in no event shall the uncommitted portion
37 of the annual limitation for any previous year be deployed after the
38 conclusion of the nine-year period.

39 d. Notwithstanding the provisions of any other law to the
40 contrary, the uncommitted balance of the total value of tax credits
41 authorized for award by the authority pursuant to subparagraph (f)
42 of paragraph (1) of subsection b. of this section to the "New Jersey
43 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
44 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
45 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
46 available for tax credits allowed to New Jersey studio partners, New
47 Jersey film-lease production companies, and taxpayers, other than
48 New Jersey studio partners and New Jersey film-lease production

companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this subsection shall be as follows:

(1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;

(2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.²

(cf: P.L.2024, c.49, s.10)

²3. (New section) As used in sections 4 through 7 of P.L. , c. (C. through) (pending before the Legislature as this bill):

"Agency" means the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.).

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

"Distressed older suburban municipality" means a municipality that is not designated by the agency as a targeted urban municipality, and that, in the determination of the agency, meets at least four of the following criteria:

a. has experienced a sustained drop in income levels compared to the region;

b. has an elevated percentage of residents living below 100 percent of the poverty line, adjusted for family size, established and

1 adjusted under section 673 of the federal "Community Services
 2 Block Grant Act," (42 U.S.C. s.9902);

3 c. experiences high rates of unemployment or low labor force
 4 participation rates;

5 d. has a large share of homes built before 1960 and elevated
 6 rates of residential property vacancy and abandonment;

7 e. experiences stagnant or declining property values;

8 f. experiences declining commercial rates; and

9 g. experiences declining municipal capacity as a consequence of
 10 budget stress.

11 "Four-Percent Low Income Housing Tax Credit" means the four-
 12 percent allocation from the federal Low Income Housing Tax Credit
 13 program established pursuant to section 42 of the federal Internal
 14 Revenue Code (26 U.S.C. s.42).

15 "Low- and moderate-income housing" means housing affordable
 16 according to federal Department of Housing and Urban
 17 Development or other recognized standards for home ownership
 18 and rental costs and occupied or reserved for occupancy by
 19 households with a gross household income equal to less than 80
 20 percent of the median gross household income for households of the
 21 same size within the housing region in which the housing is located.

22 "Middle-income workforce housing" means housing affordable
 23 according to federal Department of Housing and Urban
 24 Development or other recognized standards for home ownership
 25 and rental costs and occupied or reserved for occupancy by
 26 households with a gross household income of 80 percent or more,
 27 but not exceeding 120 percent, of the median gross household
 28 income for households of the same size within the housing region in
 29 which the housing is located.

30 "Targeted urban municipality" means the same as that term is
 31 defined by the agency pursuant to N.J.A.C.5:80-33.2, or successor
 32 regulation.²

33
 34 ²4. (New section) a. (1) Beginning on the effective date of
 35 P.L. , c. (C.) (pending before the Legislature as this bill),
 36 the agency shall sell up to \$500,000,000 in tax credits over the
 37 course of no more than six years.

38 (2) The competitive auctions shall be conducted in a manner
 39 consistent with the processes set forth in section 24 of P.L.2020,
 40 c.156 (C.34:1B-292), as determined by the agency. The agency
 41 shall be permitted to join or be added to any contracts that the New
 42 Jersey Economic Development Authority has utilized for its
 43 auctions, although auctions held for the purposes of administering
 44 P.L. , c. (C.) (pending before the Legislature as this bill)
 45 shall not be counted towards the limitation imposed pursuant to
 46 subsection d. of section 24 of P.L.2020, c.156 (C.34:1B-292) and
 47 the requirement on purchasers under paragraph (3) of subsection b.
 48 of section 24 of P.L.2020, c.156 (C.34:1B-292) shall not apply.

1 The agency shall deposit funds received at an auction pursuant to
2 this subsection minus those reserved for administrative or
3 operational costs into a nonlapsing account established and
4 maintained by the agency for the purposes of administering P.L. ,
5 c. (C.) (pending before the Legislature as this bill).

6 (3) The agency shall be limited to selling \$100,000,000 in tax
7 credits annually and shall not sell tax credits for less than 80
8 percent of the tax credit amount.

9 b. (1) (a) Fifty percent of the proceeds deposited into the
10 nonlapsing account created pursuant to paragraph (2) of subsection
11 a. of this section shall be reserved for use by the agency for the
12 purposes of providing financial assistance to create middle-income
13 workforce housing. Fifty percent of the proceeds deposited into the
14 nonlapsing account created pursuant to paragraph (2) of subsection
15 a. of this section shall be reserved for use by the agency for the
16 purposes of providing financial assistance to create low- and
17 moderate-income housing toward the fulfillment of a municipality's
18 current or prior round fair share affordable housing obligation
19 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
20 et al.).

21 (b) The 50 percent set asides established by subparagraph (a) of
22 this paragraph for monies deposited into the nonlapsing account in
23 each program funding year, pursuant to paragraph (2) of subsection
24 a. of this section, shall remain in effect until December 31 of that
25 year. If any funds deposited into the nonlapsing account during that
26 program funding year remain unreserved for qualified projects
27 subject to the set asides after December 31 of the program funding
28 year when the monies are deposited, the set aside shall no longer
29 apply to those funds, which may then be used for any qualified
30 project under sections 4 through 7 of P.L. , c.
31 (C. through) (pending before the Legislature as this bill).
32 The initial program funding year shall begin on July 1, 2025, and
33 shall conclude on December 31, 2025. Each subsequent program
34 funding year shall conform to the calendar year.

35 (c) In the distribution of proceeds pursuant to this section for the
36 purposes of providing financial assistance to create low- and
37 moderate-income housing toward the fulfillment of a municipality's
38 current or prior round fair share affordable housing obligation
39 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
40 et al.), the agency shall prioritize an application for development
41 that is in a distressed older suburban municipality, as defined in
42 section 3 of P.L. , c. (C.) (pending before the Legislature
43 as this bill).

44 (d) Housing created pursuant to this section may include, but
45 shall not be limited to, new construction or the rehabilitation or
46 construction of residential units within multiple dwellings.

47 (e) Following the enactment of P.L. , c. (C.) (pending
48 before the Legislature as this bill), the agency shall promptly and

1 actively promote the middle-income workforce housing component
2 of the housing program established pursuant to this section to
3 ensure that a substantial range of potential applicants to obtain
4 funding to provide middle-income workforce housing are made
5 aware of the program. The promotion efforts of the agency shall
6 include, but shall not be limited to: the provision of information
7 sessions on the program and application process; and the provision
8 of technical assistance to applicants in completing the application
9 process.

10 (2) The agency shall promulgate guidelines for a housing
11 program to fulfill the purposes of this section within 90 days
12 following the effective date of P.L. , c. (C.) (pending
13 before the Legislature as this bill) to govern the application and
14 award processes for qualified projects seeking funds deposited
15 under P.L. , c. (C.) (pending before the Legislature as this
16 bill). In addition to any other eligibility requirements that the
17 agency deems appropriate, the project financing subsidy authorized
18 under this section shall only be made available to projects in receipt
19 of a Four-Percent Low Income Housing Tax Credit administered by
20 the agency.

21 (3) The agency may utilize up to five percent of the proceeds to
22 reimburse for administrative and operational costs, including
23 contracts necessary to hold the auction.²

24
25 ²5. (New section) A purchaser that submits a successful bid for
26 the purchase of tax credits pursuant to section 4 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill) shall enter
28 into a contract with the agency that includes payment information
29 and the commitments made by the purchaser in its auction bid. A
30 purchaser that submits a successful bid for the purchase of tax
31 credits pursuant to section 4 of P.L. , c. (C.) (pending
32 before the Legislature as this bill) shall pay by wire transfer the
33 amount specified in its auction bid to the agency. Upon receipt
34 thereof, the Executive Director of the agency shall notify the
35 director to issue tax credits in the amount approved. Failure by the
36 purchaser to pay the amount agreed upon on time shall disqualify
37 the purchaser from purchasing the tax credits and the agency may
38 reassign the right to purchase the credits to another bidder. Failure
39 by the purchaser to adhere to the commitments made in its auction
40 bid shall disqualify the purchaser from participating in future
41 auctions and may result in the recapture of a portion of the tax
42 credits.²

43
44 ²6. (New section) a. A purchaser shall apply a credit awarded
45 pursuant to section 4 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) against the purchaser's State tax liability due
47 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
48 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1

1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current
2 privilege period as of the date of the approval of the credits. A
3 purchaser may carry forward an unused credit resulting from the
4 limitations of subsection b. of this section, if necessary, for use in
5 the seven privilege periods next following the privilege period for
6 which the credit is awarded.

7 b. The director shall prescribe the order of priority of the
8 application of the credits awarded under section 4 of
9 P.L. , c. (C.) (pending before the Legislature as this bill)
10 and any other credits allowed by law. The amount of a credit
11 applied under section 4 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) against the tax imposed pursuant to section
13 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together
14 with any other credits allowed by law, shall not reduce the tax
15 liability of the purchaser to an amount less than the statutory
16 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
17 (C.54:10A-5).²

18
19 ^{27.} (New section) a. A purchaser may apply to the agency and
20 the director for a tax credit transfer certificate in lieu of the
21 purchaser being allowed to apply any amount of the tax credit
22 against the purchaser's State tax liability. A tax credit may be sold
23 or assigned, in full or in part, to another person that may have a tax
24 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
25 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
26 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
27 tax credit transfer certificate provided to the purchaser shall include
28 a statement waiving the purchaser's right to claim the credit that the
29 purchaser has elected to sell or assign.

30 b. The purchaser shall not sell or assign a tax credit transfer
31 certificate allowed under this section for consideration received by
32 the purchaser of less than 80 percent of the transferred credit
33 amount before considering any further discounting to present value
34 which shall be permitted. The tax credit transfer certificate issued
35 to a purchaser by the director shall be subject to any limitations and
36 conditions imposed on the application of State tax credits pursuant
37 to section 6 of P.L. , c. (C.) (pending before the Legislature
38 as this bill) and any other terms and conditions that the director may
39 prescribe.

40 c. A buyer or assignee of a tax credit transfer certificate
41 pursuant to this section shall not make any subsequent transfers,
42 assignments, or sales of the tax credit transfer certificate.

43 d. Ten percent of the consideration received by a purchaser
44 from the sale or assignment of a tax credit transfer certificate
45 pursuant to this section shall be remitted to the director and
46 deposited in the General Fund of the State.

- 1 e. The agency shall publish on its Internet website the
2 following information concerning each tax credit transfer certificate
3 approved by the agency and the director pursuant to this section:
4 (1) the name of the transferor;
5 (2) the name of the transferee;
6 (3) the value of the tax credit transfer certificate;
7 (4) the State tax against which the transferee may apply the tax
8 credit; and
9 (5) the consideration received by the transferor.²
10
11 ²**[6.] 8.**² This act shall take effect immediately.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3128

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 29, 2024

The Assembly Housing Committee reports favorably and with committee amendments Assembly Bill No. 3128.

As amended, this bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to issue project financing tax credits to support the development of certain housing projects.

Specifically, the bill permits the HMFA to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit (LIHTC) when the total demand for nine-percent LIHTC exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award may not exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent LIHTC for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.

Under the bill, the uncommitted balance of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority (EDA) under the Community-Anchored Development Program would be annually reallocated to the HMFA to support the purposes set forth in this bill. Under current law, the EDA may annually award up to \$200 million in tax credits under the Community-Anchored Development Program, including up to \$130 million in the northern counties of the State and up to \$70 million in the southern counties of the State, beginning on January 1, 2026 through the conclusion of the nine-year authorization period set forth in the “Economic Recovery Act of 2020.” If during any of these years, the EDA awards less than the annual limitation of tax credits for either geographic region, the bill provides that the uncommitted

balance of tax credits would be annually reallocated to the HMFA to support the purposes of this bill.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendments clarify the manner in which the uncommitted balance of tax credits would be reallocated from the Community-Anchored Development Program to the HMFA in light of the recent enactment of P.L.2023, c.197, which provides that tax credits may not be awarded under the Community-Anchored Development Program until January 1, 2026. The committee amendments provide that beginning after January 1, 2026, if during any year of operation of the Community-Anchored Development Program, the EDA awards less than the annual limitation of tax credits for the northern counties of the State or the southern counties of the State, respectively, then the uncommitted balance of tax credits would be reallocated to the HMFA to support the purposes of this bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3128

STATE OF NEW JERSEY

DATED: FEBRUARY 8, 2024

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3128 (1R).

This bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to issue project financing tax credits to support the development of certain housing projects.

Specifically, the bill permits the HMFA to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit (LIHTC) when the total demand for nine-percent LIHTC exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award may not exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent LIHTC for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.

Under the bill, the uncommitted balance of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority (EDA) under the Community-Anchored Development Program would be annually reallocated to the HMFA to support the purposes set forth in this bill. Under current law, the EDA may annually award up to \$200 million in tax credits under the Community-Anchored Development Program, including up to \$130 million in the northern counties of the State and up to \$70 million in the southern counties of the State, beginning on January 1, 2026 through the conclusion of the nine-year authorization period set forth in the “Economic Recovery Act of 2020.” If during any of these years, the EDA awards less than the annual limitation of tax credits for either geographic region, the bill provides that the uncommitted

balance of tax credits would be annually reallocated to the HMFA to support the purposes of this bill.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill may result in annual State revenue decreases in an indeterminate amount associated with certain tax credits being made available for a broader purpose and in a larger area of the State. This potential impact is expected for a period of four years beginning in CY 2027.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3128

STATE OF NEW JERSEY

DATED: MAY 6, 2024

The Senate Community and Urban Affairs Committee reports favorably Assembly Bill No. 3128 (1R).

This bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to issue project financing tax credits to support the development of certain housing projects.

Specifically, the bill permits the HMFA to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit (LIHTC) when the total demand for nine-percent LIHTC exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award may not exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent LIHTC for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.

Under the bill, the uncommitted balance of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority (EDA) under the Community-Anchored Development Program would be annually reallocated to the HMFA to support the purposes set forth in this bill. Under current law, the EDA may annually award up to \$200 million in tax credits under the Community-Anchored Development Program, including up to \$130 million in the northern counties of the State and up to \$70 million in the southern counties of the State, beginning on January 1, 2026 through the conclusion of the nine-year authorization period set forth in the “Economic Recovery Act of 2020.” If during any of these years the EDA awards less than the annual limitation of tax credits for either geographic region, the bill provides that the uncommitted balance of

tax credits would be annually reallocated to the HMFA to support the purposes of this bill.

As reported by the committee, Assembly Bill No. 3128 (1R) is identical to Senate Bill No. 3155, which was amended and reported by the committee on this date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3128

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments, Assembly Bill No. 3128 (1R).

As amended, this bill reallocates \$500 million in tax credits to the New Jersey Housing and Mortgage Finance Agency (HMFA) for sale through a competitive tax credit auction. Of this tax credit reallocation, \$200 million are to be reallocated from the "Brownfields Redevelopment Incentive Program Act." Once this initial allocation is exhausted, \$300 million are to be made available from the "New Jersey Aspire Program Act" and "Emerge Program Act."

Under this bill, \$500 million in tax credits are to be transferred from these programs to the HMFA to support the development of certain housing development projects in the State. Specifically, the proceeds would support the creation of middle-income workforce housing programs administered by the HMFA and low- and moderate-income housing. The bill specifies that the tax credits reallocated to the HMFA are not subject to any requirements or conditions originally imposed on the tax credits under the "New Jersey Economic Recovery Act of 2020."

Specifically, this bill requires the HMFA to sell up to \$500 million in tax credits through a competitive auction process. Under the bill, these auctions are to be conducted in a manner consistent with the auctions held by the New Jersey Economic Development Authority (EDA) under the New Jersey Innovation Evergreen Program, as determined by the HMFA. The bill provides that the tax credits may not be sold for a consideration less than 80 percent of the tax credit amount, and no more than \$100 million in tax credits may be sold at auction annually. The bill provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in this bill. Additionally, the bill requires that the HMFA be permitted to join or be added to any contracts the EDA has used for its auctions, and allows HMFA certain exceptions to auction processes and purchaser requirements.

The bill requires HMFA to use 50 percent of the proceeds of tax credit auctions to provide financial assistance to create middle-income workforce housing, which may include new construction or the

rehabilitation or construction of residential units within multiple dwellings. The bill defines “middle-income workforce housing” to mean housing that is affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located. The bill also requires 50 percent of tax credit proceeds to be used for the creation of low- and moderate-income housing toward the fulfillment of a municipality’s current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," (FHA) P.L.1985, c.222 (C.52:27D-301 et al.).

The bill provides that the 50 percent set aside requirements, for middle-income workforce housing and low- and moderate-income housing, are to remain in effect until the end of the calendar year, beginning with 2025, during which the tax credit monies have been made available and deposited with HMFA for the purposes of the bill. If any funds deposited with HMFA remain unreserved for qualified projects subject to the set asides after December 31 of the year when the monies are deposited, the set aside is to no longer apply to those funds, which may then be used for any qualified project, either middle-income workforce housing or low- and moderate-income housing, as determined by HMFA.

The bill requires that, in the distribution of proceeds to create low- and moderate-income housing, an application for development is to be prioritized if located in a “distressed older suburban municipality,” as defined in the bill.

The bill directs HMFA to promptly and actively promote the middle-income workforce housing component of the bill to ensure that a substantial range of potential applicants are made aware of the program.

The bill requires the HMFA to promulgate guidelines for a housing program to govern the application and award processes for projects seeking funds under the provisions of this bill.

As amended and reported by the committee, Assembly Bill No. 3128 (1R) is identical to the Senate Committee Substitute for Senate Bill Nos. 4071 and 3155, as was reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments to the bill accomplish the following:

- specify that the source of the allocation provided in the bill is to be made available from funding authorized for the "New Jersey Aspire Program Act," the "Emerge Program Act," and the "Brownfields Redevelopment Incentive Program Act";

- adjust the allocation of tax credit proceeds to allow up to \$500 million to be allocated in total, and no more than \$100 million per year;
- provide that the tax credits may not be sold for less than 80 percent of the tax credit amount, and specify certain auction processes and purchaser requirements;
- provide for 50 percent of tax credit allocations to be allocated to middle-income workforce housing, and 50 percent of the tax credit allocations to be allocated to low- and moderate-income housing toward the fulfillment of a fair share plan of a municipality pursuant to the FHA;
- provide that, if any funds deposited with HMFA remain unreserved for qualified projects subject to the 50 percent set asides after December 31 of the year when the monies are deposited, the set aside is to no longer apply to those funds;
- require that, in the distribution of proceeds to create low- and moderate-income housing, an application for development is to be prioritized if located in a “distressed older suburban municipality,” as defined in the bill;
- direct HMFA to promptly and actively promote the middle-income workforce housing component of the bill;
- adjust certain provisions of the bill specifying administrative procedure requirements;
- adjust certain details concerning how tax credits are auctioned, awarded, and transferred from HMFA;
- require HMFA to publish certain information on its Internet website concerning tax credit transfers;
- adjust definitions used in the bill to accommodate other changes to the bill; and
- make technical changes, including an update to an underlying statute in light of a recent enactment of law.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3128

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: FEBRUARY 7, 2024

SUMMARY

- Synopsis:** Authorizes HMFA to issue tax credits for certain purposes.
- Type of Impact:** Potential State revenue decrease.
- Agencies Affected:** New Jersey Housing and Mortgage Finance Agency; Economic Development Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>CY 2027 through CY 2030</u>
Potential State Revenue Decrease	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may result in annual State revenue decreases in an indeterminate amount associated with certain tax credits being made available for a broader purpose and in a larger area of the State. This potential impact is expected for a period of four years beginning in CY 2027.

BILL DESCRIPTION

The bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to issue project financing tax credits to support the development of certain housing projects. Specifically, the bill permits the HMFA to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit when the total demand for nine-percent low income housing tax credit exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award may not exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent low income housing tax credit for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to

effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.

Under the bill, the uncommitted balance of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority under the Community-Anchored Development Program would be annually reallocated to the HMFA to support the purposes set forth in this bill. Under current law, the authority may annually award up to \$200 million in tax credits under the Community-Anchored Development Program, including up to \$130 million in the northern counties of the State and up to \$70 million in the southern counties of the State, beginning on January 1, 2026 through the conclusion of the nine-year authorization period set forth in the Economic Recovery Act of 2020. If during any of these years, the authority awards less than the annual limitation of tax credits for either geographic region, the bill provides that the uncommitted balance of tax credits would be annually reallocated to the HMFA to support the purposes of this bill.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill may result in annual State revenue decreases in an indeterminate amount associated with certain tax credits being made available for a broader purpose and in a larger area of the State. This potential impact is expected for a period of four years beginning in CY 2027.

Current law authorizes the Economic Development Authority to award up to \$1.2 billion in tax credits over a nine-year period, which began in 2021, through the Community-Anchored Development Program. The authority is required to annually award tax credits valuing no greater than \$130 million for projects located in the 13 northern counties of the State and \$70 million for projects located in the eight southern counties of the State. Tax credits not awarded may be carried forward for issuance in a subsequent year without regard to the county in which a project is located. Tax credits may be awarded to support community-anchored projects. Under current law, a community-anchored project is a capital project that is located in a certain designated area (such as an opportunity zone, Planning Area 1, or a municipality with a high Municipal Revitalization Index Score) and will result in capital investment of at least \$10 million in a State opportunity zone. If the project is not located in an opportunity zone, it must be primarily designed to result in the economic expansion of a targeted industry in this State.

The bill reallocates the amount of any remaining tax credits, up to the annual limits originally authorized under the Community-Anchored Development Act, to the HMFA and allows the HMFA to issue those tax credits to support the development of certain housing projects. These tax credits may be awarded to support qualified housing projects in any area of the State. Reallocating these tax credits to HMFA broadens the purposes for which the tax credits may be used and allows them to be used in more areas of the State than currently permitted. While the OLS cannot predict the amount of tax credits that may be transferred from the Community-Anchored Development Program to the HMFA, the transfer of unused tax credits, and the utilization of those tax credits to support qualified housing projects could potentially result in State revenue losses that may not otherwise occur under current law.

Section: Local Government

*Analyst: Grace Ahlin
Assistant Fiscal 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. 4071

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JANUARY 30, 2025

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Co-Sponsored by:

Senators McKnight and Wimberly

SYNOPSIS

Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for middle-income workforce housing purposes.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/12/2025)

1 AN ACT concerning the use of tax credits for certain housing
2 programs, amending P.L.2020, c.156 (C.34:1B-269 et al.), and
3 supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).
4

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

8 1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to
9 read as follows:

10 89. a. The Director of the Division of Taxation in the
11 Department of the Treasury may purchase unused tax credits
12 awarded under a program listed in subsection b. of this section,
13 including tax credit transfer certificates issued by the director in
14 lieu of a tax credit allowed under such programs. The director shall
15 not pay consideration in excess of 75 percent of the credit amount
16 to be purchased, except for a credit awarded under the "Emerge
17 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
18 336 et al.), which shall be subject to the provisions of paragraph (4)
19 of subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345).

20 b. The Director of the Division of Taxation in the Department
21 of the Treasury may purchase tax credits awarded under the
22 following:

23 (1) the "Historic Property Reinvestment Act," sections **[1]** 2
24 through 8 of P.L.2020, c.156 (**[C.34:1B-269]** C.34:1B-270 through
25 C.34:1B-276);

26 (2) the "Brownfield Redevelopment Incentive Program Act,"
27 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
28 C.34:1B-287);

29 (3) the "New Jersey Innovation Evergreen Act," sections 20
30 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

31 (4) the "Food Desert Relief Act," sections 35 through 42 of
32 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

33 (5) the "New Jersey Community-Anchored Development Act,"
34 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
35 C.34:1B-321);

36 (6) the "New Jersey Aspire Program Act," sections 54 through
37 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

38 (7) the "Emerge Program Act," sections 68 through 81 of
39 P.L.2020, c.156 (C.34:1B-336 et al.);

40 (8) the Grow New Jersey Assistance Program established
41 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

42 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

43 (10) the State Economic Redevelopment and Growth Grant
44 program established pursuant to section 5 of P.L.2009, c.90
45 (C.52:27D-489e);

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 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b); **【and】**
2 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b); and
3 (13) sections 3 through 7 of P.L. , c. (C.) (pending
4 before the Legislature as this bill).
5 (cf: P.L.2020, c.156, s.89)

6
7 2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
8 read as follows:

9 98. a. The combined value of all tax credits awarded under the
10 "Historic Property Reinvestment Act," sections 2 through 8 of
11 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
12 "Brownfields Redevelopment Incentive Program Act," sections 9
13 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
14 the "New Jersey Innovation Evergreen Act," sections 20 through 34
15 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
16 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
17 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
18 Anchored Development Act," sections 43 through 53 of P.L.2020,
19 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
20 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
21 322 through 34:1B-335); the "Emerge Program Act," sections 68
22 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
23 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
24 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the
25 "Next New Jersey Program Act," P.L.2024, c.49 (**【C.34:1B-362 et**
26 **seq.】 C.34:1B-394 et al.); and P.L. , c. (C.) (pending**
27 **before the Legislature as this bill)** shall not exceed an overall cap of
28 \$11.5 billion over a nine-year period, subject to the conditions and
29 limitations set forth in this section. Of this \$11.5 billion, \$2.5
30 billion shall be reserved for transformative projects approved under
31 the Aspire Program.

32 b. (1) The total value of tax credits awarded under any
33 constituent program of the "New Jersey Economic Recovery Act of
34 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
35 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
36 **【and】** the "Next New Jersey Program Act," P.L.2024, c.49
37 (**【C.34:1B-362 et seq.】 C.34:1B-394 et al.), and P.L. ,**
38 **c. (C.) (pending before the Legislature as this bill)**, shall be
39 subject to the following limitations, except as otherwise provided in
40 subsection c. of this section:

41 (a) for tax credits awarded under the "Historic Property
42 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
43 (C.34:1B-270 through 34:1B-276), the total value of tax credits
44 annually awarded during each of the first six years of the nine-year
45 period shall not exceed \$50 million;

46 (b) for tax credits awarded under the "Brownfields
47 Redevelopment Incentive Program Act," sections 9 through 19 of
48 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value

1 of tax credits annually awarded during each of the first six years of
2 the nine-year period shall not exceed \$50 million;

3 (c) for tax credits awarded under the "New Jersey Innovation
4 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
5 (C.34:1B-288 through 34:1B-302), the total value of tax credits
6 annually awarded during each of the first six years of the nine-year
7 period shall not exceed \$60 million and the total value of tax credits
8 awarded over the entirety of the nine-year period shall not exceed
9 \$300,000,000;

10 (d) for tax credits awarded under the "Food Desert Relief Act,"
11 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
12 34:1B-310), the total value of tax credits annually awarded during
13 each of the first six years of the nine-year period shall not exceed
14 \$40 million;

15 (e) (i) for tax credits awarded under the "New Jersey
16 Community-Anchored Development Act," sections 43 through 53 of
17 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), and the
18 "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-
19 383 et al.), the total value of tax credits awarded during the nine-
20 year period shall not exceed **[\$1,200,000,000]** \$800,000,000;
21 provided, however, tax credits shall not be available under the
22 "New Jersey Community-Anchored Development Act," sections 43
23 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
24 until January 1, 2026. Beginning January 1, 2026, the authority
25 shall annually award tax credits under the "New Jersey Community-
26 Anchored Development Act," sections 43 through 53 of P.L.2020,
27 c.156 (C.34:1B-311 through 34:1B-321), valuing no greater than
28 \$130 million for projects located in the 13 northern counties of the
29 State, and the authority shall annually award tax credits valuing no
30 greater than \$70 million for projects located in the eight southern
31 counties of the State. If during any year of operation of the "New
32 Jersey Community-Anchored Development Act," sections 43
33 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
34 the authority awards tax credits pursuant to the program in an
35 amount less than the annual limitation for projects located in
36 northern counties or southern counties, as applicable, the
37 uncommitted portion of the annual limitation, up to the aggregate
38 value of tax credits authorized by this sub-subparagraph, shall be
39 available to be deployed by the authority in a subsequent year
40 without consideration to the county in which a project is located;

41 (ii) for tax credits awarded under P.L. , c. (C.) (pending
42 before the Legislature as this bill), the sum of \$400,000,000 in tax
43 credits shall be allocated to the New Jersey Housing and Mortgage
44 Finance Agency, established pursuant to P.L.1983, c.530
45 (C.55:14K-1 et seq.), which tax credits shall be sold through
46 competitive auctions conducted pursuant to sections 3 through 7 of
47 P.L. , c. (C.) (pending before the Legislature as this bill).
48 All proceeds of the tax credit auctions shall be used by the New
49 Jersey Housing and Mortgage Finance Agency for the purposes

1 authorized in subsection b. of section 4 of P.L. , c. (C)
2 (pending before the Legislature as this bill);
3 (f) for tax credits awarded under the "New Jersey Aspire
4 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
5 322 through 34:1B-335), and the "Emerge Program Act," sections
6 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
7 including tax credits awarded for transformative projects, the total
8 value of tax credits annually awarded during each of the first six
9 years of the nine-year period shall not exceed \$1.1 billion. If the
10 authority awards tax credits in an amount less than the annual
11 limitation, then the uncommitted portion of the annual limitation
12 shall be made available for qualified offshore wind projects
13 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
14 pursuant to subparagraph (h) of this paragraph, projects awarded a
15 tax credit pursuant to the "Next New Jersey Program Act,"
16 P.L.2024, c.49 (**[C.34:1B-362 et seq.] C.34:1B-394 et al.**), pursuant
17 to subparagraph (k) of this paragraph, or New Jersey studio
18 partners, New Jersey film-lease production companies, and
19 taxpayers, other than New Jersey studio partners and New Jersey
20 film-lease production companies awarded under sections 1 and 2 of
21 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
22 subparagraph (i) of this paragraph and subsection d. of this section.
23 During each of the first six years of the nine-year period, the
24 authority shall annually award tax credits valuing no greater than
25 \$715 million for projects located in the northern counties of the
26 State, and the authority shall annually award tax credits valuing no
27 greater than \$385 million for projects located in the southern
28 counties of the State under the "New Jersey Aspire Program Act,"
29 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
30 34:1B-335), and the "Emerge Program Act," sections 68 through 81
31 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
32 six years of the nine-year period, the authority awards tax credits
33 under the "New Jersey Aspire Program Act," sections 54 through 67
34 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
35 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
36 (C.34:1B-336 et al.), in an amount less than the annual limitation
37 for projects located in northern counties or southern counties, as
38 applicable, the uncommitted portion of the annual limitation shall
39 be available to be deployed by the authority in a subsequent year,
40 provided that the uncommitted portion of tax credits shall be
41 awarded for projects located in the applicable geographic area,
42 except that (i) after the completion of the third year of the nine-year
43 period, the authority may deploy 50 percent of the uncommitted
44 portion of tax credits for any previous year without consideration to
45 the county in which a project is located; and (ii) after the
46 completion of the sixth year of the nine-year period, the authority
47 may deploy all available tax credits, including the uncommitted
48 portion of the annual limitation for any previous year, without
49 consideration to the county in which a project is located;

1 (g) except as provided in subparagraph (j) of this paragraph, for
2 tax credits awarded for transformative projects under the "New
3 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
4 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
5 credits awarded during the nine-year period shall not exceed \$2.5
6 billion. The total value of tax credits awarded for transformative
7 projects in a given year shall not be subject to an annual limitation,
8 except that the total value of tax credits awarded to any
9 transformative project shall not exceed \$400 million;

10 (h) from the tax credits made available, pursuant to
11 subparagraph (f) of this paragraph, to the "New Jersey Aspire
12 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
13 322 through 34:1B-335), and the "Emerge Program Act," sections
14 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
15 including tax credits awarded for transformative projects, an
16 amount not to exceed \$350,000,000 shall be made available for
17 qualified offshore wind projects awarded a credit pursuant to
18 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
19 years of the nine-year period;

20 (i) beginning in fiscal year 2023, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
24 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
25 (C.34:1B-336 et al.), not including tax credits awarded for
26 transformative projects, additional amounts shall be made available
27 for New Jersey studio partners, New Jersey film-lease production
28 companies, and taxpayers, other than New Jersey studio partners
29 and New Jersey film-lease production companies pursuant to
30 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
31 12b);

32 (j) beginning in fiscal year 2024, from the tax credits made
33 available, pursuant to subparagraph (f) of this paragraph, to the
34 "New Jersey Aspire Program Act," sections 54 through 67 of
35 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
36 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
37 336 et al.), not including tax credits awarded for transformative
38 projects, an amount not to exceed \$500,000,000 may be annually
39 transferred for the award to transformative projects under the "New
40 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
41 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
42 remaining allocation of tax credits otherwise available for
43 transformative projects, pursuant to subparagraph (g) of this
44 paragraph, is less than \$1,000,000,000; and (ii) the authority board
45 determines that the transfer of tax credits is warranted based on
46 such criteria as the authority deems appropriate, which may include
47 the criteria set forth in paragraph (2) of this subsection. If a transfer
48 of tax credits is made pursuant to this subparagraph, the authority
49 shall award no greater than 65 percent of the tax credits transferred

1 pursuant to this subparagraph to transformative projects located in
2 the northern counties of the State and no greater than 35 percent of
3 the tax credits transferred pursuant to this subparagraph to
4 transformative projects located in the southern counties of the State;
5 and

6 (k) beginning in fiscal year 2025, from the tax credits made
7 available, pursuant to subparagraph (f) of this paragraph, to the
8 "New Jersey Aspire Program Act," sections 54 through 67 of
9 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
10 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
11 336 et al.), but not including tax credits awarded for transformative
12 projects, an amount not to exceed \$500,000,000 shall be made
13 available for projects awarded a tax credit pursuant to the "Next
14 New Jersey Program Act," P.L.2024, c.49 (**C.34:1B-362 et seq.**
15 **C.34:1B-394 et al.**).

16 (2) The authority may in any given year determine that it is in
17 the State's interest to approve an amount of tax credits in excess of
18 the annual limitations set forth in paragraph (1) of this subsection,
19 but in no event more than \$200,000,000 in excess of the annual
20 limitation, upon a determination by the authority board that such
21 increase is warranted based on specific criteria that may include:

22 (i) the increased demand for opportunities to create or retain
23 employment and investment in the State as indicated by the volume
24 of project applications and the amount of tax credits being sought
25 by those applications;

26 (ii) the need to protect the State's economic position in the event
27 of an economic downturn;

28 (iii) the quality of project applications and the net economic
29 benefit to the State and municipalities associated with those
30 applications;

31 (iv) opportunities for project applications to strengthen or protect
32 the competitiveness of the State under the prevailing market
33 conditions;

34 (v) enhanced access to employment and investment for
35 underserved populations in distressed municipalities and qualified
36 incentives tracts;

37 (vi) increased investment and employment in high-growth
38 technology sectors and in projects that entail collaboration with
39 education institutions in the State;

40 (vii) increased development proximate to mass transit facilities;

41 (viii) any other factor deemed relevant by the authority.

42 c. In the event that the authority in any year approves projects
43 for tax credits in an amount less than the annual limitations set forth
44 in paragraph (1) of subsection b. of this section, then the
45 uncommitted portion of the annual limitation shall be available to
46 be deployed by the authority in future years for projects under the
47 same program; provided however, that in no event shall the
48 aggregate amount of tax credits approved be in excess of the overall
49 cap of \$11.5 billion, and in no event shall the uncommitted portion

1 of the annual limitation for any previous year be deployed after the
2 conclusion of the nine-year period.

3 d. Notwithstanding the provisions of any other law to the
4 contrary, the uncommitted balance of the total value of tax credits
5 authorized for award by the authority pursuant to subparagraph (f)
6 of paragraph (1) of subsection b. of this section to the "New Jersey
7 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
8 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
9 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
10 available for tax credits allowed to New Jersey studio partners, New
11 Jersey film-lease production companies, and taxpayers, other than
12 New Jersey studio partners and New Jersey film-lease production
13 companies pursuant to sections 1 and 2 of P.L.2018, c.56
14 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
15 including tax credits allowed through the granting of tax credit
16 transfer certificates, made available to New Jersey studio partners,
17 New Jersey film-lease production companies, and taxpayers, other
18 than New Jersey studio partners and New Jersey film-lease
19 production companies pursuant to this subsection shall be as
20 follows:

21 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
22 partners and \$250,000,000 for New Jersey film-lease production
23 companies;

24 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
25 partners and \$250,000,000 for New Jersey film-lease production
26 companies; and

27 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
28 partners, \$250,000,000 for New Jersey film-lease production
29 companies, and \$300,000,000 for taxpayers, other than New Jersey
30 studio partners and New Jersey film-lease production companies.

31 If the value of tax credits, including tax credits allowed through
32 the granting of tax credit transfer certificates, approved to New
33 Jersey studio partners and New Jersey film-lease production
34 companies in any fiscal year pursuant to this subsection is less than
35 the cumulative total amount of tax credits permitted to be approved
36 in that fiscal year, the authority shall certify the amount of the
37 remaining tax credits available for approval to each such category
38 in that fiscal year, and shall increase the cumulative total amount of
39 tax credits permitted to be approved for New Jersey studio partners
40 and New Jersey film-lease production companies in the subsequent
41 fiscal year by the certified amount remaining for each such category
42 from the prior fiscal year.

43 (cf: P.L.2024, c.49, s.10)

44

45 3. (New section) As used in sections 4 through 7 of
46 P.L. , c. (C.) (pending before the Legislature as this bill):

47 "Agency" means the New Jersey Housing and Mortgage Finance
48 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
49 seq.).

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

3 "Middle-income workforce housing" means housing that is deed-
4 restricted for occupancy by households with a gross household
5 income of 80 percent or more, but not exceeding 120 percent, of the
6 median gross household income for households of the same size
7 within the housing region in which the housing is located.

8
9 4. (New section) a. Beginning on the effective date of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 the agency shall sell up to \$400,000,000 in tax credits, subject to
12 the limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-
13 362), to purchasers through a competitive auction process. The
14 competitive auctions shall be conducted, in consultation with the
15 New Jersey Economic Development Authority, in a manner
16 consistent with the processes set forth in section 24 of P.L.2020,
17 c.156 (C.34:1B-292), as determined by the agency, except that
18 agency shall not sell tax credits for less than 85 percent of the tax
19 credit amount, and the agency shall not sell more than \$75 million
20 in tax credits annually.

21 b. (1) The proceeds from the sale of tax credits at each auction
22 shall be reserved for use by the agency for the purposes of
23 providing financial assistance to support the development of
24 middle-income workforce housing in the State, including but not
25 limited to, the rehabilitation or construction of residential units
26 within multiple dwellings located within areas with proximity to
27 existing public transportation or job opportunities.

28 (2) Subject to the requirements of this subsection, the agency
29 may use some or all of the proceeds of the tax credit auctions as
30 part of an existing program operated by the agency on or before the
31 effective date of P.L. , c. (C.) (pending before the
32 Legislature as this bill) or through the establishment of a new
33 program to effectuate the provisions of P.L. , c. (C.)
34 (pending before the Legislature as this bill).

35
36 5. (New section) A purchaser that submits a successful bid for
37 the purchase of tax credits pursuant to section 4 of
38 P.L. , c. (C.) (pending before the Legislature as this bill)
39 shall enter into a contract with the agency that includes payment
40 information and the commitments made by the purchaser in its
41 auction bid. A purchaser that submits a successful bid for the
42 purchase of tax credits pursuant to section 4 of
43 P.L. , c. (C.) (pending before the Legislature as this bill)
44 shall pay by wire transfer the amount specified in its auction bid to
45 the agency. Upon receipt thereof, the Executive Director of the
46 agency shall notify the director to issue tax credits in the amount
47 approved. Failure by the purchaser to pay the amount agreed upon
48 on time shall disqualify the purchaser from purchasing the tax
49 credits and the authority may reassign the right to purchase the

1 credits to another bidder. Failure by the purchaser to adhere to the
2 commitments made in its auction bid shall disqualify the purchaser
3 from participating in future auctions and may result in the recapture
4 of a portion of the tax credits.

5
6 6. (New section) a. A purchaser shall apply a credit awarded
7 pursuant to section 4 of P.L. , c. (C.) (pending before the
8 Legislature as this bill) against the purchaser's State tax liability due
9 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
10 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
11 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current
12 privilege period as of the date of the approval of the credits. A
13 purchaser may carry forward an unused credit resulting from the
14 limitations of subsection b. of this section, if necessary, for use in
15 the seven privilege periods next following the privilege period for
16 which the credit is awarded.

17 b. The director shall prescribe the order of priority of the
18 application of the credits awarded under section 4 of
19 P.L. , c. (C.) (pending before the Legislature as this bill)
20 and any other credits allowed by law. The amount of a credit
21 applied under section 4 of P.L. , c. (C.) (pending before the
22 Legislature as this bill) against the tax imposed pursuant to section
23 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together
24 with any other credits allowed by law, shall not reduce the tax
25 liability of the purchaser to an amount less than the statutory
26 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
27 (C.54:10A-5).

28
29 7. (New section) a. A purchaser may apply to the agency and
30 the director for a tax credit transfer certificate in lieu of the
31 purchaser being allowed to apply any amount of the tax credit
32 against the purchaser's State tax liability. A tax credit may be sold
33 or assigned, in full or in part, to another person that may have a tax
34 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
35 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
36 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
37 tax credit transfer certificate provided to the purchaser shall include
38 a statement waiving the purchaser's right to claim the credit that the
39 purchaser has elected to sell or assign.

40 b. The purchaser shall not sell or assign a tax credit transfer
41 certificate allowed under this section for consideration received by
42 the purchaser of less than 85 percent of the transferred credit
43 amount before considering any further discounting to present value
44 which shall be permitted. The tax credit transfer certificate issued
45 to a purchaser by the director shall be subject to any limitations and
46 conditions imposed on the application of State tax credits pursuant
47 to section 6 of P.L. , c. (C.) (pending before the Legislature
48 as this bill) and any other terms and conditions that the director may
49 prescribe.

1 c. A buyer or assignee of a tax credit transfer certificate
2 pursuant to this section shall not make any subsequent transfers,
3 assignments, or sales of the tax credit transfer certificate.

4 d. 10 percent of the consideration received by a purchaser from
5 the sale or assignment of a tax credit transfer certificate pursuant to
6 this section shall be remitted to the director and deposited in the
7 General Fund of the State.

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

11 (1) the name of the transferor;

12 (2) the name of the transferee;

13 (3) the value of the tax credit transfer certificate;

14 (4) the State tax against which the transferee may apply the tax
15 credit; and

16 (5) the consideration received by the transferor.
17

18 8. (New section) Notwithstanding the provisions of the
19 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
20 seq.), to the contrary, the Executive Director of the agency, in
21 consultation with the Chief Executive Officer of the New Jersey
22 Economic Development Authority, may adopt, immediately, upon
23 filing with the Office of Administrative Law, regulations that the
24 Executive Director of the agency deems necessary to implement the
25 provisions of sections 3 through 6 of P.L. , c. (C.) (pending
26 before the Legislature as this bill), which regulations shall be
27 effective for a period not to exceed 180 days from the date of the
28 filing. The Executive Director of the agency shall thereafter amend,
29 adopt, or readopt the regulations in accordance with the
30 requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).
31

32 9. This act shall take effect immediately.
33
34

35 STATEMENT

36
37 This bill reallocates that \$400 million in tax credits, which are
38 currently authorized for the Community-Anchored Development
39 Program and Cultural Arts Incentives Program, to the New Jersey
40 Housing and Mortgage Finance Agency (HMFA) and sold through a
41 competitive tax credit auction. The proceeds from the sale of tax
42 credits at auction are to be used by the HMFA to support the
43 development of middle-income workforce housing in the State.

44 Under current law, the "New Jersey Economic Recovery Act of
45 2020" has authorized \$1.2 billion in tax credits over a nine-year
46 period for the Community-Anchored Development Program. As
47 amended by P.L.2023, c.197, the law also allows a portion of the
48 tax credits allocated for the Community-Anchored Development
49 Program to be used to support tax credit awards for projects through

1 the Cultural Arts Incentives Program. However, tax credits are not
2 authorized to be awarded under the Community-Anchored
3 Development Program until beginning on January 1, 2026, and no
4 projects have been awarded tax credits under the Cultural Arts
5 Incentives Program as of November 2024. Under this bill, \$400
6 million in tax credits will be transferred from these two programs to
7 the HMFA in order to support middle-income workforce housing
8 programs administered by the HMFA.

9 Specifically, this bill requires the HMFA to sell up to \$400
10 million in tax credits through a competitive auction process. Under
11 the bill, this auction is to be conducted in a manner consistent with
12 the auctions held by the EDA under the New Jersey Innovation
13 Evergreen Program, except that the tax credits could not be sold for
14 a consideration less than 85 percent of the tax credit amount, and no
15 more than \$75 million in tax credits may be sold at auction
16 annually. This bill also permits the Director of the Division of
17 Taxation in the Department of the Treasury to purchase unused tax
18 credits awarded under the provisions of this bill. The bill also
19 provides that certain of these tax credits may be sold or transferred
20 by the recipient, subject to certain restrictions specified in this bill.

21 Under the bill, the HMFA is required to use the proceeds of tax
22 credit auctions for the purposes of providing financial assistance to
23 support the development of middle-income workforce housing in
24 the State, including, but not limited to, the rehabilitation or
25 construction of residential units within multiple dwellings located
26 within areas with proximity to existing public transportation and job
27 opportunities. The bill defines “middle-income workforce housing”
28 to mean housing that is deed-restricted for occupancy by
29 households with a gross household income of 80 percent or more,
30 but not exceeding 120 percent, of the median gross household
31 income for households of the same size within the housing region in
32 which the housing is located.

33 The bill provides that the HMFA may use the proceeds from the
34 competitive tax credit auction to support an existing program
35 operated by the HMFA or through the establishment of a new
36 program to effectuate the provisions of this bill. Notably, the
37 HMFA currently operates the Workforce Housing Program, which
38 provides loans to fund eligible projects that include the
39 rehabilitation and construction of residential units that are reserved
40 for middle-income workforce housing, also known as workforce
41 housing, within multiple dwellings located within areas with
42 proximity to existing public transportation and job opportunities.

SENATE, No. 3155

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 6, 2024

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Authorizes HMFA to issue tax credits for certain purposes.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning the issuance of certain tax credits, amending
2 P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-
3 1 et seq.).

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

7
8 1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
9 read as follows:

10 98. a. The combined value of all tax credits awarded under the
11 "Historic Property Reinvestment Act," sections 2 through 8 of
12 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
13 "Brownfields Redevelopment Incentive Program Act," sections 9
14 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
15 the "New Jersey Innovation Evergreen Act," sections 20 through 34
16 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
17 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
18 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
19 Anchored Development Act," sections 43 through 53 of P.L.2020,
20 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
21 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
22 322 through 34:1B-335); the "Emerge Program Act," sections 68
23 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
24 P.L.2010, c.57 (C.34:1B-209.4)**[,]**; and the "Cultural Arts
25 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.) shall
26 not exceed an overall cap of \$11.5 billion over a nine-year period,
27 subject to the conditions and limitations set forth in this section. Of
28 this \$11.5 billion, \$2.5 billion shall be reserved for transformative
29 projects approved under the Aspire Program.

30 b. (1) The total value of tax credits awarded under any
31 constituent program of the "New Jersey Economic Recovery Act of
32 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts
33 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
34 shall be subject to the following limitations, except as otherwise
35 provided in subsection c. of this section:

36 (a) for tax credits awarded under the "Historic Property
37 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
38 (C.34:1B-270 through 34:1B-276), the total value of tax credits
39 annually awarded during each of the first six years of the nine-year
40 period shall not exceed \$50 million;

41 (b) for tax credits awarded under the "Brownfields
42 Redevelopment Incentive Program Act," sections 9 through 19 of
43 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
44 of tax credits annually awarded during each of the first six years of
45 the nine-year period shall not exceed \$50 million;

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 (c) for tax credits awarded under the "New Jersey Innovation
2 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
3 (C.34:1B-288 through 34:1B-302), the total value of tax credits
4 annually awarded during each of the first six years of the nine-year
5 period shall not exceed \$60 million and the total value of tax credits
6 awarded over the entirety of the nine-year period shall not exceed
7 \$300,000,000;

8 (d) for tax credits awarded under the "Food Desert Relief Act,"
9 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
10 34:1B-310), the total value of tax credits annually awarded during
11 each of the first six years of the nine-year period shall not exceed
12 \$40 million;

13 (e) for tax credits awarded under the "New Jersey Community-
14 Anchored Development Act," sections 43 through 53 of P.L.2020,
15 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
16 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
17 total value of tax credits awarded during the nine-year period shall
18 not exceed \$1,200,000,000; provided, however, tax credits shall not
19 be available under the "New Jersey Community-Anchored
20 Development Act," sections 43 through 53 of P.L.2020, c.156
21 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
22 Beginning January 1, 2026, the authority shall annually award tax
23 credits under the "New Jersey Community-Anchored Development
24 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
25 through 34:1B-321), valuing no greater than \$130 million for
26 projects located in the 13 northern counties of the State, and the
27 authority shall annually award tax credits valuing no greater than
28 \$70 million for projects located in the eight southern counties of the
29 State. If during any year of operation of the "New Jersey
30 Community-Anchored Development Act," sections 43 through 53 of
31 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
32 awards tax credits pursuant to the program in an amount less than
33 the annual limitation for projects located in northern counties or
34 southern counties, as applicable, the uncommitted portion of the
35 annual limitation shall be [available to be deployed by the authority
36 in a subsequent year without consideration to the county in which a
37 project is located] reallocated to the New Jersey Housing and
38 Mortgage Finance Agency, established pursuant to P.L.1983, c.530
39 (C.55:14K-1 et seq.), for the purposes authorized in
40 P.L. , c. (C.) (pending before the Legislature as this bill).
41 Notwithstanding any provision of law or regulation to the contrary,
42 the tax credits reallocated to the New Jersey Housing and Mortgage
43 Finance Agency shall not be subject to any requirements or
44 conditions of the "New Jersey Economic Recovery Act of 2020,"
45 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

46 (f) for tax credits awarded under the "New Jersey Aspire
47 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
48 322 through 34:1B-335), and the "Emerge Program Act," sections

1 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
2 including tax credits awarded for transformative projects, the total
3 value of tax credits annually awarded during each of the first six
4 years of the nine-year period shall not exceed \$1.1 billion. If the
5 authority awards tax credits in an amount less than the annual
6 limitation, then the uncommitted portion of the annual limitation
7 shall be made available for qualified offshore wind projects
8 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
9 pursuant to subparagraph (h) of this paragraph, or New Jersey
10 studio partners and New Jersey film-lease production companies
11 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
12 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
13 and subsection d. of this section. During each of the first six years
14 of the nine-year period, the authority shall annually award tax
15 credits valuing no greater than \$715 million for projects located in
16 the northern counties of the State, and the authority shall annually
17 award tax credits valuing no greater than \$385 million for projects
18 located in the southern counties of the State under the "New Jersey
19 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
20 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
21 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
22 during any of the first six years of the nine-year period, the
23 authority awards tax credits under the "New Jersey Aspire Program
24 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
25 through 34:1B-335), and the "Emerge Program Act," sections 68
26 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
27 less than the annual limitation for projects located in northern
28 counties or southern counties, as applicable, the uncommitted
29 portion of the annual limitation shall be available to be deployed by
30 the authority in a subsequent year, provided that the uncommitted
31 portion of tax credits shall be awarded for projects located in the
32 applicable geographic area, except that (i) after the completion of
33 the third year of the nine-year period, the authority may deploy 50
34 percent of the uncommitted portion of tax credits for any previous
35 year without consideration to the county in which a project is
36 located; and (ii) after the completion of the sixth year of the nine-
37 year period, the authority may deploy all available tax credits,
38 including the uncommitted portion of the annual limitation for any
39 previous year, without consideration to the county in which a
40 project is located;

41 (g) except as provided in subparagraph (j) of this paragraph, for
42 tax credits awarded for transformative projects under the "New
43 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
44 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
45 credits awarded during the nine-year period shall not exceed \$2.5
46 billion. The total value of tax credits awarded for transformative
47 projects in a given year shall not be subject to an annual limitation,

1 except that the total value of tax credits awarded to any
2 transformative project shall not exceed \$400 million;

3 (h) from the tax credits made available, pursuant to
4 subparagraph (f) of this paragraph, to the "New Jersey Aspire
5 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
6 322 through 34:1B-335), and the "Emerge Program Act," sections
7 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
8 including tax credits awarded for transformative projects, an
9 amount not to exceed \$350,000,000 shall be made available for
10 qualified offshore wind projects awarded a credit pursuant to
11 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
12 years of the nine-year period;

13 (i) beginning in fiscal year 2023, from the tax credits made
14 available, pursuant to subparagraph (f) of this paragraph, to the
15 "New Jersey Aspire Program Act," sections 54 through 67 of
16 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
17 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
18 (C.34:1B-336 et al.), not including tax credits awarded for
19 transformative projects, additional amounts shall be made available
20 for New Jersey studio partners and New Jersey film-lease
21 production companies pursuant to sections 1 and 2 of P.L.2018,
22 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

23 (j) beginning in fiscal year 2024, from the tax credits made
24 available, pursuant to subparagraph (f) of this paragraph, to the
25 "New Jersey Aspire Program Act," sections 54 through 67 of
26 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
27 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
28 336 et al.), not including tax credits awarded for transformative
29 projects, an amount not to exceed \$500,000,000 may be annually
30 transferred for the award to transformative projects under the "New
31 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
32 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
33 remaining allocation of tax credits otherwise available for
34 transformative projects, pursuant to subparagraph (g) of this
35 paragraph, is less than \$1,000,000,000; and (ii) the authority board
36 determines that the transfer of tax credits is warranted based on
37 such criteria as the authority deems appropriate, which may include
38 the criteria set forth in paragraph (2) of this subsection. If a transfer
39 of tax credits is made pursuant to this subparagraph, the authority
40 shall award no greater than 65 percent of the tax credits transferred
41 pursuant to this subparagraph to transformative projects located in
42 the northern counties of the State and no greater than 35 percent of
43 the tax credits transferred pursuant to this subparagraph to
44 transformative projects located in the southern counties of the State.

45 (2) The authority may in any given year determine that it is in
46 the State's interest to approve an amount of tax credits in excess of
47 the annual limitations set forth in paragraph (1) of this subsection,
48 but in no event more than \$200,000,000 in excess of the annual

1 limitation, upon a determination by the authority board that such
2 increase is warranted based on specific criteria that may include:

3 (i) the increased demand for opportunities to create or retain
4 employment and investment in the State as indicated by the volume
5 of project applications and the amount of tax credits being sought
6 by those applications;

7 (ii) the need to protect the State's economic position in the event
8 of an economic downturn;

9 (iii) the quality of project applications and the net economic
10 benefit to the State and municipalities associated with those
11 applications;

12 (iv) opportunities for project applications to strengthen or
13 protect the competitiveness of the State under the prevailing market
14 conditions;

15 (v) enhanced access to employment and investment for
16 underserved populations in distressed municipalities and qualified
17 incentives tracts;

18 (vi) increased investment and employment in high-growth
19 technology sectors and in projects that entail collaboration with
20 education institutions in the State;

21 (vii) increased development proximate to mass transit facilities;

22 (viii) any other factor deemed relevant by the authority.

23 c. In the event that the authority in any year approves projects
24 for tax credits in an amount less than the annual limitations set forth
25 in paragraph (1) of subsection b. of this section, then the
26 uncommitted portion of the annual limitation shall be available to
27 be deployed by the authority in future years for projects under the
28 same program; provided however, that in no event shall the
29 aggregate amount of tax credits approved be in excess of the overall
30 cap of \$11.5 billion, and in no event shall the uncommitted portion
31 of the annual limitation for any previous year be deployed after the
32 conclusion of the nine-year period.

33 d. Notwithstanding the provisions of any other law to the
34 contrary, the uncommitted balance of the total value of tax credits
35 authorized for award by the authority pursuant to subparagraph (f)
36 of paragraph (1) of subsection b. of this section to the "New Jersey
37 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
38 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
39 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
40 available for tax credits allowed to New Jersey studio partners and
41 New Jersey film-lease production companies pursuant to sections 1
42 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
43 value of tax credits, including tax credits allowed through the
44 granting of tax credit transfer certificates, made available to New
45 Jersey studio partners and New Jersey film-lease production
46 companies pursuant to this subsection shall be as follows:

1 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
2 partners and \$250,000,000 for New Jersey film-lease production
3 companies;

4 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
5 partners and \$250,000,000 for New Jersey film-lease production
6 companies; and

7 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
8 partners and \$250,000,000 for New Jersey film-lease production
9 companies.

10 If the value of tax credits, including tax credits allowed through
11 the granting of tax credit transfer certificates, approved to New
12 Jersey studio partners and New Jersey film-lease production
13 companies in any fiscal year pursuant to this subsection is less than
14 the cumulative total amount of tax credits permitted to be approved
15 in that fiscal year, the authority shall certify the amount of the
16 remaining tax credits available for approval to each such category
17 in that fiscal year, and shall increase the cumulative total amount of
18 tax credits permitted to be approved for New Jersey studio partners
19 and New Jersey film-lease production companies in the subsequent
20 fiscal year by the certified amount remaining for each such category
21 from the prior fiscal year.

22 (cf: P.L.2023, c.197, s.13)

23

24 2. (New section) As used in sections 2 through 5 of P.L. , c.
25 (C.) (pending before the Legislature as this bill):

26 “Agency” means the New Jersey Housing and Mortgage Finance
27 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
28 seq.).

29 “Director” means the Director of the Division of Taxation in the
30 Department of the Treasury.

31 “Low income housing tax credit” means a tax credit provided
32 through the federal Low Income Housing Tax Credit program
33 pursuant to section 42 of the Internal Revenue Code (26 U.S.C.
34 s.42).

35 “Project financing gap” means the same as the term is defined in
36 section 55 of P.L.2020, c.156 (C.34:1B-323).

37 “Qualified project” means a housing project that satisfies all
38 eligibility requirements, as determined by the agency, for the
39 receipt of a nine-percent low income housing tax credit,
40 notwithstanding the availability or unavailability of such funds.

41

42 3. (New section) a. Notwithstanding any provision of law or
43 regulation to the contrary, the agency may award the total amount
44 of tax credits allocated to the agency pursuant to subparagraph (e)
45 of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
46 (C.34:1B-362) in accordance with the provisions of this section.

47 b. The agency may award project financing tax credits to the
48 developers of qualified projects, which tax credits shall supplement

1 the value of any four-percent low income housing tax credits
2 previously awarded to the developer for the qualified project,
3 subject to the provisions of section 4 of P.L. , c. (C.)
4 (pending before the Legislature as this bill).

5 c. In addition to any other eligibility requirements that the
6 agency may deem appropriate, the tax credits authorized under this
7 section shall be available to any developer of a qualified project
8 that:

9 (1) received a four-percent low income housing tax credit for
10 the qualified project from the agency due to the total demand for
11 nine-percent low income housing tax credits exceeding the total
12 value of such tax credits available for distribution by the agency, as
13 made available to the agency pursuant to section 42 of the Internal
14 Revenue Code of 1986 (26 U.S.C. s.42); and

15 (2) demonstrates the existence of a project financing gap for the
16 qualified project.

17 d. The total value of tax credits awarded to a developer shall
18 equal the lesser of:

19 (1) the amount necessary to ensure that the qualified project
20 receives a total subsidy in an amount equivalent to the receipt of a
21 nine-percent low-income housing tax credit for the qualified
22 project; or

23 (2) the amount of the project financing gap for the qualified
24 project.

25 e. (1) All tax credits authorized pursuant to this section shall
26 be awarded upon application to the agency, which applications shall
27 be submitted in a form and manner prescribed by the agency.
28 Notwithstanding any provision of law or regulation to the contrary,
29 the agency may award some or all of the tax credits authorized
30 under this section as part of an existing program operated by the
31 agency on or before the effective date of P.L. , c. (C.)
32 (pending before the Legislature as this bill) or through the
33 establishment of a new program to effectuate the provisions of
34 P.L. , c. (C.) (pending before the Legislature as this bill).

35 (2) Upon approval of any application for tax credits pursuant to
36 this section, and upon the satisfaction of such additional
37 requirements as the agency deems appropriate, the agency shall
38 provide the tax credit recipient and the director with a certificate of
39 compliance indicating the amount of tax credits that the recipient
40 may apply against the recipient's tax liability, subject to the
41 provisions of section 4 of P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43
44 4. (New section) a. The tax credits issued by the agency
45 pursuant to section 3 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) may be applied against a developer's tax
47 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
48 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1

1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the
2 tax credit amount for a privilege period, the developer shall submit
3 to the director the certificate of compliance issued by the agency
4 pursuant to paragraph (2) of subsection e. of section 3 of P.L. , c.
5 (C.) (pending before the Legislature as this bill).

6 b. (1) The director shall prescribe the order of priority of the
7 application of the tax credit allowed under this section, together
8 with any other credits allowed by law, against the tax imposed
9 under section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
10 period. The amount of the tax credit applied under this section
11 against the tax imposed pursuant to section 5 of P.L.1945, c.162
12 (C.54:10A-5) for a privilege period, together with any other credits
13 allowed by law, shall not reduce the tax liability to an amount less
14 than the statutory minimum provided in subsection (e) of section 5
15 of P.L.1945, c.162 (C.54:10A-5).

16 (2) A developer may carry forward any unused tax credit
17 resulting from the limitations of paragraph (1) of this subsection or
18 from the insufficiency of a tax liability, as applicable, for use in the
19 five privilege periods next following the privilege period for which
20 the credits are awarded.

21 (3) Credits granted to a partnership shall be passed through to
22 the partners, members, or owners, respectively, pro-rata, or
23 pursuant to an executed agreement among the partners, members, or
24 owners documenting an alternate distribution method provided to
25 the director accompanied by any additional information as the
26 director may prescribe.

27 c. (1) A developer may apply to the director and the agency
28 for a tax credit transfer certificate, covering one or more years, in
29 lieu of the developer being allowed any amount of the credit against
30 the tax liability of the developer. An application for a tax credit
31 transfer certificate shall not be approved unless the agency
32 affirmatively determines, based on such considerations as the
33 agency deems appropriate, that the sale or assignment of the tax
34 credit transfer certificate is socially beneficial to the State.

35 (2) Upon approval of a developer's application for a tax credit
36 transfer certificate, and upon receipt thereof by the developer from
37 the director and the agency, the tax credit transfer certificate may be
38 sold or assigned, in full or in part, for an amount not less than
39 \$25,000, in the privilege period during which the developer receives
40 the tax credit transfer certificate to another person, who may apply
41 the credit against a tax liability pursuant to section 5 of P.L.1945,
42 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
43 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
44 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
45 in paragraph (2) of subsection b. of this section. The certificate
46 provided to the developer shall include a statement waiving the
47 developer's right to claim the amount of the tax credit that the

1 developer has elected to sell or assign against the developer's tax
2 liability.

3 (3) The developer shall not sell or assign, including a collateral
4 assignment, a tax credit transfer certificate allowed under this
5 section for consideration received by the developer of less than 85
6 percent of the transferred credit amount before considering any
7 further discounting to present value that shall be permitted.

8 (4) A purchaser or assignee of a tax credit transfer certificate
9 pursuant to this section shall not make any subsequent transfers,
10 assignments, or sales of the tax credit transfer certificate.

11

12 5. (New section) Notwithstanding the provisions of the
13 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
14 seq.) to the contrary, the agency may adopt, immediately, upon
15 filing with the Office of Administrative Law, such rules and
16 regulations as the agency deems necessary to implement the
17 provisions of P.L. , c. (C.) (pending before the Legislature
18 as this bill), which regulations shall be effective for a period not to
19 exceed 180 days from the date of the filing. Thereafter, the agency
20 shall amend, adopt, or readopt the regulations in accordance with
21 the requirements of the "Administrative Procedure Act," P.L.1968,
22 c.410 (C.52:14B-1 et seq.).

23

24 6. This act shall take effect immediately.

25

26

27

STATEMENT

28

29 This bill authorizes the New Jersey Housing and Mortgage
30 Finance Agency (HMFA) to issue project financing tax credits to
31 support the development of certain housing projects.

32 Specifically, the bill permits the HMFA to award project
33 financing tax credits to the developers of certain qualified projects
34 that: (1) have received a four-percent federal low income housing
35 tax credit (LIHTC) when the total demand for nine-percent LIHTC
36 exceeds the total value available for distribution; and (2) have a
37 project financing gap demonstrated by the developer at the time of
38 application. The total tax credit award is not to exceed the lesser
39 of: (1) the amount necessary to ensure that the qualified project
40 receives a total subsidy in an amount equivalent to the receipt of a
41 nine-percent LIHTC for the qualified project; or (2) the amount of
42 the project financing gap for a qualified project.

43 The bill provides that the HMFA may award some or all of these
44 tax credits as part of an existing program operated by the HMFA or
45 through the establishment of a new program to effectuate the
46 provisions of this bill. The bill also provides that certain of these
47 tax credits may be sold or transferred by the recipient, subject to
48 certain restrictions specified in the bill.

1 Under the bill, the uncommitted balance of tax credits otherwise
2 authorized to be awarded by the New Jersey Economic
3 Development Authority (EDA) under the Community-Anchored
4 Development Program are to be annually reallocated to the HMFA
5 to support the purposes set forth in this bill. Under current law, the
6 EDA may annually award up to \$200 million in tax credits under
7 the Community-Anchored Development Program, including up to
8 \$130 million in the northern counties of the State and up to \$70
9 million in the southern counties of the State, beginning on January
10 1, 2026 through the conclusion of the nine-year authorization period
11 set forth in the “Economic Recovery Act of 2020.” If during any of
12 these years the EDA awards less than the annual limitation of tax
13 credits for either geographic region, the bill provides that the
14 uncommitted balance of tax credits is to be annually reallocated to
15 the HMFA to support the purposes of this bill.

[First Reprint]

SENATE, No. 3155

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 6, 2024

Sponsored by:

Senator **LINDA R. GREENSTEIN**

District 14 (Mercer and Middlesex)

Senator **SHIRLEY K. TURNER**

District 15 (Hunterdon and Mercer)

SYNOPSIS

Authorizes HMFA to issue tax credits for certain purposes.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 6, 2024, with amendments.



(Sponsorship Updated As Of: 5/9/2024)

1 AN ACT concerning the issuance of certain tax credits, amending
 2 P.L.2020, c.156, and supplementing P.L.1983, c.530 (C.55:14K-
 3 1 et seq.).

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

7
 8 ¹**1** Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 9 read as follows:

10 98. a. The combined value of all tax credits awarded under the
 11 "Historic Property Reinvestment Act," sections 2 through 8 of
 12 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 13 "Brownfields Redevelopment Incentive Program Act," sections 9
 14 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 15 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 16 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 17 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 18 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 19 Anchored Development Act," sections 43 through 53 of P.L.2020,
 20 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 21 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 22 322 through 34:1B-335); the "Emerge Program Act," sections 68
 23 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
 24 P.L.2010, c.57 (C.34:1B-209.4)**[,.]**; and the "Cultural Arts
 25 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.) shall
 26 not exceed an overall cap of \$11.5 billion over a nine-year period,
 27 subject to the conditions and limitations set forth in this section. Of
 28 this \$11.5 billion, \$2.5 billion shall be reserved for transformative
 29 projects approved under the Aspire Program.

30 b. (1) The total value of tax credits awarded under any
 31 constituent program of the "New Jersey Economic Recovery Act of
 32 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts
 33 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
 34 shall be subject to the following limitations, except as otherwise
 35 provided in subsection c. of this section:

36 (a) for tax credits awarded under the "Historic Property
 37 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
 38 (C.34:1B-270 through 34:1B-276), the total value of tax credits
 39 annually awarded during each of the first six years of the nine-year
 40 period shall not exceed \$50 million;

41 (b) for tax credits awarded under the "Brownfields
 42 Redevelopment Incentive Program Act," sections 9 through 19 of
 43 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
 44 of tax credits annually awarded during each of the first six years of
 45 the nine-year period shall not exceed \$50 million;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted May 6, 2024.

1 (c) for tax credits awarded under the "New Jersey Innovation
2 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
3 (C.34:1B-288 through 34:1B-302), the total value of tax credits
4 annually awarded during each of the first six years of the nine-year
5 period shall not exceed \$60 million and the total value of tax credits
6 awarded over the entirety of the nine-year period shall not exceed
7 \$300,000,000;

8 (d) for tax credits awarded under the "Food Desert Relief Act,"
9 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
10 34:1B-310), the total value of tax credits annually awarded during
11 each of the first six years of the nine-year period shall not exceed
12 \$40 million;

13 (e) for tax credits awarded under the "New Jersey Community-
14 Anchored Development Act," sections 43 through 53 of P.L.2020,
15 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
16 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
17 total value of tax credits awarded during the nine-year period shall
18 not exceed \$1,200,000,000; provided, however, tax credits shall not
19 be available under the "New Jersey Community-Anchored
20 Development Act," sections 43 through 53 of P.L.2020, c.156
21 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
22 Beginning January 1, 2026, the authority shall annually award tax
23 credits under the "New Jersey Community-Anchored Development
24 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
25 through 34:1B-321), valuing no greater than \$130 million for
26 projects located in the 13 northern counties of the State, and the
27 authority shall annually award tax credits valuing no greater than
28 \$70 million for projects located in the eight southern counties of the
29 State. If during any year of operation of the "New Jersey
30 Community-Anchored Development Act," sections 43 through 53 of
31 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
32 awards tax credits pursuant to the program in an amount less than
33 the annual limitation for projects located in northern counties or
34 southern counties, as applicable, the uncommitted portion of the
35 annual limitation shall be [available to be deployed by the authority
36 in a subsequent year without consideration to the county in which a
37 project is located] reallocated to the New Jersey Housing and
38 Mortgage Finance Agency, established pursuant to P.L.1983, c.530
39 (C.55:14K-1 et seq.), for the purposes authorized in
40 P.L. , c. (C.) (pending before the Legislature as this bill).
41 Notwithstanding any provision of law or regulation to the contrary,
42 the tax credits reallocated to the New Jersey Housing and Mortgage
43 Finance Agency shall not be subject to any requirements or
44 conditions of the "New Jersey Economic Recovery Act of 2020,"
45 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

46 (f) for tax credits awarded under the "New Jersey Aspire
47 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
48 322 through 34:1B-335), and the "Emerge Program Act," sections

1 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
2 including tax credits awarded for transformative projects, the total
3 value of tax credits annually awarded during each of the first six
4 years of the nine-year period shall not exceed \$1.1 billion. If the
5 authority awards tax credits in an amount less than the annual
6 limitation, then the uncommitted portion of the annual limitation
7 shall be made available for qualified offshore wind projects
8 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
9 pursuant to subparagraph (h) of this paragraph, or New Jersey
10 studio partners and New Jersey film-lease production companies
11 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
12 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph
13 and subsection d. of this section. During each of the first six years
14 of the nine-year period, the authority shall annually award tax
15 credits valuing no greater than \$715 million for projects located in
16 the northern counties of the State, and the authority shall annually
17 award tax credits valuing no greater than \$385 million for projects
18 located in the southern counties of the State under the "New Jersey
19 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
20 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
21 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If
22 during any of the first six years of the nine-year period, the
23 authority awards tax credits under the "New Jersey Aspire Program
24 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
25 through 34:1B-335), and the "Emerge Program Act," sections 68
26 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount
27 less than the annual limitation for projects located in northern
28 counties or southern counties, as applicable, the uncommitted
29 portion of the annual limitation shall be available to be deployed by
30 the authority in a subsequent year, provided that the uncommitted
31 portion of tax credits shall be awarded for projects located in the
32 applicable geographic area, except that (i) after the completion of
33 the third year of the nine-year period, the authority may deploy 50
34 percent of the uncommitted portion of tax credits for any previous
35 year without consideration to the county in which a project is
36 located; and (ii) after the completion of the sixth year of the nine-
37 year period, the authority may deploy all available tax credits,
38 including the uncommitted portion of the annual limitation for any
39 previous year, without consideration to the county in which a
40 project is located;

41 (g) except as provided in subparagraph (j) of this paragraph, for
42 tax credits awarded for transformative projects under the "New
43 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
44 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
45 credits awarded during the nine-year period shall not exceed \$2.5
46 billion. The total value of tax credits awarded for transformative
47 projects in a given year shall not be subject to an annual limitation,

1 except that the total value of tax credits awarded to any
2 transformative project shall not exceed \$400 million;

3 (h) from the tax credits made available, pursuant to
4 subparagraph (f) of this paragraph, to the "New Jersey Aspire
5 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
6 322 through 34:1B-335), and the "Emerge Program Act," sections
7 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
8 including tax credits awarded for transformative projects, an
9 amount not to exceed \$350,000,000 shall be made available for
10 qualified offshore wind projects awarded a credit pursuant to
11 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
12 years of the nine-year period;

13 (i) beginning in fiscal year 2023, from the tax credits made
14 available, pursuant to subparagraph (f) of this paragraph, to the
15 "New Jersey Aspire Program Act," sections 54 through 67 of
16 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
17 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
18 (C.34:1B-336 et al.), not including tax credits awarded for
19 transformative projects, additional amounts shall be made available
20 for New Jersey studio partners and New Jersey film-lease
21 production companies pursuant to sections 1 and 2 of P.L.2018,
22 c.56 (C.54:10A-5.39b and C.54A:4-12b); and

23 (j) beginning in fiscal year 2024, from the tax credits made
24 available, pursuant to subparagraph (f) of this paragraph, to the
25 "New Jersey Aspire Program Act," sections 54 through 67 of
26 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
27 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
28 336 et al.), not including tax credits awarded for transformative
29 projects, an amount not to exceed \$500,000,000 may be annually
30 transferred for the award to transformative projects under the "New
31 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
32 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
33 remaining allocation of tax credits otherwise available for
34 transformative projects, pursuant to subparagraph (g) of this
35 paragraph, is less than \$1,000,000,000; and (ii) the authority board
36 determines that the transfer of tax credits is warranted based on
37 such criteria as the authority deems appropriate, which may include
38 the criteria set forth in paragraph (2) of this subsection. If a transfer
39 of tax credits is made pursuant to this subparagraph, the authority
40 shall award no greater than 65 percent of the tax credits transferred
41 pursuant to this subparagraph to transformative projects located in
42 the northern counties of the State and no greater than 35 percent of
43 the tax credits transferred pursuant to this subparagraph to
44 transformative projects located in the southern counties of the State.

45 (2) The authority may in any given year determine that it is in
46 the State's interest to approve an amount of tax credits in excess of
47 the annual limitations set forth in paragraph (1) of this subsection,
48 but in no event more than \$200,000,000 in excess of the annual

1 limitation, upon a determination by the authority board that such
2 increase is warranted based on specific criteria that may include:

3 (i) the increased demand for opportunities to create or retain
4 employment and investment in the State as indicated by the volume
5 of project applications and the amount of tax credits being sought
6 by those applications;

7 (ii) the need to protect the State's economic position in the event
8 of an economic downturn;

9 (iii) the quality of project applications and the net economic
10 benefit to the State and municipalities associated with those
11 applications;

12 (iv) opportunities for project applications to strengthen or
13 protect the competitiveness of the State under the prevailing market
14 conditions;

15 (v) enhanced access to employment and investment for
16 underserved populations in distressed municipalities and qualified
17 incentives tracts;

18 (vi) increased investment and employment in high-growth
19 technology sectors and in projects that entail collaboration with
20 education institutions in the State;

21 (vii) increased development proximate to mass transit facilities;

22 (viii) any other factor deemed relevant by the authority.

23 c. In the event that the authority in any year approves projects
24 for tax credits in an amount less than the annual limitations set forth
25 in paragraph (1) of subsection b. of this section, then the
26 uncommitted portion of the annual limitation shall be available to
27 be deployed by the authority in future years for projects under the
28 same program; provided however, that in no event shall the
29 aggregate amount of tax credits approved be in excess of the overall
30 cap of \$11.5 billion, and in no event shall the uncommitted portion
31 of the annual limitation for any previous year be deployed after the
32 conclusion of the nine-year period.

33 d. Notwithstanding the provisions of any other law to the
34 contrary, the uncommitted balance of the total value of tax credits
35 authorized for award by the authority pursuant to subparagraph (f)
36 of paragraph (1) of subsection b. of this section to the "New Jersey
37 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
38 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
39 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
40 available for tax credits allowed to New Jersey studio partners and
41 New Jersey film-lease production companies pursuant to sections 1
42 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
43 value of tax credits, including tax credits allowed through the
44 granting of tax credit transfer certificates, made available to New
45 Jersey studio partners and New Jersey film-lease production
46 companies pursuant to this subsection shall be as follows:

(1) in fiscal year 2023, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies;

(2) in fiscal year 2024, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners and \$250,000,000 for New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.

(cf: P.L.2023, c.197, s.13)¹

¹1. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to read as follows:

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4) **[,]**; and the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.), shall not exceed an overall cap of \$11.5 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.) and the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.), subject to the following

1 limitations, except as otherwise provided in subsection c. of this
2 section:

3 (a) for tax credits awarded under the "Historic Property
4 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-
5 270 through 34:1B-276), the total value of tax credits annually
6 awarded during each of the first six years of the nine-year period shall
7 not exceed \$50 million;

8 (b) for tax credits awarded under the "Brownfields Redevelopment
9 Incentive Program Act," sections 9 through 19 of P.L.2020, c.156
10 (C.34:1B-277 through 34:1B-287), the total value of tax credits
11 annually awarded during each of the first six years of the nine-year
12 period shall not exceed \$50 million;

13 (c) for tax credits awarded under the "New Jersey Innovation
14 Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-
15 288 through 34:1B-302), the total value of tax credits annually
16 awarded during each of the first six years of the nine-year period shall
17 not exceed \$60 million and the total value of tax credits awarded over
18 the entirety of the nine-year period shall not exceed \$300,000,000;

19 (d) for tax credits awarded under the "Food Desert Relief Act,"
20 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
21 34:1B-310), the total value of tax credits annually awarded during
22 each of the first six years of the nine-year period shall not exceed \$40
23 million;

24 (e) for tax credits awarded under the "New Jersey Community-
25 Anchored Development Act," sections 43 through 53 of P.L.2020,
26 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
27 Incentives Program Act," P.L.2023, c.197 (C.), the total value of
28 tax credits awarded during the nine-year period shall not exceed
29 \$1,200,000,000; provided, however, tax credits shall not be available
30 under the "New Jersey Community-Anchored Development Act,"
31 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
32 34:1B-321), until January 1, 2026. Beginning January 1, 2026, the
33 authority shall annually award tax credits under the "New Jersey
34 Community-Anchored Development Act," sections 43 through 53 of
35 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), valuing no greater
36 than \$130 million for projects located in the 13 northern counties of
37 the State, and the authority shall annually award tax credits valuing no
38 greater than \$70 million for projects located in the eight southern
39 counties of the State. If during any year of operation of the "New
40 Jersey Community-Anchored Development Act," sections 43 through
41 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
42 awards tax credits pursuant to the program in an amount less than the
43 annual limitation for projects located in northern counties or southern
44 counties, as applicable, the uncommitted portion of the annual
45 limitation shall be [available to be deployed by the authority in a
46 subsequent year without consideration to the county in which a project
47 is located] reallocated to the New Jersey Housing and Mortgage
48 Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1

1 et seq.), for the purposes authorized in P.L. , c. (C.) (pending
2 before the Legislature as this bill). Notwithstanding any provision of
3 law or regulation to the contrary, the tax credits reallocated to the New
4 Jersey Housing and Mortgage Finance Agency shall not be subject to
5 any requirements or conditions of the "New Jersey Economic
6 Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as
7 amended or supplemented;

8 (f) for tax credits awarded under the "New Jersey Aspire Program
9 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
10 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of
11 P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded
12 for transformative projects, the total value of tax credits annually
13 awarded during each of the first six years of the nine-year period shall
14 not exceed \$1.1 billion. If the authority awards tax credits in an
15 amount less than the annual limitation, then the uncommitted portion
16 of the annual limitation shall be made available for qualified offshore
17 wind projects awarded under section 6 of P.L.2010, c.57 (C.34:1B-
18 209.4), pursuant to subparagraph (h) of this paragraph, or New Jersey
19 studio partners and New Jersey film-lease production companies
20 awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b
21 and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and
22 subsection d. of this section. During each of the first six years of the
23 nine-year period, the authority shall annually award tax credits valuing
24 no greater than \$715 million for projects located in the northern
25 counties of the State, and the authority shall annually award tax credits
26 valuing no greater than \$385 million for projects located in the
27 southern counties of the State under the "New Jersey Aspire Program
28 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
29 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of
30 P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first six
31 years of the nine-year period, the authority awards tax credits under
32 the "New Jersey Aspire Program Act," sections 54 through 67 of
33 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge
34 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
35 336 et al.), in an amount less than the annual limitation for projects
36 located in northern counties or southern counties, as applicable, the
37 uncommitted portion of the annual limitation shall be available to be
38 deployed by the authority in a subsequent year, provided that the
39 uncommitted portion of tax credits shall be awarded for projects
40 located in the applicable geographic area, except that (i) after the
41 completion of the third year of the nine-year period, the authority may
42 deploy 50 percent of the uncommitted portion of tax credits for any
43 previous year without consideration to the county in which a project is
44 located; and (ii) after the completion of the sixth year of the nine-year
45 period, the authority may deploy all available tax credits, including the
46 uncommitted portion of the annual limitation for any previous year,
47 without consideration to the county in which a project is located;

1 (g) except as provided in subparagraph (j) of this paragraph, for
2 tax credits awarded for transformative projects under the "New Jersey
3 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
4 (C.34:1B-322 through 34:1B-335), the total value of tax credits
5 awarded during the nine-year period shall not exceed \$2.5 billion. The
6 total value of tax credits awarded for transformative projects in a given
7 year shall not be subject to an annual limitation, except that the total
8 value of tax credits awarded to any transformative project shall not
9 exceed \$400 million;

10 (h) from the tax credits made available, pursuant to subparagraph
11 (f) of this paragraph, to the "New Jersey Aspire Program Act,"
12 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
13 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of
14 P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded
15 for transformative projects, an amount not to exceed \$350,000,000
16 shall be made available for qualified offshore wind projects awarded a
17 credit pursuant to section 6 of P.L.2010, c.57 (C.34:1B-209.4) during
18 the first three years of the nine-year period;

19 (i) beginning in fiscal year 2023, from the tax credits made
20 available, pursuant to subparagraph (f) of this paragraph, to the "New
21 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
22 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act,"
23 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
24 including tax credits awarded for transformative projects, additional
25 amounts shall be made available for New Jersey studio partners and
26 New Jersey film-lease production companies pursuant to sections 1
27 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b); and

28 (j) beginning in fiscal year 2024, from the tax credits made
29 available, pursuant to subparagraph (f) of this paragraph, to the "New
30 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
31 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act,"
32 sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
33 including tax credits awarded for transformative projects, an amount
34 not to exceed \$500,000,000 may be annually transferred for the award
35 to transformative projects under the "New Jersey Aspire Program
36 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
37 34:1B-335), provided that: (i) the remaining allocation of tax credits
38 otherwise available for transformative projects, pursuant to
39 subparagraph (g) of this paragraph, is less than \$1,000,000,000; and
40 (ii) the authority board determines that the transfer of tax credits is
41 warranted based on such criteria as the authority deems appropriate,
42 which may include the criteria set forth in paragraph (2) of this
43 subsection. If a transfer of tax credits is made pursuant to this
44 subparagraph, the authority shall award no greater than 65 percent of
45 the tax credits transferred pursuant to this subparagraph to
46 transformative projects located in the northern counties of the State
47 and no greater than 35 percent of the tax credits transferred pursuant to

1 this subparagraph to transformative projects located in the southern
2 counties of the State.

3 (2) The authority may in any given year determine that it is in the
4 State's interest to approve an amount of tax credits in excess of the
5 annual limitations set forth in paragraph (1) of this subsection, but in
6 no event more than \$200,000,000 in excess of the annual limitation,
7 upon a determination by the authority board that such increase is
8 warranted based on specific criteria that may include:

9 (i) the increased demand for opportunities to create or retain
10 employment and investment in the State as indicated by the volume of
11 project applications and the amount of tax credits being sought by
12 those applications;

13 (ii) the need to protect the State's economic position in the event of
14 an economic downturn;

15 (iii) the quality of project applications and the net economic benefit
16 to the State and municipalities associated with those applications;

17 (iv) opportunities for project applications to strengthen or protect
18 the competitiveness of the State under the prevailing market
19 conditions;

20 (v) enhanced access to employment and investment for
21 underserved populations in distressed municipalities and qualified
22 incentives tracts;

23 (vi) increased investment and employment in high-growth
24 technology sectors and in projects that entail collaboration with
25 education institutions in the State;

26 (vii) increased development proximate to mass transit facilities;

27 (viii) any other factor deemed relevant by the authority.

28 c. In the event that the authority in any year approves projects for
29 tax credits in an amount less than the annual limitations set forth in
30 paragraph (1) of subsection b. of this section, then the uncommitted
31 portion of the annual limitation shall be available to be deployed by
32 the authority in future years for projects under the same program;
33 provided however, that in no event shall the aggregate amount of tax
34 credits approved be in excess of the overall cap of \$11.5 billion, and in
35 no event shall the uncommitted portion of the annual limitation for any
36 previous year be deployed after the conclusion of the nine-year period.

37 d. Notwithstanding the provisions of any other law to the
38 contrary, the uncommitted balance of the total value of tax credits
39 authorized for award by the authority pursuant to subparagraph (f) of
40 paragraph (1) of subsection b. of this section to the "New Jersey
41 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
42 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
43 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
44 available for tax credits allowed to New Jersey studio partners and
45 New Jersey film-lease production companies pursuant to sections 1
46 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The
47 value of tax credits, including tax credits allowed through the granting
48 of tax credit transfer certificates, made available to New Jersey studio

1 partners and New Jersey film-lease production companies pursuant to
2 this subsection shall be as follows:

3 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
4 partners and \$250,000,000 for New Jersey film-lease production
5 companies;

6 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
7 partners and \$250,000,000 for New Jersey film-lease production
8 companies; and

9 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
10 partners and \$250,000,000 for New Jersey film-lease production
11 companies.

12 If the value of tax credits, including tax credits allowed through the
13 granting of tax credit transfer certificates, approved to New Jersey
14 studio partners and New Jersey film-lease production companies in
15 any fiscal year pursuant to this subsection is less than the cumulative
16 total amount of tax credits permitted to be approved in that fiscal year,
17 the authority shall certify the amount of the remaining tax credits
18 available for approval to each such category in that fiscal year, and
19 shall increase the cumulative total amount of tax credits permitted to
20 be approved for New Jersey studio partners and New Jersey film-lease
21 production companies in the subsequent fiscal year by the certified
22 amount remaining for each such category from the prior fiscal year.¹

23 (cf: P.L.2023, c.197, s.13)

24
25 2. (New section) As used in sections 2 through 5 of
26 P.L. , c. (C.) (pending before the Legislature as this bill):

27 “Agency” means the New Jersey Housing and Mortgage Finance
28 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
29 seq.).

30 “Director” means the Director of the Division of Taxation in the
31 Department of the Treasury.

32 “Low income housing tax credit” means a tax credit provided
33 through the federal Low Income Housing Tax Credit program
34 pursuant to section 42 of the Internal Revenue Code (26 U.S.C.
35 s.42).

36 “Project financing gap” means the same as the term is defined in
37 section 55 of P.L.2020, c.156 (C.34:1B-323).

38 “Qualified project” means a housing project that satisfies all
39 eligibility requirements, as determined by the agency, for the
40 receipt of a nine-percent low income housing tax credit,
41 notwithstanding the availability or unavailability of such funds.

42
43 3. (New section) a. Notwithstanding any provision of law or
44 regulation to the contrary, the agency may award the total amount
45 of tax credits allocated to the agency pursuant to subparagraph (e)
46 of paragraph (1) of subsection b. of section 98 of P.L.2020, c.156
47 (C.34:1B-362) in accordance with the provisions of this section.

1 b. The agency may award project financing tax credits to the
2 developers of qualified projects, which tax credits shall supplement
3 the value of any four-percent low income housing tax credits
4 previously awarded to the developer for the qualified project,
5 subject to the provisions of section 4 of P.L. , c. (C.)
6 (pending before the Legislature as this bill).

7 c. In addition to any other eligibility requirements that the
8 agency may deem appropriate, the tax credits authorized under this
9 section shall be available to any developer of a qualified project
10 that:

11 (1) received a four-percent low income housing tax credit for
12 the qualified project from the agency due to the total demand for
13 nine-percent low income housing tax credits exceeding the total
14 value of such tax credits available for distribution by the agency, as
15 made available to the agency pursuant to section 42 of the Internal
16 Revenue Code of 1986 (26 U.S.C. s.42); and

17 (2) demonstrates the existence of a project financing gap for the
18 qualified project.

19 d. The total value of tax credits awarded to a developer shall
20 equal the lesser of:

21 (1) the amount necessary to ensure that the qualified project
22 receives a total subsidy in an amount equivalent to the receipt of a
23 nine-percent low-income housing tax credit for the qualified
24 project; or

25 (2) the amount of the project financing gap for the qualified
26 project.

27 e. (1) All tax credits authorized pursuant to this section shall
28 be awarded upon application to the agency, which applications shall
29 be submitted in a form and manner prescribed by the agency.
30 Notwithstanding any provision of law or regulation to the contrary,
31 the agency may award some or all of the tax credits authorized
32 under this section as part of an existing program operated by the
33 agency on or before the effective date of P.L. , c. (C.)
34 (pending before the Legislature as this bill) or through the
35 establishment of a new program to effectuate the provisions of
36 P.L. , c. (C.) (pending before the Legislature as this bill).

37 (2) Upon approval of any application for tax credits pursuant to
38 this section, and upon the satisfaction of such additional
39 requirements as the agency deems appropriate, the agency shall
40 provide the tax credit recipient and the director with a certificate of
41 compliance indicating the amount of tax credits that the recipient
42 may apply against the recipient's tax liability, subject to the
43 provisions of section 4 of P.L. , c. (C.) (pending before the
44 Legislature as this bill).

45
46 4. (New section) a. The tax credits issued by the agency
47 pursuant to section 3 of P.L. , c. (C.) (pending before the
48 Legislature as this bill) may be applied against a developer's tax

1 liability under section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
3 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. To claim the
4 tax credit amount for a privilege period, the developer shall submit
5 to the director the certificate of compliance issued by the agency
6 pursuant to paragraph (2) of subsection e. of section 3 of
7 P.L. , c. (C.) (pending before the Legislature as this bill).

8 b. (1) The director shall prescribe the order of priority of the
9 application of the tax credit allowed under this section, together
10 with any other credits allowed by law, against the tax imposed
11 under section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
12 period. The amount of the tax credit applied under this section
13 against the tax imposed pursuant to section 5 of P.L.1945, c.162
14 (C.54:10A-5) for a privilege period, together with any other credits
15 allowed by law, shall not reduce the tax liability to an amount less
16 than the statutory minimum provided in subsection (e) of section 5
17 of P.L.1945, c.162 (C.54:10A-5).

18 (2) A developer may carry forward any unused tax credit
19 resulting from the limitations of paragraph (1) of this subsection or
20 from the insufficiency of a tax liability, as applicable, for use in the
21 five privilege periods next following the privilege period for which
22 the credits are awarded.

23 (3) Credits granted to a partnership shall be passed through to
24 the partners, members, or owners, respectively, pro-rata, or
25 pursuant to an executed agreement among the partners, members, or
26 owners documenting an alternate distribution method provided to
27 the director accompanied by any additional information as the
28 director may prescribe.

29 c. (1) A developer may apply to the director and the agency
30 for a tax credit transfer certificate, covering one or more years, in
31 lieu of the developer being allowed any amount of the credit against
32 the tax liability of the developer. An application for a tax credit
33 transfer certificate shall not be approved unless the agency
34 affirmatively determines, based on such considerations as the
35 agency deems appropriate, that the sale or assignment of the tax
36 credit transfer certificate is socially beneficial to the State.

37 (2) Upon approval of a developer's application for a tax credit
38 transfer certificate, and upon receipt thereof by the developer from
39 the director and the agency, the tax credit transfer certificate may be
40 sold or assigned, in full or in part, for an amount not less than
41 \$25,000, in the privilege period during which the developer receives
42 the tax credit transfer certificate to another person, who may apply
43 the credit against a tax liability pursuant to section 5 of P.L.1945,
44 c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-
45 2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
46 N.J.S.17B:23-5, subject to the carry-forward authorizations set forth
47 in paragraph (2) of subsection b. of this section. The certificate
48 provided to the developer shall include a statement waiving the

1 developer's right to claim the amount of the tax credit that the
2 developer has elected to sell or assign against the developer's tax
3 liability.

4 (3) The developer shall not sell or assign, including a collateral
5 assignment, a tax credit transfer certificate allowed under this
6 section for consideration received by the developer of less than 85
7 percent of the transferred credit amount before considering any
8 further discounting to present value that shall be permitted.

9 (4) A purchaser or assignee of a tax credit transfer certificate
10 pursuant to this section shall not make any subsequent transfers,
11 assignments, or sales of the tax credit transfer certificate.

12

13 5. (New section) Notwithstanding the provisions of the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.) to the contrary, the agency may adopt, immediately, upon
16 filing with the Office of Administrative Law, such rules and
17 regulations as the agency deems necessary to implement the
18 provisions of P.L. , c. (C.) (pending before the Legislature
19 as this bill), which regulations shall be effective for a period not to
20 exceed 180 days from the date of the filing. Thereafter, the agency
21 shall amend, adopt, or readopt the regulations in accordance with
22 the requirements of the "Administrative Procedure Act," P.L.1968,
23 c.410 (C.52:14B-1 et seq.).

24

25 6. This act shall take effect immediately.

[First Reprint]

SENATE, No. 4071

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED JANUARY 30, 2025

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

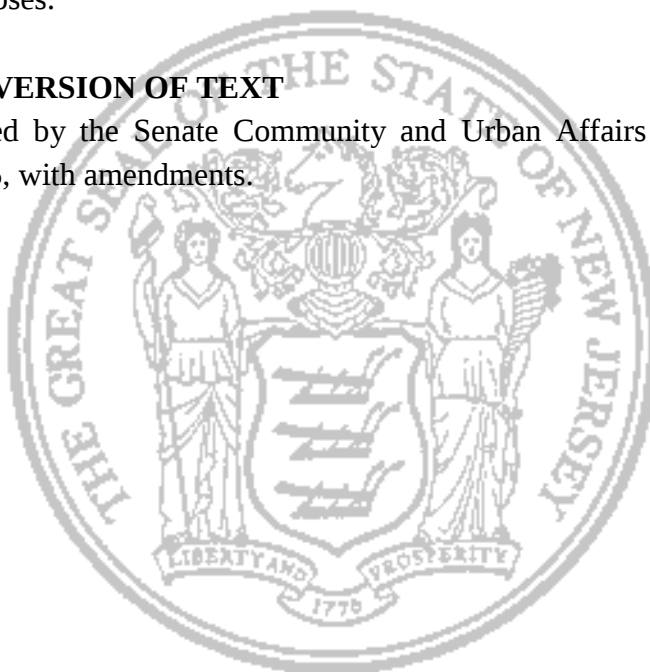
Senators McKnight and Wimberly

SYNOPSIS

Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for middle-income workforce housing purposes.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 12, 2025, with amendments.



(Sponsorship Updated As Of: 5/12/2025)

1 AN ACT concerning the use of tax credits for certain housing
2 programs, amending P.L.2020, c.156 (C.34:1B-269 et al.), and
3 supplementing P.L.1983, c.530 (C.55:14K-1 et seq.).
4

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

8 ¹**[**1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended
9 to read as follows:

10 89. a. The Director of the Division of Taxation in the
11 Department of the Treasury may purchase unused tax credits
12 awarded under a program listed in subsection b. of this section,
13 including tax credit transfer certificates issued by the director in
14 lieu of a tax credit allowed under such programs. The director shall
15 not pay consideration in excess of 75 percent of the credit amount
16 to be purchased, except for a credit awarded under the "Emerge
17 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
18 336 et al.), which shall be subject to the provisions of paragraph (4)
19 of subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345).

20 b. The Director of the Division of Taxation in the Department
21 of the Treasury may purchase tax credits awarded under the
22 following:

23 (1) the "Historic Property Reinvestment Act," sections **[1]** 2
24 through 8 of P.L.2020, c.156 (**[**C.34:1B-269**]** C.34:1B-270 through
25 C.34:1B-276);

26 (2) the "Brownfield Redevelopment Incentive Program Act,"
27 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
28 C.34:1B-287);

29 (3) the "New Jersey Innovation Evergreen Act," sections 20
30 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

31 (4) the "Food Desert Relief Act," sections 35 through 42 of
32 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

33 (5) the "New Jersey Community-Anchored Development Act,"
34 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
35 C.34:1B-321);

36 (6) the "New Jersey Aspire Program Act," sections 54 through
37 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

38 (7) the "Emerge Program Act," sections 68 through 81 of
39 P.L.2020, c.156 (C.34:1B-336 et al.);

40 (8) the Grow New Jersey Assistance Program established
41 pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

42 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

43 (10) the State Economic Redevelopment and Growth Grant
44 program established pursuant to section 5 of P.L.2009, c.90
45 (C.52:27D-489e);

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCU committee amendments adopted May 12, 2025.

(11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b); **and**
(12) section 2 of P.L.2018, c.56 (C.54A:4-12b); and
(13) sections 3 through 7 of P.L. , c. (C.) (pending
before the Legislature as this bill).
(cf: P.L.2020, c.156, s.89)】¹

¹1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to read as follows:

89. a. The Director of the Division of Taxation in the Department of the Treasury may purchase unused tax credits awarded under a program listed in subsection b. of this section, including tax credit transfer certificates issued by the director in lieu of a tax credit allowed under such programs. The director shall not pay consideration in excess of 75 percent of the credit amount to be purchased, except for a credit awarded under:

(1) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the provisions of paragraph (4) of subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345);

(2) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as amended and supplemented, for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director, and further provided that, if the application to the director is submitted after the sixth year of the eligibility period, the amount in excess of the reasonable and appropriate rate of return on investment that the developer is required to pay pursuant to subsection c. of section 60 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent; or

(3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director.

b. The Director of the Division of Taxation in the Department of the Treasury may purchase tax credits awarded under the following:

(1) the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);

(2) the "Brownfield Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through C.34:1B-287);

(3) the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

(4) the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

(5) the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321);

(6) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

(7) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.);

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

(9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

(10) the State Economic Redevelopment and Growth Grant program established pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e);

(11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);

(12) section 2 of P.L.2018, c.56 (C.54A:4-12b); **【and】**

(13) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); and

(14) sections 3 through 7 of P.L. , c. (C.) (pending before the Legislature as this bill).¹

(cf: P.L.2025, c.2, s.9)

2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to read as follows:

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-Anchored Development Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the "Next New Jersey Program Act," P.L.2024, c.49 (**【C.34:1B-362 et seq.】** C.34:1B-394 et al.); and P.L. , c. (C.) (pending before the Legislature as this bill) shall not exceed an overall cap of \$11.5 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this \$11.5 billion, \$2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of

1 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
2 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
3 **【and】** the "Next New Jersey Program Act," P.L.2024, c.49
4 **【C.34:1B-362 et seq.】** C.34:1B-394 et al., and P.L. ,
5 c. (C.) (pending before the Legislature as this bill), shall be
6 subject to the following limitations, except as otherwise provided in
7 subsection c. of this section:

8 (a) for tax credits awarded under the "Historic Property
9 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
10 (C.34:1B-270 through 34:1B-276), the total value of tax credits
11 annually awarded during each of the first six years of the nine-year
12 period shall not exceed \$50 million;

13 (b) for tax credits awarded under the "Brownfields
14 Redevelopment Incentive Program Act," sections 9 through 19 of
15 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
16 of tax credits annually awarded during each of the first six years of
17 the nine-year period shall not exceed \$50 million;

18 (c) for tax credits awarded under the "New Jersey Innovation
19 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
20 (C.34:1B-288 through 34:1B-302), the total value of tax credits
21 annually awarded during each of the first six years of the nine-year
22 period shall not exceed \$60 million and the total value of tax credits
23 awarded over the entirety of the nine-year period shall not exceed
24 \$300,000,000;

25 (d) for tax credits awarded under the "Food Desert Relief Act,"
26 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
27 34:1B-310), the total value of tax credits annually awarded during
28 each of the first six years of the nine-year period shall not exceed
29 \$40 million;

30 (e) (i) for tax credits awarded under the "New Jersey
31 Community-Anchored Development Act," sections 43 through 53 of
32 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), and the
33 "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-
34 383 et al.), the total value of tax credits awarded during the nine-
35 year period shall not exceed **【\$1,200,000,000】** \$800,000,000;
36 provided, however, tax credits shall not be available under the
37 "New Jersey Community-Anchored Development Act," sections 43
38 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
39 until January 1, 2026. Beginning January 1, 2026, the authority
40 shall annually award tax credits under the "New Jersey Community-
41 Anchored Development Act," sections 43 through 53 of P.L.2020,
42 c.156 (C.34:1B-311 through 34:1B-321), valuing no greater than
43 \$130 million for projects located in the 13 northern counties of the
44 State, and the authority shall annually award tax credits valuing no
45 greater than \$70 million for projects located in the eight southern
46 counties of the State. If during any year of operation of the "New
47 Jersey Community-Anchored Development Act," sections 43
48 through 53 of P.L.2020, c.156 (C.34:1B-311 through 34:1B-321),
49 the authority awards tax credits pursuant to the program in an

1 amount less than the annual limitation for projects located in
2 northern counties or southern counties, as applicable, the
3 uncommitted portion of the annual limitation, up to the aggregate
4 value of tax credits authorized by this sub-subparagraph, shall be
5 available to be deployed by the authority in a subsequent year
6 without consideration to the county in which a project is located;

7 (ii) for tax credits awarded under P.L. , c. (C.) (pending
8 before the Legislature as this bill), the sum of \$400,000,000 in tax
9 credits shall be allocated to the New Jersey Housing and Mortgage
10 Finance Agency, established pursuant to P.L.1983, c.530
11 (C.55:14K-1 et seq.), which tax credits shall be sold through
12 competitive auctions conducted pursuant to sections 3 through 7 of
13 P.L. , c. (C.) (pending before the Legislature as this bill).
14 All proceeds of the tax credit auctions shall be used by the New
15 Jersey Housing and Mortgage Finance Agency for the purposes
16 authorized in subsection b. of section 4 of P.L. , c. (C)
17 (pending before the Legislature as this bill) ¹. Notwithstanding any
18 provision of law or regulation to the contrary, the tax credits
19 reallocated to the New Jersey Housing and Mortgage Finance
20 Agency shall not be subject to any requirements or conditions of the
21 “New Jersey Economic Recovery Act of 2020,” P.L.2020, c.156
22 (C.34:1B-269 et al.), as amended or supplemented¹ ;

23 (f) for tax credits awarded under the "New Jersey Aspire
24 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
25 322 through 34:1B-335), and the "Emerge Program Act," sections
26 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
27 including tax credits awarded for transformative projects, the total
28 value of tax credits annually awarded during each of the first six
29 years of the nine-year period shall not exceed \$1.1 billion. If the
30 authority awards tax credits in an amount less than the annual
31 limitation, then the uncommitted portion of the annual limitation
32 shall be made available for qualified offshore wind projects
33 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
34 pursuant to subparagraph (h) of this paragraph, projects awarded a
35 tax credit pursuant to the "Next New Jersey Program Act,"
36 P.L.2024, c.49 (**[C.34:1B-362 et seq.] C.34:1B-394 et al.**), pursuant
37 to subparagraph (k) of this paragraph, or New Jersey studio
38 partners, New Jersey film-lease production companies, and
39 taxpayers, other than New Jersey studio partners and New Jersey
40 film-lease production companies awarded under sections 1 and 2 of
41 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
42 subparagraph (i) of this paragraph and subsection d. of this section.
43 During each of the first six years of the nine-year period, the
44 authority shall annually award tax credits valuing no greater than
45 \$715 million for projects located in the northern counties of the
46 State, and the authority shall annually award tax credits valuing no
47 greater than \$385 million for projects located in the southern
48 counties of the State under the "New Jersey Aspire Program Act,"
49 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through

1 34:1B-335), and the "Emerge Program Act," sections 68 through 81
2 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
3 six years of the nine-year period, the authority awards tax credits
4 under the "New Jersey Aspire Program Act," sections 54 through 67
5 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
6 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
7 (C.34:1B-336 et al.), in an amount less than the annual limitation
8 for projects located in northern counties or southern counties, as
9 applicable, the uncommitted portion of the annual limitation shall
10 be available to be deployed by the authority in a subsequent year,
11 provided that the uncommitted portion of tax credits shall be
12 awarded for projects located in the applicable geographic area,
13 except that (i) after the completion of the third year of the nine-year
14 period, the authority may deploy 50 percent of the uncommitted
15 portion of tax credits for any previous year without consideration to
16 the county in which a project is located; and (ii) after the
17 completion of the sixth year of the nine-year period, the authority
18 may deploy all available tax credits, including the uncommitted
19 portion of the annual limitation for any previous year, without
20 consideration to the county in which a project is located;

21 (g) except as provided in subparagraph (j) of this paragraph, for
22 tax credits awarded for transformative projects under the "New
23 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
24 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
25 credits awarded during the nine-year period shall not exceed \$2.5
26 billion. The total value of tax credits awarded for transformative
27 projects in a given year shall not be subject to an annual limitation,
28 except that the total value of tax credits awarded to any
29 transformative project shall not exceed \$400 million;

30 (h) from the tax credits made available, pursuant to
31 subparagraph (f) of this paragraph, to the "New Jersey Aspire
32 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
33 322 through 34:1B-335), and the "Emerge Program Act," sections
34 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
35 including tax credits awarded for transformative projects, an
36 amount not to exceed \$350,000,000 shall be made available for
37 qualified offshore wind projects awarded a credit pursuant to
38 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
39 years of the nine-year period;

40 (i) beginning in fiscal year 2023, from the tax credits made
41 available, pursuant to subparagraph (f) of this paragraph, to the
42 "New Jersey Aspire Program Act," sections 54 through 67 of
43 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
44 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
45 (C.34:1B-336 et al.), not including tax credits awarded for
46 transformative projects, additional amounts shall be made available
47 for New Jersey studio partners, New Jersey film-lease production
48 companies, and taxpayers, other than New Jersey studio partners
49 and New Jersey film-lease production companies pursuant to

1 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
2 12b);

3 (j) beginning in fiscal year 2024, from the tax credits made
4 available, pursuant to subparagraph (f) of this paragraph, to the
5 "New Jersey Aspire Program Act," sections 54 through 67 of
6 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
7 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
8 336 et al.), not including tax credits awarded for transformative
9 projects, an amount not to exceed \$500,000,000 may be annually
10 transferred for the award to transformative projects under the "New
11 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
12 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
13 remaining allocation of tax credits otherwise available for
14 transformative projects, pursuant to subparagraph (g) of this
15 paragraph, is less than \$1,000,000,000; and (ii) the authority board
16 determines that the transfer of tax credits is warranted based on
17 such criteria as the authority deems appropriate, which may include
18 the criteria set forth in paragraph (2) of this subsection. If a transfer
19 of tax credits is made pursuant to this subparagraph, the authority
20 shall award no greater than 65 percent of the tax credits transferred
21 pursuant to this subparagraph to transformative projects located in
22 the northern counties of the State and no greater than 35 percent of
23 the tax credits transferred pursuant to this subparagraph to
24 transformative projects located in the southern counties of the State;
25 and

26 (k) beginning in fiscal year 2025, from the tax credits made
27 available, pursuant to subparagraph (f) of this paragraph, to the
28 "New Jersey Aspire Program Act," sections 54 through 67 of
29 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
30 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
31 336 et al.), but not including tax credits awarded for transformative
32 projects, an amount not to exceed \$500,000,000 shall be made
33 available for projects awarded a tax credit pursuant to the "Next
34 New Jersey Program Act," P.L.2024, c.49 (**[C.34:1B-362 et seq.]**
35 C.34:1B-394 et al.).

36 (2) The authority may in any given year determine that it is in
37 the State's interest to approve an amount of tax credits in excess of
38 the annual limitations set forth in paragraph (1) of this subsection,
39 but in no event more than \$200,000,000 in excess of the annual
40 limitation, upon a determination by the authority board that such
41 increase is warranted based on specific criteria that may include:

42 (i) the increased demand for opportunities to create or retain
43 employment and investment in the State as indicated by the volume
44 of project applications and the amount of tax credits being sought
45 by those applications;

46 (ii) the need to protect the State's economic position in the event
47 of an economic downturn;

1 (iii) the quality of project applications and the net economic
2 benefit to the State and municipalities associated with those
3 applications;

4 (iv) opportunities for project applications to strengthen or protect
5 the competitiveness of the State under the prevailing market
6 conditions;

7 (v) enhanced access to employment and investment for
8 underserved populations in distressed municipalities and qualified
9 incentives tracts;

10 (vi) increased investment and employment in high-growth
11 technology sectors and in projects that entail collaboration with
12 education institutions in the State;

13 (vii) increased development proximate to mass transit facilities;

14 (viii) any other factor deemed relevant by the authority.

15 c. In the event that the authority in any year approves projects
16 for tax credits in an amount less than the annual limitations set forth
17 in paragraph (1) of subsection b. of this section, then the
18 uncommitted portion of the annual limitation shall be available to
19 be deployed by the authority in future years for projects under the
20 same program; provided however, that in no event shall the
21 aggregate amount of tax credits approved be in excess of the overall
22 cap of \$11.5 billion, and in no event shall the uncommitted portion
23 of the annual limitation for any previous year be deployed after the
24 conclusion of the nine-year period.

25 d. Notwithstanding the provisions of any other law to the
26 contrary, the uncommitted balance of the total value of tax credits
27 authorized for award by the authority pursuant to subparagraph (f)
28 of paragraph (1) of subsection b. of this section to the "New Jersey
29 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
30 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
31 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
32 available for tax credits allowed to New Jersey studio partners, New
33 Jersey film-lease production companies, and taxpayers, other than
34 New Jersey studio partners and New Jersey film-lease production
35 companies pursuant to sections 1 and 2 of P.L.2018, c.56
36 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
37 including tax credits allowed through the granting of tax credit
38 transfer certificates, made available to New Jersey studio partners,
39 New Jersey film-lease production companies, and taxpayers, other
40 than New Jersey studio partners and New Jersey film-lease
41 production companies pursuant to this subsection shall be as
42 follows:

43 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
44 partners and \$250,000,000 for New Jersey film-lease production
45 companies;

46 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
47 partners and \$250,000,000 for New Jersey film-lease production
48 companies; and

(3) in fiscal year 2025, \$250,000,000 for New Jersey studio partners, \$250,000,000 for New Jersey film-lease production companies, and \$300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

If the value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved to New Jersey studio partners and New Jersey film-lease production companies in any fiscal year pursuant to this subsection is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners and New Jersey film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year.

(cf: P.L.2024, c.49, s.10)

3. (New section) As used in sections 4 through 7 of P.L. , c. (C.) (pending before the Legislature as this bill):

"Agency" means the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.).

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

"Four-Percent Low Income Housing Tax Credit" means the four-percent allocation from the federal Low Income Housing Tax Credit program established pursuant to section 42 of the federal Internal Revenue Code (26 U.S.C. s.42).¹

"Middle-income workforce housing" means housing that is deed-restricted for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located.

4. (New section) a. ¹(1)¹ Beginning on the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the agency shall sell up to \$400,000,000 in tax credits, subject to the limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-362), to purchasers through a competitive auction process.

¹(2)¹ The competitive auctions shall be conducted, in consultation with the New Jersey Economic Development Authority, in a manner consistent with the processes set forth in section 24 of P.L.2020, c.156 (C.34:1B-292), as determined by the agency ¹【, except that agency shall not sell tax credits for less than 85 percent of the tax credit amount, and the agency shall not sell more than \$75 million in tax credits annually】. The agency shall be permitted to join or be added to any contracts that the New Jersey Economic Development Authority has utilized for its actions.

1 (3) The agency shall be limited to selling \$75 million in tax credits
2 annually and shall not sell tax credits for less than 85 percent of the tax
3 credit amount¹.

4 b. (1) The proceeds from the sale of tax credits at each auction
5 shall be reserved for use by the agency for the purposes of providing
6 financial assistance to ¹~~【support the development of】~~ create¹ middle-
7 income workforce housing ¹~~【in the State, including but not limited~~
8 ~~to】~~¹, ¹which may include, but shall not be limited to, new construction
9 or¹ the rehabilitation or construction of residential units within
10 multiple dwellings ¹~~【located within areas with proximity to existing~~
11 ~~public transportation or job opportunities】~~¹.

12 (2) ¹~~【Subject to the requirements of this subsection, the agency~~
13 ~~may use some or all of the proceeds of the tax credit auctions as part of~~
14 ~~an existing program operated by the agency on or before the effective~~
15 ~~date of P.L. , c. (C.) (pending before the Legislature as this~~
16 ~~bill) or through the establishment of a new program to effectuate the~~
17 ~~provisions of P.L. , c. (C.) (pending before the Legislature as~~
18 ~~this bill)】~~ The agency shall promulgate guidelines for a Middle-
19 Income Workforce Housing Program within 90 days following the
20 effective date of P.L. , c. (C.) (pending before the Legislature
21 as this bill) to govern the application and award processes for qualified
22 projects seeking funds deposited under P.L. , c. (C.) (pending
23 before the Legislature as this bill). In addition to any other eligibility
24 requirements that the agency deems appropriate, the project financing
25 subsidy authorized under this section shall only be made available to
26 projects in receipt of a Four-Percent Low Income Housing Tax Credit
27 administered by the agency.

28 (3) The agency may utilize up to five percent of the proceeds to
29 reimburse for administrative and operational costs, including contracts
30 necessary to hold the auction¹.

31
32 5. (New section) A purchaser that submits a successful bid for
33 the purchase of tax credits pursuant to section 4 of P.L. ,
34 c. (C.) (pending before the Legislature as this bill) shall enter
35 into a contract with the agency that includes payment information and
36 the commitments made by the purchaser in its auction bid. A
37 purchaser that submits a successful bid for the purchase of tax credits
38 pursuant to section 4 of P.L. , c. (C.) (pending before the
39 Legislature as this bill) shall pay by wire transfer the amount specified
40 in its auction bid to the agency. Upon receipt thereof, the Executive
41 Director of the agency shall notify the director to issue tax credits in
42 the amount approved. Failure by the purchaser to pay the amount
43 agreed upon on time shall disqualify the purchaser from purchasing the
44 tax credits and the ¹~~【authority】~~ agency¹ may reassign the right to
45 purchase the credits to another bidder. Failure by the purchaser to
46 adhere to the commitments made in its auction bid shall disqualify the
47 purchaser from participating in future auctions and may result in the
48 recapture of a portion of the tax credits.

1 6. (New section) a. A purchaser shall apply a credit awarded
2 pursuant to section 4 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) against the purchaser's State tax liability due
4 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
5 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
6 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current
7 privilege period as of the date of the approval of the credits. A
8 purchaser may carry forward an unused credit resulting from the
9 limitations of subsection b. of this section, if necessary, for use in
10 the seven privilege periods next following the privilege period for
11 which the credit is awarded.

12 b. The director shall prescribe the order of priority of the
13 application of the credits awarded under section 4 of
14 P.L. , c. (C.) (pending before the Legislature as this bill)
15 and any other credits allowed by law. The amount of a credit
16 applied under section 4 of P.L. , c. (C.) (pending before the
17 Legislature as this bill) against the tax imposed pursuant to section
18 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together
19 with any other credits allowed by law, shall not reduce the tax
20 liability of the purchaser to an amount less than the statutory
21 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
22 (C.54:10A-5).

23
24 7. (New section) a. A purchaser may apply to the agency and
25 the director for a tax credit transfer certificate in lieu of the
26 purchaser being allowed to apply any amount of the tax credit
27 against the purchaser's State tax liability. A tax credit may be sold
28 or assigned, in full or in part, to another person that may have a tax
29 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
30 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
31 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
32 tax credit transfer certificate provided to the purchaser shall include
33 a statement waiving the purchaser's right to claim the credit that the
34 purchaser has elected to sell or assign.

35 b. The purchaser shall not sell or assign a tax credit transfer
36 certificate allowed under this section for consideration received by
37 the purchaser of less than 85 percent of the transferred credit
38 amount before considering any further discounting to present value
39 which shall be permitted. The tax credit transfer certificate issued
40 to a purchaser by the director shall be subject to any limitations and
41 conditions imposed on the application of State tax credits pursuant
42 to section 6 of P.L. , c. (C.) (pending before the Legislature
43 as this bill) and any other terms and conditions that the director may
44 prescribe.

45 c. A buyer or assignee of a tax credit transfer certificate
46 pursuant to this section shall not make any subsequent transfers,
47 assignments, or sales of the tax credit transfer certificate.

48 d. 10 percent of the consideration received by a purchaser from
49 the sale or assignment of a tax credit transfer certificate pursuant to

1 this section shall be remitted to the director and deposited in the
2 General Fund of the State.

3 e. The agency shall publish on its Internet website the
4 following information concerning each tax credit transfer certificate
5 approved by the agency and the director pursuant to this section:

6 (1) the name of the transferor;

7 (2) the name of the transferee;

8 (3) the value of the tax credit transfer certificate;

9 (4) the State tax against which the transferee may apply the tax
10 credit; and

11 (5) the consideration received by the transferor.

12

13 ¹**[8.(New section)** Notwithstanding the provisions of the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.), to the contrary, the Executive Director of the agency, in
16 consultation with the Chief Executive Officer of the New Jersey
17 Economic Development Authority, may adopt, immediately, upon
18 filing with the Office of Administrative Law, regulations that the
19 Executive Director of the agency deems necessary to implement the
20 provisions of sections 3 through 6 of P.L. , c. (C.) (pending
21 before the Legislature as this bill), which regulations shall be
22 effective for a period not to exceed 180 days from the date of the
23 filing. The Executive Director of the agency shall thereafter amend,
24 adopt, or readopt the regulations in accordance with the
25 requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).**]**¹

26

27 ¹**[9.] 8.**¹ This act shall take effect immediately.

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 4071 and 3155

STATE OF NEW JERSEY
221st LEGISLATURE

ADOPTED JUNE 26, 2025

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Senator TROY SINGLETON

District 7 (Burlington)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Co-Sponsored by:

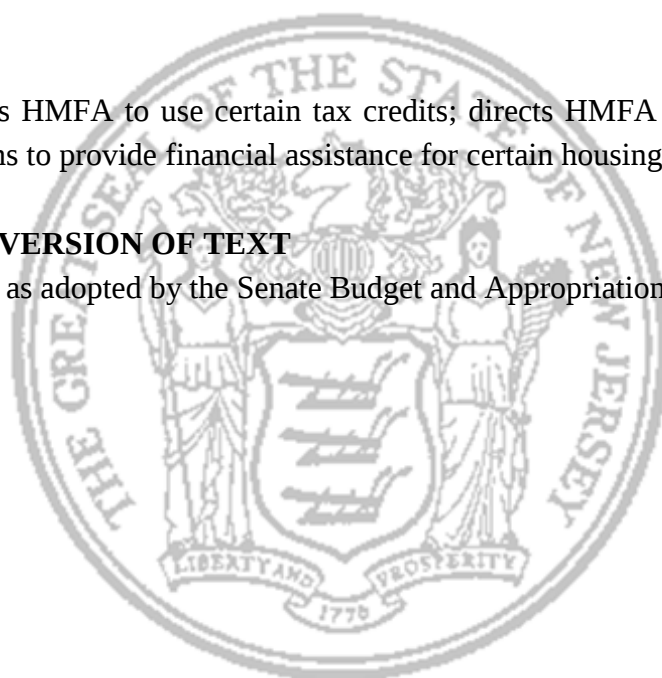
Senators McKnight and Wimberly

SYNOPSIS

Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for certain housing purposes.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Budget and Appropriations Committee.



1 **AN ACT** concerning the use of tax credits for certain housing
2 programs, amending P.L.2020, c.156, and supplementing
3 P.L.1983, c.530 (C.55:14K-1 et seq.).
4

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

8 1. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to
9 read as follows:

10 89. a. The Director of the Division of Taxation in the
11 Department of the Treasury may purchase unused tax credits
12 awarded under a program listed in subsection b. of this section,
13 including tax credit transfer certificates issued by the director in
14 lieu of a tax credit allowed under such programs. The director shall
15 not pay consideration in excess of 75 percent of the credit amount
16 to be purchased, except for a credit awarded under:

17 (1) the "Emerge Program Act," sections 68 through 81 of
18 P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the
19 provisions of paragraph (4) of subsection d. of section 77 of
20 P.L.2020, c.156 (C.34:1B-345);

21 (2) the "New Jersey Aspire Program Act," sections 54 through
22 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as
23 amended and supplemented, for which the director shall pay an
24 amount equal to 85 percent of the credit amount, provided that the
25 issuance date of the tax credit certificate or tax credit transfer
26 certificate to the developer or the holder of such certificate occurred
27 at least one year prior to the date of application to the director, and
28 further provided that, if the application to the director is submitted
29 after the sixth year of the eligibility period, the amount in excess of
30 the reasonable and appropriate rate of return on investment that the
31 developer is required to pay pursuant to subsection c. of section 60
32 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent; or

33 (3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197
34 (C.34:1B-383 et al.), for which the director shall pay an amount
35 equal to 85 percent of the credit amount, provided that the issuance
36 date of the tax credit certificate or tax credit transfer certificate to
37 the developer or the holder of such certificate occurred at least one
38 year prior to the date of application to the director.

39 b. The Director of the Division of Taxation in the Department
40 of the Treasury may purchase tax credits awarded under the
41 following:

42 (1) the "Historic Property Reinvestment Act," sections 2 through
43 8 of P.L.2020, c.156 (C.34:1B-270 through C.34:1B-276);

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 (2) the "Brownfield Redevelopment Incentive Program Act,"
 2 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
 3 C.34:1B-287);

4 (3) the "New Jersey Innovation Evergreen Act," sections 20
 5 through 34 of P.L.2020, c.156 (C.34:1B-288 through C.34:1B-302);

6 (4) the "Food Desert Relief Act," sections 35 through 42 of
 7 P.L.2020, c.156 (C.34:1B-303 through C.34:1B-310);

8 (5) the "New Jersey Community-Anchored Development Act,"
 9 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
 10 C.34:1B-321);

11 (6) the "New Jersey Aspire Program Act," sections 54 through
 12 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);

13 (7) the "Emerge Program Act," sections 68 through 81 of
 14 P.L.2020, c.156 (C.34:1B-336 et al.);

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

17 (9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

18 (10) the State Economic Redevelopment and Growth Grant
 19 program established pursuant to section 5 of P.L.2009, c.90
 20 (C.52:27D-489e);

21 (11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);

22 (12) section 2 of P.L.2018, c.56 (C.54A:4-12b); **【and】**

23 (13) the "Cultural Arts Incentives Program Act," P.L.2023,
 24 c.197 (C.34:1B-383 et al.); and

25 (14) sections 3 through 7 of P.L. , c. (C. through)
 26 (pending before the Legislature as this bill).

27 (cf: P.L.2025, c.2, s.9)

28

29 2. Section 98 of P.L.2020, c.156 (C.34:1B-362) is amended to
 30 read as follows:

31 98. a. The combined value of all tax credits awarded under the
 32 "Historic Property Reinvestment Act," sections 2 through 8 of
 33 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
 34 "Brownfields Redevelopment Incentive Program Act," sections 9
 35 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
 36 the "New Jersey Innovation Evergreen Act," sections 20 through 34
 37 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
 38 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
 39 (C.34:1B-303 through 34:1B-310); the "New Jersey Community-
 40 Anchored Development Act," sections 43 through 53 of P.L.2020,
 41 c.156 (C.34:1B-311 through 34:1B-321); the "New Jersey Aspire
 42 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
 43 322 through 34:1B-335); the "Emerge Program Act," sections 68
 44 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
 45 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
 46 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); **【and】** the
 47 "Next New Jersey Program Act," P.L.2024, c.49 (**【**C.34:1B-362 et
 48 seq.**】** C.34:1B-394 et al.); and P.L. , c. (C.) (pending

1 before the Legislature as this bill) shall not exceed an overall cap of
2 \$11.5 billion over a nine-year period, subject to the conditions and
3 limitations set forth in this section. Of this \$11.5 billion, \$2.5
4 billion shall be reserved for transformative projects approved under
5 the Aspire Program.

6 b. (1) The total value of tax credits awarded under any
7 constituent program of the "New Jersey Economic Recovery Act of
8 2020," P.L.2020, c.156 (C.34:1B-269 et al.), the "Cultural Arts
9 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.),
10 **【and】** the "Next New Jersey Program Act," P.L.2024, c.49
11 **【C.34:1B-362 et seq.】** C.34:1B-394 et al.), and P.L. ,
12 c. (C.) (pending before the Legislature as this bill), shall be
13 subject to the following limitations, except as otherwise provided in
14 subsection c. of this section:

15 (a) for tax credits awarded under the "Historic Property
16 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
17 (C.34:1B-270 through 34:1B-276), the total value of tax credits
18 annually awarded during each of the first six years of the nine-year
19 period shall not exceed \$50 million;

20 (b) (i) for tax credits awarded under the "Brownfields
21 Redevelopment Incentive Program Act," sections 9 through 19 of
22 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
23 of tax credits annually awarded during each of the first six years of
24 the nine-year period shall not exceed \$50 million and the total value
25 of tax credits awarded over the entirety of the nine-year period shall
26 not exceed \$100,000,000;

27 (ii) from the tax credits made available to the "Brownfields
28 Redevelopment Incentive Program Act," sections 9 through 19 of
29 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of
30 \$200,000,000 in tax credits shall be allocated to the New Jersey
31 Housing and Mortgage Finance Agency, established pursuant to
32 P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be
33 sold through competitive auctions conducted pursuant to sections 3
34 through 7 of P.L. , c. (C.) (pending before the Legislature
35 as this bill). All proceeds of the tax credit auctions shall be used by
36 the New Jersey Housing and Mortgage Finance Agency for the
37 purposes authorized in subsection b. of section 4 of P.L. ,
38 c. (C.) (pending before the Legislature as this bill).
39 Notwithstanding any provision of law or regulation to the contrary,
40 the tax credits reallocated to the New Jersey Housing and Mortgage
41 Finance Agency shall not be subject to any requirements or
42 conditions of the "New Jersey Economic Recovery Act of 2020,"
43 P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

44 (c) for tax credits awarded under the "New Jersey Innovation
45 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
46 (C.34:1B-288 through 34:1B-302), the total value of tax credits
47 annually awarded during each of the first six years of the nine-year
48 period shall not exceed \$60 million and the total value of tax credits

1 awarded over the entirety of the nine-year period shall not exceed
2 \$300,000,000;

3 (d) for tax credits awarded under the "Food Desert Relief Act,"
4 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
5 34:1B-310), the total value of tax credits annually awarded during
6 each of the first six years of the nine-year period shall not exceed
7 \$40 million;

8 (e) for tax credits awarded under the "New Jersey Community-
9 Anchored Development Act," sections 43 through 53 of P.L.2020,
10 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
11 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the
12 total value of tax credits awarded during the nine-year period shall
13 not exceed \$1,200,000,000; provided, however, tax credits shall not
14 be available under the "New Jersey Community-Anchored
15 Development Act," sections 43 through 53 of P.L.2020, c.156
16 (C.34:1B-311 through 34:1B-321), until January 1, 2026.
17 Beginning January 1, 2026, the authority shall annually award tax
18 credits under the "New Jersey Community-Anchored Development
19 Act," sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
20 through 34:1B-321), valuing no greater than \$130 million for
21 projects located in the 13 northern counties of the State, and the
22 authority shall annually award tax credits valuing no greater than
23 \$70 million for projects located in the eight southern counties of the
24 State. If during any year of operation of the "New Jersey
25 Community-Anchored Development Act," sections 43 through 53 of
26 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), the authority
27 awards tax credits pursuant to the program in an amount less than
28 the annual limitation for projects located in northern counties or
29 southern counties, as applicable, the uncommitted portion of the
30 annual limitation shall be available to be deployed by the authority
31 in a subsequent year without consideration to the county in which a
32 project is located;

33 (f) for tax credits awarded under the "New Jersey Aspire
34 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
35 322 through 34:1B-335), and the "Emerge Program Act," sections
36 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
37 including tax credits awarded for transformative projects, the total
38 value of tax credits annually awarded during each of the first six
39 years of the nine-year period shall not exceed \$1.1 billion. If the
40 authority awards tax credits in an amount less than the annual
41 limitation, then the uncommitted portion of the annual limitation
42 shall be made available for qualified offshore wind projects
43 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
44 pursuant to subparagraph (h) of this paragraph, projects awarded a
45 tax credit pursuant to the "Next New Jersey Program Act,"
46 P.L.2024, c.49 (**[C.34:1B-362 et seq.] C.34:1B-394 et al.**), pursuant
47 to subparagraph (k) of this paragraph, or New Jersey studio
48 partners, New Jersey film-lease production companies, and

1 taxpayers, other than New Jersey studio partners and New Jersey
2 film-lease production companies awarded under sections 1 and 2 of
3 P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to
4 subparagraph (i) of this paragraph and subsection d. of this section.
5 During each of the first six years of the nine-year period, the
6 authority shall annually award tax credits valuing no greater than
7 \$715 million for projects located in the northern counties of the
8 State, and the authority shall annually award tax credits valuing no
9 greater than \$385 million for projects located in the southern
10 counties of the State under the "New Jersey Aspire Program Act,"
11 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
12 34:1B-335), and the "Emerge Program Act," sections 68 through 81
13 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first
14 six years of the nine-year period, the authority awards tax credits
15 under the "New Jersey Aspire Program Act," sections 54 through 67
16 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
17 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
18 (C.34:1B-336 et al.), in an amount less than the annual limitation
19 for projects located in northern counties or southern counties, as
20 applicable, the uncommitted portion of the annual limitation shall
21 be available to be deployed by the authority in a subsequent year,
22 provided that the uncommitted portion of tax credits shall be
23 awarded for projects located in the applicable geographic area,
24 except that (i) after the completion of the third year of the nine-year
25 period, the authority may deploy 50 percent of the uncommitted
26 portion of tax credits for any previous year without consideration to
27 the county in which a project is located; and (ii) after the
28 completion of the sixth year of the nine-year period, the authority
29 may deploy all available tax credits, including the uncommitted
30 portion of the annual limitation for any previous year, without
31 consideration to the county in which a project is located;

32 (g) except as provided in subparagraph (j) of this paragraph, for
33 tax credits awarded for transformative projects under the "New
34 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
35 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
36 credits awarded during the nine-year period shall not exceed \$2.5
37 billion. The total value of tax credits awarded for transformative
38 projects in a given year shall not be subject to an annual limitation,
39 except that the total value of tax credits awarded to any
40 transformative project shall not exceed \$400 million;

41 (h) from the tax credits made available, pursuant to
42 subparagraph (f) of this paragraph, to the "New Jersey Aspire
43 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
44 322 through 34:1B-335), and the "Emerge Program Act," sections
45 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
46 including tax credits awarded for transformative projects, an
47 amount not to exceed \$350,000,000 shall be made available for
48 qualified offshore wind projects awarded a credit pursuant to

1 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
2 years of the nine-year period;

3 (i) beginning in fiscal year 2023, from the tax credits made
4 available, pursuant to subparagraph (f) of this paragraph, to the
5 "New Jersey Aspire Program Act," sections 54 through 67 of
6 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
7 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
8 (C.34:1B-336 et al.), not including tax credits awarded for
9 transformative projects, additional amounts shall be made available
10 for New Jersey studio partners, New Jersey film-lease production
11 companies, and taxpayers, other than New Jersey studio partners
12 and New Jersey film-lease production companies pursuant to
13 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
14 12b);

15 (j) beginning in fiscal year 2024, from the tax credits made
16 available, pursuant to subparagraph (f) of this paragraph, to the
17 "New Jersey Aspire Program Act," sections 54 through 67 of
18 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
19 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
20 336 et al.), not including tax credits awarded for transformative
21 projects, an amount not to exceed \$500,000,000 may be annually
22 transferred for the award to transformative projects under the "New
23 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
24 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
25 remaining allocation of tax credits otherwise available for
26 transformative projects, pursuant to subparagraph (g) of this
27 paragraph, is less than \$1,000,000,000; and (ii) the authority board
28 determines that the transfer of tax credits is warranted based on
29 such criteria as the authority deems appropriate, which may include
30 the criteria set forth in paragraph (2) of this subsection. If a transfer
31 of tax credits is made pursuant to this subparagraph, the authority
32 shall award no greater than 65 percent of the tax credits transferred
33 pursuant to this subparagraph to transformative projects located in
34 the northern counties of the State and no greater than 35 percent of
35 the tax credits transferred pursuant to this subparagraph to
36 transformative projects located in the southern counties of the State;
37 **[and]**

38 (k) beginning in fiscal year 2025, from the tax credits made
39 available, pursuant to subparagraph (f) of this paragraph, to the
40 "New Jersey Aspire Program Act," sections 54 through 67 of
41 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
42 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
43 336 et al.), but not including tax credits awarded for transformative
44 projects, an amount not to exceed \$500,000,000 shall be made
45 available for projects awarded a tax credit pursuant to the "Next
46 New Jersey Program Act," P.L.2024, c.49 **[(C.34:1B-362 et seq.)]**
47 (C.34:1B-394 et al.); and

1 (l) once the tax credits allocated for competitive auctions
2 conducted pursuant to sections 3 through 7 of P.L. , c. (C.)
3 (pending before the Legislature as this bill) pursuant to
4 subsubparagraph (ii) of subparagraph (b) of this paragraph are
5 exhausted, from the tax credits made available, pursuant to
6 subparagraph (f) of this paragraph, to the "New Jersey Aspire
7 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
8 322 through 34:1B-335) and the "Emerge Program Act," sections 68
9 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not
10 including tax credits awarded for transformative projects, the sum
11 of \$300,000,000 shall be made available to the New Jersey Housing
12 and Mortgage Finance Agency, established pursuant to P.L.1983,
13 c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through
14 competitive auctions conducted pursuant to sections 3 through 7 of
15 P.L. , c. (C.) (pending before the Legislature as this bill).
16 The amount made available pursuant to this subparagraph shall be
17 allocated in annual instalments, each of which is not to exceed the
18 cap set forth in paragraph (3) of subsection a. of section 4 of
19 P.L. , c. (pending before the Legislature as this bill), as needed
20 to conduct auctions pursuant to that section. All proceeds of the tax
21 credit auctions shall be used by the New Jersey Housing and
22 Mortgage Finance Agency for the purposes authorized in subsection
23 b. of section 4 of P.L. , c. (C) (pending before the
24 Legislature as this bill). Notwithstanding any provision of law or
25 regulation to the contrary, the tax credits reallocated to the New
26 Jersey Housing and Mortgage Finance Agency shall not be subject
27 to any requirements or conditions of the "New Jersey Economic
28 Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as
29 amended or supplemented.

30 (2) The authority may in any given year determine that it is in
31 the State's interest to approve an amount of tax credits in excess of
32 the annual limitations set forth in paragraph (1) of this subsection,
33 but in no event more than \$200,000,000 in excess of the annual
34 limitation, upon a determination by the authority board that such
35 increase is warranted based on specific criteria that may include:

36 (i) the increased demand for opportunities to create or retain
37 employment and investment in the State as indicated by the volume
38 of project applications and the amount of tax credits being sought
39 by those applications;

40 (ii) the need to protect the State's economic position in the event
41 of an economic downturn;

42 (iii) the quality of project applications and the net economic
43 benefit to the State and municipalities associated with those
44 applications;

45 (iv) opportunities for project applications to strengthen or protect
46 the competitiveness of the State under the prevailing market
47 conditions;

1 (v) enhanced access to employment and investment for
2 underserved populations in distressed municipalities and qualified
3 incentives tracts;

4 (vi) increased investment and employment in high-growth
5 technology sectors and in projects that entail collaboration with
6 education institutions in the State;

7 (vii) increased development proximate to mass transit facilities;

8 (viii) any other factor deemed relevant by the authority.

9 c. In the event that the authority in any year approves projects
10 for tax credits in an amount less than the annual limitations set forth
11 in paragraph (1) of subsection b. of this section, then the
12 uncommitted portion of the annual limitation shall be available to
13 be deployed by the authority in future years for projects under the
14 same program; provided however, that in no event shall the
15 aggregate amount of tax credits approved be in excess of the overall
16 cap of \$11.5 billion, and in no event shall the uncommitted portion
17 of the annual limitation for any previous year be deployed after the
18 conclusion of the nine-year period.

19 d. Notwithstanding the provisions of any other law to the
20 contrary, the uncommitted balance of the total value of tax credits
21 authorized for award by the authority pursuant to subparagraph (f)
22 of paragraph (1) of subsection b. of this section to the "New Jersey
23 Aspire Program Act," sections 54 through 67 of P.L.2020, c.156
24 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68
25 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made
26 available for tax credits allowed to New Jersey studio partners, New
27 Jersey film-lease production companies, and taxpayers, other than
28 New Jersey studio partners and New Jersey film-lease production
29 companies pursuant to sections 1 and 2 of P.L.2018, c.56
30 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits,
31 including tax credits allowed through the granting of tax credit
32 transfer certificates, made available to New Jersey studio partners,
33 New Jersey film-lease production companies, and taxpayers, other
34 than New Jersey studio partners and New Jersey film-lease
35 production companies pursuant to this subsection shall be as
36 follows:

37 (1) in fiscal year 2023, \$250,000,000 for New Jersey studio
38 partners and \$250,000,000 for New Jersey film-lease production
39 companies;

40 (2) in fiscal year 2024, \$250,000,000 for New Jersey studio
41 partners and \$250,000,000 for New Jersey film-lease production
42 companies; and

43 (3) in fiscal year 2025, \$250,000,000 for New Jersey studio
44 partners, \$250,000,000 for New Jersey film-lease production
45 companies, and \$300,000,000 for taxpayers, other than New Jersey
46 studio partners and New Jersey film-lease production companies.

47 If the value of tax credits, including tax credits allowed through
48 the granting of tax credit transfer certificates, approved to New

1 Jersey studio partners and New Jersey film-lease production
2 companies in any fiscal year pursuant to this subsection is less than
3 the cumulative total amount of tax credits permitted to be approved
4 in that fiscal year, the authority shall certify the amount of the
5 remaining tax credits available for approval to each such category
6 in that fiscal year, and shall increase the cumulative total amount of
7 tax credits permitted to be approved for New Jersey studio partners
8 and New Jersey film-lease production companies in the subsequent
9 fiscal year by the certified amount remaining for each such category
10 from the prior fiscal year.

11 (cf: P.L.2024, c.49, s.10)

12

13 3. (New section) As used in sections 4 through 7 of P.L. ,
14 c. (C. through) (pending before the Legislature as this
15 bill):

16 "Agency" means the New Jersey Housing and Mortgage Finance
17 Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et
18 seq.).

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

21 "Distressed older suburban municipality" means a municipality
22 that is not designated by the agency as a targeted urban
23 municipality, and that, in the determination of the agency, meets at
24 least four of the following criteria:

25 a. has experienced a sustained drop in income levels compared
26 to the region;

27 b. has an elevated percentage of residents living below 100
28 percent of the poverty line, adjusted for family size, established and
29 adjusted under section 673 of the federal "Community Services
30 Block Grant Act," (42 U.S.C. s.9902);

31 c. experiences high rates of unemployment or low labor force
32 participation rates;

33 d. has a large share of homes built before 1960 and elevated
34 rates of residential property vacancy and abandonment;

35 e. experiences stagnant or declining property values;

36 f. experiences declining commercial ratables; and

37 g. experiences declining municipal capacity as a consequence of
38 budget stress.

39 "Four-Percent Low Income Housing Tax Credit" means the four-
40 percent allocation from the federal Low Income Housing Tax Credit
41 program established pursuant to section 42 of the federal Internal
42 Revenue Code (26 U.S.C. s.42).

43 "Low- and moderate-income housing" means housing affordable
44 according to federal Department of Housing and Urban
45 Development or other recognized standards for home ownership
46 and rental costs and occupied or reserved for occupancy by
47 households with a gross household income equal to less than 80

1 percent of the median gross household income for households of the
2 same size within the housing region in which the housing is located.

3 "Middle-income workforce housing" means housing affordable
4 according to federal Department of Housing and Urban
5 Development or other recognized standards for home ownership
6 and rental costs and occupied or reserved for occupancy by
7 households with a gross household income of 80 percent or more,
8 but not exceeding 120 percent, of the median gross household
9 income for households of the same size within the housing region in
10 which the housing is located.

11 "Targeted urban municipality" means the same as that term is
12 defined by the agency pursuant to N.J.A.C.5:80-33.2, or successor
13 regulation.

14
15 4. (New section) a. (1) Beginning on the effective date of
16 P.L. , c. (C.) (pending before the Legislature as this bill),
17 the agency shall sell up to \$500,000,000 in tax credits over the
18 course of no more than six years.

19 (2) The competitive auctions shall be conducted in a manner
20 consistent with the processes set forth in section 24 of P.L.2020,
21 c.156 (C.34:1B-292), as determined by the agency. The agency
22 shall be permitted to join or be added to any contracts that the New
23 Jersey Economic Development Authority has utilized for its
24 auctions, although auctions held for the purposes of administering
25 P.L. , c. (C.) (pending before the Legislature as this bill)
26 shall not be counted towards the limitation imposed pursuant to
27 subsection d. of section 24 of P.L.2020, c.156 (C.34:1B-292) and
28 the requirement on purchasers under paragraph (3) of subsection b.
29 of section 24 of P.L.2020, c.156 (C.34:1B-292) shall not apply.
30 The agency shall deposit funds received at an auction pursuant to
31 this subsection minus those reserved for administrative or
32 operational costs into a nonlapsing account established and
33 maintained by the agency for the purposes of administering P.L. ,
34 c. (C.) (pending before the Legislature as this bill).

35 (3) The agency shall be limited to selling \$100,000,000 in tax
36 credits annually and shall not sell tax credits for less than 80
37 percent of the tax credit amount.

38 b. (1) (a) Fifty percent of the proceeds deposited into the
39 nonlapsing account created pursuant to paragraph (2) of subsection
40 a. of this section shall be reserved for use by the agency for the
41 purposes of providing financial assistance to create middle-income
42 workforce housing. Fifty percent of the proceeds deposited into the
43 nonlapsing account created pursuant to paragraph (2) of subsection
44 a. of this section shall be reserved for use by the agency for the
45 purposes of providing financial assistance to create low- and
46 moderate-income housing toward the fulfillment of a municipality's
47 current or prior round fair share affordable housing obligation

1 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
2 et al.).

3 (b) The 50 percent set asides established by subparagraph (a) of
4 this paragraph for monies deposited into the nonlapsing account in
5 each program funding year, pursuant to paragraph (2) of subsection
6 a. of this section, shall remain in effect until December 31 of that
7 year. If any funds deposited into the nonlapsing account during that
8 program funding year remain unreserved for qualified projects
9 subject to the set asides after December 31 of the program funding
10 year when the monies are deposited, the set aside shall no longer
11 apply to those funds, which may then be used for any qualified
12 project under sections 4 through 7 of P.L. , c.
13 (C. through) (pending before the Legislature as this bill).
14 The initial program funding year shall begin on July 1, 2025, and
15 shall conclude on December 31, 2025. Each subsequent program
16 funding year shall conform to the calendar year.

17 (c) In the distribution of proceeds pursuant to this section for the
18 purposes of providing financial assistance to create low- and
19 moderate-income housing toward the fulfillment of a municipality's
20 current or prior round fair share affordable housing obligation
21 pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301
22 et al.), the agency shall prioritize an application for development
23 that is in a distressed older suburban municipality, as defined in
24 section 3 of P.L. , c. (C.) (pending before the Legislature
25 as this bill).

26 (d) Housing created pursuant to this section may include, but
27 shall not be limited to, new construction or the rehabilitation or
28 construction of residential units within multiple dwellings.

29 (e) Following the enactment of P.L. , c. (C.) (pending
30 before the Legislature as this bill), the agency shall promptly and
31 actively promote the middle-income workforce housing component
32 of the housing program established pursuant to this section to
33 ensure that a substantial range of potential applicants to obtain
34 funding to provide middle-income workforce housing are made
35 aware of the program. The promotion efforts of the agency shall
36 include, but shall not be limited to: the provision of information
37 sessions on the program and application process; and the provision
38 of technical assistance to applicants in completing the application
39 process.

40 (2) The agency shall promulgate guidelines for a housing
41 program to fulfill the purposes of this section within 90 days
42 following the effective date of P.L. , c. (C.) (pending
43 before the Legislature as this bill) to govern the application and
44 award processes for qualified projects seeking funds deposited
45 under P.L. , c. (C.) (pending before the Legislature as this
46 bill). In addition to any other eligibility requirements that the
47 agency deems appropriate, the project financing subsidy authorized
48 under this section shall only be made available to projects in receipt

1 of a Four-Percent Low Income Housing Tax Credit administered by
2 the agency.

3 (3) The agency may utilize up to five percent of the proceeds to
4 reimburse for administrative and operational costs, including
5 contracts necessary to hold the auction.

6
7 5. (New section) A purchaser that submits a successful bid for
8 the purchase of tax credits pursuant to section 4 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill) shall enter
10 into a contract with the agency that includes payment information
11 and the commitments made by the purchaser in its auction bid. A
12 purchaser that submits a successful bid for the purchase of tax
13 credits pursuant to section 4 of P.L. , c. (C.) (pending
14 before the Legislature as this bill) shall pay by wire transfer the
15 amount specified in its auction bid to the agency. Upon receipt
16 thereof, the Executive Director of the agency shall notify the
17 director to issue tax credits in the amount approved. Failure by the
18 purchaser to pay the amount agreed upon on time shall disqualify
19 the purchaser from purchasing the tax credits and the agency may
20 reassign the right to purchase the credits to another bidder. Failure
21 by the purchaser to adhere to the commitments made in its auction
22 bid shall disqualify the purchaser from participating in future
23 auctions and may result in the recapture of a portion of the tax
24 credits.

25
26 6. (New section) a. A purchaser shall apply a credit awarded
27 pursuant to section 4 of P.L. , c. (C.) (pending before the
28 Legislature as this bill) against the purchaser's State tax liability due
29 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
30 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
31 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5 for the current
32 privilege period as of the date of the approval of the credits. A
33 purchaser may carry forward an unused credit resulting from the
34 limitations of subsection b. of this section, if necessary, for use in
35 the seven privilege periods next following the privilege period for
36 which the credit is awarded.

37 b. The director shall prescribe the order of priority of the
38 application of the credits awarded under section 4 of
39 P.L. , c. (C.) (pending before the Legislature as this bill)
40 and any other credits allowed by law. The amount of a credit
41 applied under section 4 of P.L. , c. (C.) (pending before the
42 Legislature as this bill) against the tax imposed pursuant to section
43 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period, together
44 with any other credits allowed by law, shall not reduce the tax
45 liability of the purchaser to an amount less than the statutory
46 minimum provided in subsection (e) of section 5 of P.L.1945, c.162
47 (C.54:10A-5).

- 1 7. (New section) a. A purchaser may apply to the agency and
2 the director for a tax credit transfer certificate in lieu of the
3 purchaser being allowed to apply any amount of the tax credit
4 against the purchaser's State tax liability. A tax credit may be sold
5 or assigned, in full or in part, to another person that may have a tax
6 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
7 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
8 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
9 tax credit transfer certificate provided to the purchaser shall include
10 a statement waiving the purchaser's right to claim the credit that the
11 purchaser has elected to sell or assign.
- 12 b. The purchaser shall not sell or assign a tax credit transfer
13 certificate allowed under this section for consideration received by
14 the purchaser of less than 80 percent of the transferred credit
15 amount before considering any further discounting to present value
16 which shall be permitted. The tax credit transfer certificate issued
17 to a purchaser by the director shall be subject to any limitations and
18 conditions imposed on the application of State tax credits pursuant
19 to section 6 of P.L. , c. (C.) (pending before the Legislature
20 as this bill) and any other terms and conditions that the director may
21 prescribe.
- 22 c. A buyer or assignee of a tax credit transfer certificate
23 pursuant to this section shall not make any subsequent transfers,
24 assignments, or sales of the tax credit transfer certificate.
- 25 d. Ten percent of the consideration received by a purchaser
26 from the sale or assignment of a tax credit transfer certificate
27 pursuant to this section shall be remitted to the director and
28 deposited in the General Fund of the State.
- 29 e. The agency shall publish on its Internet website the
30 following information concerning each tax credit transfer certificate
31 approved by the agency and the director pursuant to this section:
- 32 (1) the name of the transferor;
33 (2) the name of the transferee;
34 (3) the value of the tax credit transfer certificate;
35 (4) the State tax against which the transferee may apply the tax
36 credit; and
37 (5) the consideration received by the transferor.
38
- 39 8. This act shall take effect immediately.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 3155

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 6, 2024

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Senate Bill No. 3155.

As amended, the bill permits the New Jersey Housing and Mortgage Finance Agency (HMFA) to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit (LIHTC) when the total demand for nine-percent LIHTC exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award may not exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent LIHTC for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.

Under the bill, the uncommitted balance of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority (EDA) under the Community-Anchored Development Program would be annually reallocated to the HMFA to support the purposes set forth in this bill. Under current law, the EDA may annually award up to \$200 million in tax credits under the Community-Anchored Development Program, including up to \$130 million in the northern counties of the State and up to \$70 million in the southern counties of the State, beginning on January 1, 2026 through the conclusion of the nine-year authorization period set forth in the “Economic Recovery Act of 2020.” If during any of these years the EDA awards less than the annual limitation of tax credits for either geographic region, the bill provides that the uncommitted balance of tax credits would be annually reallocated to the HMFA to support the purposes of this bill.

As amended and reported by the committee, Senate Bill No. 3155 is identical to Assembly Bill No. 3128 (1R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments clarify the manner in which the uncommitted balance of tax credits would be reallocated from the Community-Anchored Development Program to the HMFA in light of the recent enactment of P.L.2023, c.197, which provides that tax credits may not be awarded under the Community-Anchored Development Program until January 1, 2026. The committee amendments provide that beginning after January 1, 2026, if during any year of operation of the Community-Anchored Development Program, the EDA awards less than the annual limitation of tax credits for the northern counties of the State or the southern counties of the State, respectively, then the uncommitted balance of tax credits would be reallocated to the HMFA to support the purposes of this bill.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE, No. 4071

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 2025

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments, Senate Bill No. 4071.

As amended, this bill reallocates \$400 million in tax credits, which are currently authorized for the Community-Anchored Development Program and Cultural Arts Incentives Program, to the New Jersey Housing and Mortgage Finance Agency (HMFA) for sale through a competitive tax credit auction. The proceeds from the sale of tax credits at auction are to be used by the HMFA to support the development of middle-income workforce housing in the State.

Under current law, the “New Jersey Economic Recovery Act of 2020” (recovery act) has authorized \$1.2 billion in tax credits over a nine-year period for the Community-Anchored Development Program. Following P.L.2023, c.197, a portion of the tax credits allocated for the Community-Anchored Development Program is allowed to be used to support tax credit awards for projects through the Cultural Arts Incentives Program. However, tax credits are not authorized to be awarded under the Community-Anchored Development Program until beginning on January 1, 2026, and no projects have been awarded tax credits under the Cultural Arts Incentives Program as of February 2025.

Under this bill, \$400 million in tax credits will be transferred from these two programs to the HMFA in order to create middle-income workforce housing programs administered by the HMFA. The bill specifies that the tax credits reallocated to the HMFA are not subject to any requirements or conditions originally imposed on the tax credits under the recovery act.

Specifically, this bill requires the HMFA to sell up to \$400 million in tax credits through a competitive auction process. Under the bill, these auctions are to be conducted in a manner consistent with the auctions held by the New Jersey Economic Development Authority (EDA) under the New Jersey Innovation Evergreen Program, as determined by the HMFA. The bill provides that the tax credits may not be sold for a consideration less than 85 percent of the tax credit amount, and no more than \$75 million in tax credits may be sold at auction annually. This bill also permits the Director of the Division of Taxation in the Department of the Treasury to purchase unused tax

credits awarded under the provisions of this bill. The bill provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in this bill. Additionally, the bill requires that the HMFA be permitted to join or be added to any contracts the EDA used for its actions.

Under the bill, the HMFA is required to use the proceeds of tax credit auctions to provide financial assistance to create middle-income workforce housing, which may include new construction or the rehabilitation or construction of residential units within multiple dwellings. The bill defines “middle-income workforce housing” to mean housing that is deed-restricted for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located. The bill requires the HMFA to promulgate guidelines for a Middle-Income Workforce Housing Program to govern the application and award processes for projects seeking funds under the provisions of this bill.

COMMITTEE AMENDMENTS:

The committee amendments:

(1) specify that tax credits reallocated to the HMFA under this bill are not to be subject to any requirements or conditions of the “New Jersey Economic Recovery Act of 2020,” as amended or supplemented;

(2) specify that proceeds from the sale of tax credits at auction by the HMFA are reserved for the purposes of providing financial assistance to create middle-income workforce housing, which includes new construction and rehabilitation of residential units within multiple dwellings;

(3) specify that the project financing subsidy for the creation of middle-income workforce housing authorized under the bill is only available to projects in receipt of a four-percent allocation from the federal Low Income Housing Tax Credit Program administered by the HMFA;

(4) permit the HMFA to utilize up to five percent of the proceeds from a tax credit auction for administrative and operational costs, including contracts necessary to hold the auction, which contracts the HMFA may enter on their own or join or be added to alongside the EDA;

(5) require the HMFA to promulgate guidelines for a Middle-Income Workforce Housing Program, within 90 days following the effective date of the bill, to govern the application and award processes for qualified projects seeking funds under the provisions of this bill;

(6) define “Four-Percent Low Income Housing Tax Credit” to mean a four-percent tax credit provided through the federal Low

Income Housing Tax Credit Program established pursuant to section 42 of the federal Internal Revenue Code (26 U.S.C. s.42); and

(7) make technical changes, including an update to an underlying statute in light of a recent enactment of law.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 4071 and 3155**

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Senate Budget and Appropriations Committee reports favorably a Senate Committee Substitute for Senate Bill Nos. 4071 and 3155.

This substitute bill reallocates \$500 million in tax credits to the New Jersey Housing and Mortgage Finance Agency (HMFA) for sale through a competitive tax credit auction. Of this tax credit reallocation, \$200 million are to be reallocated from the "Brownfields Redevelopment Incentive Program Act." Once this initial allocation is exhausted, \$300 million are to be made available from the "New Jersey Aspire Program Act" and "Emerge Program Act."

Under this bill, \$500 million in tax credits are to be transferred from these programs to the HMFA to support the development of certain housing development projects in the State. Specifically, the proceeds would support the creation of middle-income workforce housing programs administered by the HMFA and low- and moderate-income housing. The bill specifies that the tax credits reallocated to the HMFA are not subject to any requirements or conditions originally imposed on the tax credits under the "New Jersey Economic Recovery Act of 2020."

Specifically, this bill requires the HMFA to sell up to \$500 million in tax credits through a competitive auction process. Under the bill, these auctions are to be conducted in a manner consistent with the auctions held by the New Jersey Economic Development Authority (EDA) under the New Jersey Innovation Evergreen Program, as determined by the HMFA. The bill provides that the tax credits may not be sold for a consideration less than 80 percent of the tax credit amount, and no more than \$100 million in tax credits may be sold at auction annually. The bill provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in this bill. Additionally, the bill requires that the HMFA be permitted to join or be added to any contracts the EDA has used for its auctions, and allows HMFA certain exceptions to auction processes and purchaser requirements.

The bill requires HMFA to use 50 percent of the proceeds of tax credit auctions to provide financial assistance to create middle-income workforce housing, which may include new construction or the

rehabilitation or construction of residential units within multiple dwellings. The bill defines “middle-income workforce housing” to mean housing that is affordable according to federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income of 80 percent or more, but not exceeding 120 percent, of the median gross household income for households of the same size within the housing region in which the housing is located. The bill also requires 50 percent of tax credit proceeds to be used for the creation of low- and moderate-income housing toward the fulfillment of a municipality’s current or prior round fair share affordable housing obligation pursuant to the "Fair Housing Act," (FHA) P.L.1985, c.222 (C.52:27D-301 et al.).

The bill provides that the 50 percent set aside requirements, for middle-income workforce housing and low- and moderate-income housing, are to remain in effect until the end of the calendar year, beginning with 2025, during which the tax credit monies have been made available and deposited with HMFA for the purposes of the bill. If any funds deposited with HMFA remain unreserved for qualified projects subject to the set asides after December 31 of the year when the monies are deposited, the set aside is to no longer apply to those funds, which may then be used for any qualified project, either middle-income workforce housing or low- and moderate-income housing, as determined by HMFA.

The bill requires that, in the distribution of proceeds to create low- and moderate-income housing, an application for development is to be prioritized if located in a “distressed older suburban municipality,” as defined in the bill.

The bill directs HMFA to promptly and actively promote the middle-income workforce housing component of the bill to ensure that a substantial range of potential applicants are made aware of the program.

The bill requires the HMFA to promulgate guidelines for a housing program to govern the application and award processes for projects seeking funds under the provisions of this bill.

As reported by the committee, the Senate Committee Substitute for Senate Bill Nos. 4071 and 3155 is identical to Assembly Bill No. 3128 (1R), as was amended and reported by the committee on this date.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4071

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JUNE 30, 2025

SUMMARY

Synopsis:	Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for middle-income workforce housing purposes.
Type of Impact:	Net State revenue decrease.
Agencies Affected:	Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	
Net State Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in an annual State revenue decrease of up to \$75.0 million through the issuance of tax credits for middle-income workforce housing development.
- The State revenue loss will be partially offset by auction proceeds of at least 85 percent of the face value of tax credits sold annually and transfer fees equal to 10 percent of consideration received from secondary sales; the revenue decrease occurs later when credits are applied against taxpayer liabilities.

BILL DESCRIPTION

The bill authorizes the Housing and Mortgage Finance Agency to use certain tax credits allocated from existing economic development programs and directs the agency to conduct competitive tax credit auctions to provide financial assistance for middle-income workforce housing purposes. The bill reallocates \$400 million in tax credits from the Community-Anchored Development Act to the agency for this purpose.

Under the bill, the agency may sell up to \$75 million in tax credits annually through competitive auctions at a minimum price of 85 percent of the tax credit face value. The proceeds must be used to provide financial assistance for middle-income workforce housing developments, defined as housing for households earning between 80 percent and 120 percent of area median income. Projects must also receive Four-Percent Low Income Housing Tax Credits to be eligible for funding.

The bill allows tax credit purchasers to transfer their credits to other taxpayers, with a minimum resale price of 85 percent of credit value and a requirement that ten percent of transfer consideration be remitted to the State General Fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in an annual State revenue decrease of up to \$75.0 million through the issuance of tax credits for middle-income workforce housing development. The State revenue loss will be partially offset by auction proceeds of at least 85 percent of the face value of tax credits sold annually and transfer fees equal to 10 percent of consideration received from secondary sales; the revenue decrease occurs later when credits are applied against taxpayer liabilities.

The primary fiscal impact results from the annual authorization to sell up to \$75.0 million in tax credits. When these credits are ultimately applied against taxpayer liabilities, the State will experience a corresponding revenue decrease of up to \$75 million annually. Based on the bill's limitation structure, the program could operate for approximately five to six years before reaching the total \$400.0 million authorization.

The State will receive immediate revenues through auction proceeds and transfer fees. The Housing and Mortgage Finance Agency must sell tax credits at a minimum of 85 percent of face value, generating auction proceeds of at least 85 percent of the annual tax credits sold when the program is fully utilized. These proceeds are deposited with the agency and dedicated to middle-income workforce housing development. Additionally, the bill requires ten percent of consideration received from secondary tax credit transfers to be remitted to the State General Fund. The OLS cannot quantify this revenue source as it depends on the frequency and value of secondary market transactions.

The OLS expects the annual \$75.0 million limitation to be fully utilized based on demonstrated demand for housing tax credit programs in New Jersey. The State currently operates a separate \$50 million workforce housing program that addresses similar housing needs, and demand for existing housing tax credit programs consistently exceeds available supply. The 85 percent minimum purchase price and seven-year carryforward period make these credits attractive to investors. The program specifically targets middle-income workforce housing for households earning between 80 and 120 percent of area median income.

Section: Revenue, Finance, and Appropriations

*Analyst: Patrick Walsh
Associate Fiscal 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.).

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 4071 and 3155
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: JULY 3, 2025

SUMMARY

- Synopsis:** Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for certain housing purposes.
- Type of Impact:** Multi-year State revenue decrease and State expenditure increase.
- Agencies Affected:** New Jersey Housing and Mortgage Finance Agency; Economic Development Authority.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Multi-Year State Revenue Decrease	Indeterminate
Multi-Year State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill would result in indeterminate multi-year State revenue decreases associated with the establishment of a new tax credit auction program administered by the Housing and Mortgage Finance Agency (HMFA) and the reallocation of existing tax credits from the Brownfields Redevelopment Incentive Program. This impact is expected to begin in CY 2025 and continue through the conclusion of the nine-year authorization period established under the Economic Recovery Act of 2020.
- The requirement that auction proceeds be used specifically for housing development programs would increase housing program expenditures by the HMFA and would also have ongoing administrative costs to the agency, though the bill permits the HMFA to use up to five percent of proceeds for administrative expenses.

BILL DESCRIPTION

The bill authorizes the HMFA to conduct competitive tax credit auctions and use the proceeds to provide financial assistance for housing development. The bill reallocates \$200.0 million in tax credits from the Brownfields Redevelopment Incentive Program to the HMFA for auction

purposes, with the proceeds dedicated to supporting middle-income workforce housing and low- and moderate-income housing projects that have received four percent federal Low Income Housing Tax Credits.

The bill establishes that the HMFA may sell up to \$500.0 million in tax credits over no more than six years through competitive auctions, with annual sales limited to \$100.0 million and a minimum sale price of 80 percent of the tax credit value. The proceeds are to be divided equally between middle-income workforce housing development and low- and moderate-income housing that fulfills municipal fair share obligations under the Fair Housing Act, with priority given to distressed older suburban municipalities for the affordable housing component.

Additionally, the bill provides that once the initial \$200.0 million allocation is exhausted, an additional \$300.0 million in tax credits may be reallocated from the Aspire and Emerge Programs to continue the auction program. The bill also establishes specific requirements for tax credit purchasers, including restrictions on resale of credits, mandatory remittance of ten percent of any transfer proceeds to the State General Fund, and public disclosure requirements for all tax credit transfers. The bill requires the HMFA to actively promote the middle-income workforce housing component and establishes that eligible projects must have received four-percent Low Income Housing Tax Credits from the agency.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that the bill would result in indeterminate multi-year State revenue decreases associated with the establishment of a new tax credit auction program and the modification of existing tax credit allocation mechanisms. This impact is expected for a period of six years beginning in CY 2025.

The bill reallocates \$200.0 million in tax credits originally designated for the Brownfields Redevelopment Incentive Program to the HMFA for competitive auctions. Under current law, these tax credits would be awarded directly to qualifying brownfields projects, providing dollar-for-dollar reductions in State tax liability. Under the bill, these same credits would be sold through auctions at no less than 80 percent of face value, with proceeds used for housing programs rather than direct tax relief.

While the auction mechanism may generate some revenue for the State through the 10 percent transfer fee imposed on subsequent sales of tax credit certificates, the overall impact on State revenues remains indeterminate. The auction process introduces market dynamics that could result in tax credits being sold at varying prices between 80 and 100 percent of face value, making the precise revenue impact difficult to predict.

The bill also authorizes the reallocation of an additional \$300.0 million in tax credits from the Aspire and Emerge Programs once the initial Brownfields allocation is exhausted. This reallocation would similarly convert direct tax credits into auction-based credits, potentially affecting the timing and magnitude of State revenue losses associated with these programs.

The requirement that auction proceeds be used specifically for housing development programs would increase housing program expenditures by the HMFA and would also have ongoing

administrative costs to the agency, though the bill permits the HMFA to use up to five percent of proceeds for administrative expenses.

The OLS notes that the actual fiscal impact will depend on several factors, including the demand for tax credits in the auction market, the prices achieved in competitive bidding, the pace at which auctions are conducted, and the effectiveness of the resulting housing programs in generating economic activity that might offset some revenue losses through increased economic development and property tax generation. The 10 percent transfer fee on secondary sales of tax credit certificates may provide some offsetting revenue to the State General Fund, though the magnitude of such revenue will depend on market activity and transfer patterns.

Section: Revenue, Finance, and Appropriations

*Analyst: Patrick Walsh
Associate Fiscal 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.).

Governor Murphy Takes Action on Legislation

Posted on - 07/22/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S2167/A1406 (Ruiz, Vitale/Haider, Swain) – Requires public and certain nonpublic schools to comply with breakfast and lunch standards adopted by USDA

S3052/A4878 (Johnson, Space/Park, Tucker, Speight) – Concerns grade options at public institutions of higher education for service member and dependents unable to complete course due to military obligation

S3711/A5153 (McKeon, Zwicker/Haider, Reynolds-Jackson, Spearman) – Makes annual allocation of \$500,000 from Clean Communities Program Fund for public outreach concerning single-use plastics reduction program permanent.

SCS for S3982/A4592 (Ruiz/Reynolds-Jackson/Carter, Morales) – Requires certain information be provided to parent at least two business days prior to annual Individualized Education Program (IEP) team meeting; establishes IEP Improvement Working Group in DOE.

S4263/A5408 (Vitale, Scutari/Carter, Sumter, Speight) – Revises certain provisions concerning, and establishes certain education and data reporting requirements related to, involuntary commitment.

S4426/A5622 (Burzichelli, Singer/Schnall, Peterpaul, Kane) – Appropriates funds to DEP for environmental infrastructure projects for FY2026

S4439/A5729 (Lagana, Cryan/Swain) – Establishes protections for student-athletes and certain institutions of higher education concerning name, image, or likeness compensation; repeals “New Jersey Fair Play Act.”

A3128/SCS for S4071/S3155 (Coughlin, Wimberly, Pintor Marin/Ruiz, Scutari, Singleton, Greenstein, Turner) – Authorizes HMFA to use certain tax credits; directs HMFA to conduct tax credit auctions to provide financial assistance for certain housing purposes

A4897/S3769 (Carter, Atkins, Reynolds-Jackson/Cryan, Amato) – Revises law requiring certain student identification cards to contain telephone number for suicide prevention hotline

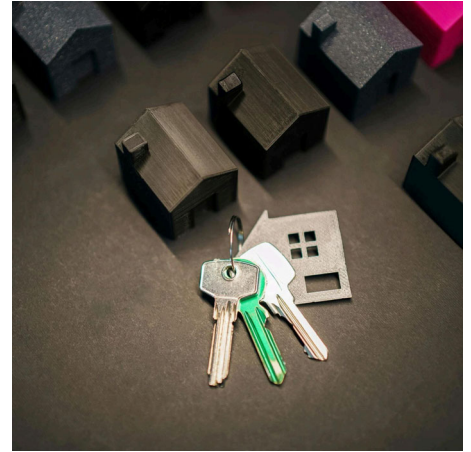
A5170/S4027 (Pintor Marin, Speight/Cruz-Perez, Pou) – Requires State to purchase certain unused tax credits issued under New Jersey Economic Recovery Act of 2020

A5546/S4388 (Verrelli, Reynolds-Jackson/Turner) – Concerns financial powers and responsibilities of Capital City Redevelopment Corporation.

Posted on: July 22, 2025

Majority Leader Ruiz's Bill Stimulating Low and Middle-Income Housing Development Signed into Law

TRENTON – Today, Governor Phil Murphy signed S-4071 into law, legislation that addresses the housing shortage and expands opportunities for affordable living across New Jersey. The bill, sponsored by Majority Leader M. Teresa Ruiz, Senate President Nick Scutari, Senator Troy Singleton, Senator Linda Greenstein, and Senator Shirley K. Turner, provides \$500 million in tax credits to the New Jersey Mortgage Finance Agency (HMFA) to sell at auction and then utilize the proceeds to support low- and moderate-income housing development in addition to middle-income workforce housing development in the state.



“This law, for the first time, signifies New Jersey’s long-term commitment to middle-income workforce housing, which will give families more room in their budgets and allow them to continue living in their communities for years to come,” said Majority Leader Ruiz.

The state currently faces a shortage of nearly 290,000 affordable homes, according to the National Low Income Housing Coalition. Beyond this supply gap, many middle-income families who don’t qualify for housing assistance still face challenges securing reasonably priced homes near their jobs and schools.

“The people who keep our communities running—teachers, nurses, construction workers, police officers, and countless others—are working hard to make a living, yet still struggling under the weight of housing costs. To truly address New Jersey’s housing crisis and ensure every family has a place to call home, we need a comprehensive approach—one that expands both designated affordable housing and increases options for middle-income families who don’t qualify for assistance but are still priced out,” said Majority Leader Ruiz. “This bill will help towns fulfill their affordable housing obligations and will stimulate middle-income housing development to close this gap in the market.”

The bill shifts \$500 million in tax credits currently authorized for the “Brownfields Redevelopment Incentives Program Act,” the “New Jersey Aspire Program Act,” and the “Emerge Program Act,” to the New Jersey Housing and Mortgage Finance Agency (HMFA), which will sell them through a competitive auction process over the course of no more than six years. The HMFA is limited to selling \$100 million in tax credits annually and cannot sell tax credits for less than 80% of the tax credit amount.

The bill defines “low- and moderate-income housing” as affordable housing for households earning less than 80% of the area's median income. “Middle-income workforce housing” is defined as affordable housing for households earning between 80% and 120% of the area's median income, based on the federal Department of Housing and Urban Development or other recognized standards. Half of the auction proceeds fund middle-income workforce housing through the HMFA, while the other half supports low- and moderate-income housing to help municipalities meet their affordable housing obligations under the Fair Housing Act.

Under the bill, housing includes, but is not limited to, new construction or the rehabilitation or construction of residential units with multiple dwellings. The HMFA is required to actively promote middle-income workforce housing to ensure a substantial range of potential applicants for funding are made aware of the program.