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**NEWSPAPER ARTICLES:** Yes

"New law gives Paterson \$105M more in tax credits for economic development," NJBIZ, May 2, 2017

RWH/JA

P.L.2017, CHAPTER 59, *approved May 1, 2017*  
Senate, No. 2868 (*First Reprint*)

1 AN ACT concerning tax credits under the Economic Redevelopment  
2 and Growth Grant program for qualified residential projects and  
3 mixed use parking projects, and amending P.L.2009, c.90.  
4

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

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

10 6. a. Up to the limits established in subsection b. of this  
11 section and in accordance with a redevelopment incentive grant  
12 agreement, beginning upon the receipt of occupancy permits for any  
13 portion of the redevelopment project, or upon any other event  
14 evidencing project completion as set forth in the incentive grant  
15 agreement, the State Treasurer shall pay to the developer  
16 incremental State revenues directly realized from businesses  
17 operating at the site of the redevelopment project from the  
18 following taxes: the Corporation Business Tax Act (1945),  
19 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine  
20 insurance companies pursuant to R.S.54:16-1 et seq., the tax  
21 imposed on insurers generally, pursuant to P.L.1945, c.132  
22 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities  
23 gross receipts tax and public utility excise tax imposed on sewerage  
24 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et  
25 seq.), those tariffs and charges imposed by electric, natural gas,  
26 telecommunications, water and sewage utilities, and cable television  
27 companies under the jurisdiction of the New Jersey Board of Public  
28 Utilities, or comparable entity, except for those tariffs, fees, or taxes  
29 related to societal benefits charges assessed pursuant to section 12  
30 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance  
31 with the "Global Warming Response Act," P.L.2007, c.112  
32 (C.26:2C-37 et seq.), transitional energy facility assessment unit  
33 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),  
34 and the sales and use taxes on public utility and cable television  
35 services and commodities, the tax derived from net profits from  
36 business, a distributive share of partnership income, or a pro rata  
37 share of S corporation income under the "New Jersey Gross Income  
38 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at  
39 the site of a redevelopment project that is required to collect the tax  
40 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-  
41 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1

**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:

<sup>1</sup>Senate SBA committee amendments adopted January 9, 2017.

1 et seq.) from the purchase of furniture, fixtures and equipment, or  
2 materials for the remediation, the construction of new structures at  
3 the site of a redevelopment project, the hotel and motel occupancy  
4 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),  
5 or the portion of the fee imposed pursuant to section 3 of P.L.1968,  
6 c.49 (C.46:15-7) derived from the sale of real property at the site of  
7 the redevelopment project and paid to the State Treasurer for use by  
8 the State, that is not credited to the "Shore Protection Fund" or the  
9 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New  
10 Jersey Affordable Housing Trust Fund") pursuant to section 4 of  
11 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to  
12 assign their ability to apply for the tax credit under this subsection  
13 to a non-profit organization with a mission dedicated to attracting  
14 investment and completing development and redevelopment  
15 projects in a Garden State Growth Zone. The non-profit  
16 organization may make an application on behalf of a developer  
17 which meets the requirements for the tax credit, or a group of non-  
18 qualifying developers, such that these will be considered a unified  
19 project for the purposes of the incentives provided under this  
20 section.

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

25 (2) In the case of a qualified residential project or a project  
26 involving university infrastructure, if the authority determines that  
27 the estimated amount of incremental revenues pledged towards the  
28 State portion of an incentive grant is inadequate to fully fund the  
29 amount of the State portion of the incentive grant, then in lieu of an  
30 incentive grant based on the incremental revenues, the developer  
31 shall be awarded tax credits equal to the full amount of the  
32 incentive grant.

33 (3) In the case of a mixed use parking project, if the authority  
34 determines that the estimated amount of incremental revenues  
35 pledged towards the State portion of an incentive grant is  
36 inadequate to fully fund the amount of the State portion of the  
37 incentive grant, then, in lieu of an incentive grant based on the  
38 incremental revenues, the developer shall be awarded tax credits  
39 equal to the full amount of the incentive grant.

40 The value of all credits approved by the authority pursuant to  
41 paragraphs (2) and (3) of this subsection shall not exceed  
42 **[\$718,000,000] \$823,000,000**, of which:

43 (a) \$250,000,000 shall be restricted to qualified residential  
44 projects within Atlantic, Burlington, Camden, Cape May,  
45 Cumberland, Gloucester, Ocean, and Salem counties, of which  
46 \$175,000,000 of the credits shall be restricted to the following  
47 categories of projects: (i) qualified residential projects located in a  
48 Garden State Growth Zone located within the aforementioned

1 counties; and (ii) mixed use parking projects located in a Garden  
2 State Growth Zone or urban transit hub located within the  
3 aforementioned counties; (iii) and \$75,000,000 of the credits shall  
4 be restricted to qualified residential projects in municipalities with a  
5 2007 Municipal Revitalization Index of 400 or higher as of the date  
6 of enactment of the "New Jersey Economic Opportunity Act of  
7 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within  
8 the aforementioned counties;

9 (b) ~~【\$290,000,000】~~ \$395,000,000 shall be restricted to the  
10 following categories of projects: (i) qualified residential projects  
11 located in urban transit hubs that are commuter rail in nature that  
12 otherwise do not qualify under subparagraph (a) of this paragraph;  
13 (ii) qualified residential projects located in Garden State Growth  
14 Zones that do not qualify under subparagraph (a) of this paragraph;  
15 (iii) mixed use parking projects located in urban transit hubs or  
16 Garden State Growth Zones that do not qualify under subparagraph  
17 (a) of this paragraph, provided however, an urban transit hub shall  
18 be allocated no more than \$25,000,000 for mixed use parking  
19 projects; (iv) qualified residential projects which are disaster  
20 recovery projects that otherwise do not qualify under subparagraph  
21 (a) of this paragraph; (v) qualified residential projects in SDA  
22 municipalities located in Hudson County that were awarded State  
23 Aid in State Fiscal Year 2013 through the Transitional Aid to  
24 Localities program and otherwise do not qualify under  
25 subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits shall  
26 be restricted to mixed use parking projects in Garden State Growth  
27 Zones which have a population in excess of 125,000 and do not  
28 qualify under subparagraph (a) of this paragraph; **【and】** (vii)  
29 \$40,000,000 of credits shall be restricted to qualified residential  
30 projects that include a theater venue for the performing arts and do  
31 not qualify under subparagraph (a) of this paragraph, which projects  
32 are located in a municipality with a population of less than 100,000  
33 according to the latest federal decennial census, and within which  
34 municipality is located an urban transit hub and a campus of a  
35 public research university, as defined in section 1 of P.L.2009,  
36 c.308 (C.18A:3B-46); and (viii) \$105,000,000 of credits shall be  
37 restricted to qualified residential projects and mixed use parking  
38 projects in Garden State Growth Zones having a population in  
39 excess of 125,000 and do not qualify under subparagraph (a) of this  
40 paragraph;

41 (c) \$87,000,000 shall be restricted to the following categories of  
42 projects: (i) qualified residential projects located in distressed  
43 municipalities, deep poverty pockets, highlands development credit  
44 receiving areas or redevelopment areas, otherwise not qualifying  
45 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed  
46 use parking projects that do not qualify under subparagraph (a) or  
47 (b) of this paragraph, and which are used by an independent  
48 institution of higher education, a school of medicine, a nonprofit

1 hospital system, or any combination thereof; provided, however,  
2 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use  
3 parking projects that do not qualify under subparagraph (a) or (b) of  
4 this paragraph;

5 (d) (i) \$16,000,000 shall be restricted to qualified residential  
6 projects that are located within a qualifying economic  
7 redevelopment and growth grant incentive area otherwise not  
8 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

9 (ii) an additional \$50,000,000 shall be restricted to qualified  
10 residential projects which, as of the effective date of P.L.2016, c.51,  
11 are located in a city of the first class with a population in excess of  
12 270,000, are subject to a Renewal Contract for a Section 8 Mark-  
13 Up-To-Market Project from the United States Department of  
14 Housing and Urban Development, and for which an application for  
15 the award of tax credits under this subsection was submitted prior to  
16 January 1, 2016; and

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

19 (f) For subparagraphs (a) through (d) of this paragraph, not  
20 more than \$40,000,000 of credits shall be awarded to any qualified  
21 residential project in a deep poverty pocket or distressed  
22 municipality and not more than \$20,000,000 of credits shall be  
23 awarded to any other qualified residential project. The developer of  
24 a qualified residential project seeking an award of credits towards  
25 the funding of its incentive grant shall submit an incentive grant  
26 application prior to July 1, 2016 and if approved after September  
27 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et  
28 al.) shall submit a temporary certificate of occupancy for the project  
29 no later than July 28, 2019. The developer of a mixed use parking  
30 project seeking an award of credits towards the funding of its  
31 incentive grant pursuant to subparagraph (c) of this paragraph and if  
32 approved after the effective date of P.L.2015, c.217, shall submit a  
33 temporary certificate of occupancy for the project no later than July  
34 28, 2021. <sup>1</sup>The developer of a qualified residential project or a  
35 mixed use parking project seeking an award of credits toward the  
36 funding of its incentive grant for a project restricted under category  
37 (viii) of subparagraph (b) of this paragraph shall submit an  
38 incentive grant application prior to July 1, 2018, and if approved  
39 after the effective date of P.L. , c. (C. ) (pending before the  
40 Legislature as this bill), shall submit a temporary certificate of  
41 occupancy for the project no later than July 28, 2021.<sup>1</sup>  
42 Applications for tax credits pursuant to this subsection relating to  
43 an ancillary infrastructure project or infrastructure improvement in  
44 the public right-of-way, or both, shall be accompanied with a letter  
45 of support relating to the project or improvement by the governing  
46 body or agency in which the project is located. Credits awarded to  
47 a developer pursuant to this subsection shall be subject to the same  
48 financial and related analysis by the authority, the same term of the

1 grant, and the same mechanism for administering the credits, and  
2 shall be utilized or transferred by the developer as if the credits had  
3 been awarded to the developer pursuant to section 35 of P.L.2009,  
4 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.  
5 No portion of the revenues pledged pursuant to the "New Jersey  
6 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-  
7 489p et al.) shall be subject to withholding or retainage for  
8 adjustment, in the event the developer or taxpayer waives its rights  
9 to claim a refund thereof.

10 (4) A developer may apply to the Director of the Division of  
11 Taxation in the Department of the Treasury and the chief executive  
12 officer of the authority for a tax credit transfer certificate, if the  
13 developer is awarded a tax credit pursuant to paragraph (2) or  
14 paragraph (3) of this subsection, covering one or more years, in lieu  
15 of the developer being allowed any amount of the credit against the  
16 tax liability of the developer. The tax credit transfer certificate,  
17 upon receipt thereof by the developer from the director and the  
18 chief executive officer of the authority, may be sold or assigned, in  
19 full or in part, to any other person who may have a tax liability  
20 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2  
21 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1  
22 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate  
23 provided to the developer shall include a statement waiving the  
24 developer's right to claim that amount of the credit against the taxes  
25 that the developer has elected to sell or assign. The sale or  
26 assignment of any amount of a tax credit transfer certificate allowed  
27 under this paragraph shall not be exchanged for consideration  
28 received by the developer of less than 75 percent of the transferred  
29 credit amount before considering any further discounting to present  
30 value that may be permitted. Any amount of a tax credit transfer  
31 certificate used by a purchaser or assignee against a tax liability  
32 shall be subject to the same limitations and conditions that apply to  
33 the use of the credit by the developer who originally applied for and  
34 was allowed the credit.

35 c. All administrative costs associated with the incentive grant  
36 shall be assessed to the applicant and be retained by the State  
37 Treasurer from the annual incentive grant payments.

38 d. The incremental revenue for the revenues listed in  
39 subsection a. of this section shall be calculated as the difference  
40 between the amount collected in any fiscal year from any eligible  
41 revenue source included in the State redevelopment incentive grant  
42 agreement, less the revenue increment base for that eligible  
43 revenue.

44 e. The municipality is authorized to collect any information  
45 necessary to facilitate grants under this program and remit that  
46 information in order to assist in the calculation of incremental  
47 revenue.

48 (cf: P.L.2016, c.51, s.1)

**S2868 [1R]**

6

1       2. This act shall take effect immediately.

2

3

4

5

6       Increases value of Economic Redevelopment and Growth Grant  
7 program residential tax credits to \$823 million; restricts \$105  
8 million of tax credits to qualified residential projects and mixed use  
9 parking projects.



**SENATE, No. 2868**

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**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

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INTRODUCED DECEMBER 15, 2016

**Sponsored by:**

**Senator NELLIE POU**  
**District 35 (Bergen and Passaic)**  
**Senator PAUL A. SARLO**  
**District 36 (Bergen and Passaic)**

**Co-Sponsored by:**

**Senator Sweeney**

**SYNOPSIS**

Increases value of Economic Redevelopment and Growth Grant program residential tax credits to \$823 million; restricts \$105 million of tax credits to qualified residential projects and mixed use parking projects.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/10/2017)**

1 AN ACT concerning tax credits under the Economic Redevelopment  
2 and Growth Grant program for qualified residential projects and  
3 mixed use parking projects, and amending P.L.2009, c.90.

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

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

10 6. a. Up to the limits established in subsection b. of this  
11 section and in accordance with a redevelopment incentive grant  
12 agreement, beginning upon the receipt of occupancy permits for any  
13 portion of the redevelopment project, or upon any other event  
14 evidencing project completion as set forth in the incentive grant  
15 agreement, the State Treasurer shall pay to the developer  
16 incremental State revenues directly realized from businesses  
17 operating at the site of the redevelopment project from the  
18 following taxes: the Corporation Business Tax Act (1945),  
19 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine  
20 insurance companies pursuant to R.S.54:16-1 et seq., the tax  
21 imposed on insurers generally, pursuant to P.L.1945, c.132  
22 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities  
23 gross receipts tax and public utility excise tax imposed on sewerage  
24 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et  
25 seq.), those tariffs and charges imposed by electric, natural gas,  
26 telecommunications, water and sewage utilities, and cable television  
27 companies under the jurisdiction of the New Jersey Board of Public  
28 Utilities, or comparable entity, except for those tariffs, fees, or taxes  
29 related to societal benefits charges assessed pursuant to section 12  
30 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance  
31 with the "Global Warming Response Act," P.L.2007, c.112  
32 (C.26:2C-37 et seq.), transitional energy facility assessment unit  
33 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),  
34 and the sales and use taxes on public utility and cable television  
35 services and commodities, the tax derived from net profits from  
36 business, a distributive share of partnership income, or a pro rata  
37 share of S corporation income under the "New Jersey Gross Income  
38 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at  
39 the site of a redevelopment project that is required to collect the tax  
40 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-  
41 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1  
42 et seq.) from the purchase of furniture, fixtures and equipment, or  
43 materials for the remediation, the construction of new structures at  
44 the site of a redevelopment project, the hotel and motel occupancy  
45 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),

**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 or the portion of the fee imposed pursuant to section 3 of P.L.1968,  
2 c.49 (C.46:15-7) derived from the sale of real property at the site of  
3 the redevelopment project and paid to the State Treasurer for use by  
4 the State, that is not credited to the "Shore Protection Fund" or the  
5 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New  
6 Jersey Affordable Housing Trust Fund") pursuant to section 4 of  
7 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to  
8 assign their ability to apply for the tax credit under this subsection  
9 to a non-profit organization with a mission dedicated to attracting  
10 investment and completing development and redevelopment  
11 projects in a Garden State Growth Zone. The non-profit  
12 organization may make an application on behalf of a developer  
13 which meets the requirements for the tax credit, or a group of non-  
14 qualifying developers, such that these will be considered a unified  
15 project for the purposes of the incentives provided under this  
16 section.

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

21 (2) In the case of a qualified residential project or a project  
22 involving university infrastructure, if the authority determines that  
23 the estimated amount of incremental revenues pledged towards the  
24 State portion of an incentive grant is inadequate to fully fund the  
25 amount of the State portion of the incentive grant, then in lieu of an  
26 incentive grant based on the incremental revenues, the developer  
27 shall be awarded tax credits equal to the full amount of the  
28 incentive grant.

29 (3) In the case of a mixed use parking project, if the authority  
30 determines that the estimated amount of incremental revenues  
31 pledged towards the State portion of an incentive grant is  
32 inadequate to fully fund the amount of the State portion of the  
33 incentive grant, then, in lieu of an incentive grant based on the  
34 incremental revenues, the developer shall be awarded tax credits  
35 equal to the full amount of the incentive grant.

36 The value of all credits approved by the authority pursuant to  
37 paragraphs (2) and (3) of this subsection shall not exceed  
38 **[\$718,000,000] \$823,000,000**, of which:

39 (a) \$250,000,000 shall be restricted to qualified residential  
40 projects within Atlantic, Burlington, Camden, Cape May,  
41 Cumberland, Gloucester, Ocean, and Salem counties, of which  
42 \$175,000,000 of the credits shall be restricted to the following  
43 categories of projects: (i) qualified residential projects located in a  
44 Garden State Growth Zone located within the aforementioned  
45 counties; and (ii) mixed use parking projects located in a Garden  
46 State Growth Zone or urban transit hub located within the  
47 aforementioned counties; (iii) and \$75,000,000 of the credits shall  
48 be restricted to qualified residential projects in municipalities with a

1 2007 Municipal Revitalization Index of 400 or higher as of the date  
2 of enactment of the "New Jersey Economic Opportunity Act of  
3 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within  
4 the aforementioned counties;

5 (b) ~~【\$290,000,000】~~ \$395,000,000 shall be restricted to the  
6 following categories of projects: (i) qualified residential projects  
7 located in urban transit hubs that are commuter rail in nature that  
8 otherwise do not qualify under subparagraph (a) of this paragraph;  
9 (ii) qualified residential projects located in Garden State Growth  
10 Zones that do not qualify under subparagraph (a) of this paragraph;  
11 (iii) mixed use parking projects located in urban transit hubs or  
12 Garden State Growth Zones that do not qualify under subparagraph  
13 (a) of this paragraph, provided however, an urban transit hub shall  
14 be allocated no more than \$25,000,000 for mixed use parking  
15 projects; (iv) qualified residential projects which are disaster  
16 recovery projects that otherwise do not qualify under subparagraph  
17 (a) of this paragraph; (v) qualified residential projects in SDA  
18 municipalities located in Hudson County that were awarded State  
19 Aid in State Fiscal Year 2013 through the Transitional Aid to  
20 Localities program and otherwise do not qualify under  
21 subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits shall  
22 be restricted to mixed use parking projects in Garden State Growth  
23 Zones which have a population in excess of 125,000 and do not  
24 qualify under subparagraph (a) of this paragraph; **【and】** (vii)  
25 \$40,000,000 of credits shall be restricted to qualified residential  
26 projects that include a theater venue for the performing arts and do  
27 not qualify under subparagraph (a) of this paragraph, which projects  
28 are located in a municipality with a population of less than 100,000  
29 according to the latest federal decennial census, and within which  
30 municipality is located an urban transit hub and a campus of a  
31 public research university, as defined in section 1 of P.L.2009,  
32 c.308 (C.18A:3B-46); and (viii) \$105,000,000 of credits shall be  
33 restricted to qualified residential projects and mixed use parking  
34 projects in Garden State Growth Zones having a population in  
35 excess of 125,000 and do not qualify under subparagraph (a) of this  
36 paragraph;

37 (c) \$87,000,000 shall be restricted to the following categories of  
38 projects: (i) qualified residential projects located in distressed  
39 municipalities, deep poverty pockets, highlands development credit  
40 receiving areas or redevelopment areas, otherwise not qualifying  
41 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed  
42 use parking projects that do not qualify under subparagraph (a) or  
43 (b) of this paragraph, and which are used by an independent  
44 institution of higher education, a school of medicine, a nonprofit  
45 hospital system, or any combination thereof; provided, however,  
46 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use  
47 parking projects that do not qualify under subparagraph (a) or (b) of  
48 this paragraph;

1 (d) (i) \$16,000,000 shall be restricted to qualified residential  
2 projects that are located within a qualifying economic  
3 redevelopment and growth grant incentive area otherwise not  
4 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

5 (ii) an additional \$50,000,000 shall be restricted to qualified  
6 residential projects which, as of the effective date of P.L.2016, c.51,  
7 are located in a city of the first class with a population in excess of  
8 270,000, are subject to a Renewal Contract for a Section 8 Mark-  
9 Up-To-Market Project from the United States Department of  
10 Housing and Urban Development, and for which an application for  
11 the award of tax credits under this subsection was submitted prior to  
12 January 1, 2016; and

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

15 (f) For subparagraphs (a) through (d) of this paragraph, not  
16 more than \$40,000,000 of credits shall be awarded to any qualified  
17 residential project in a deep poverty pocket or distressed  
18 municipality and not more than \$20,000,000 of credits shall be  
19 awarded to any other qualified residential project. The developer of  
20 a qualified residential project seeking an award of credits towards  
21 the funding of its incentive grant shall submit an incentive grant  
22 application prior to July 1, 2016 and if approved after September  
23 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et  
24 al.) shall submit a temporary certificate of occupancy for the project  
25 no later than July 28, 2019. The developer of a mixed use parking  
26 project seeking an award of credits towards the funding of its  
27 incentive grant pursuant to subparagraph (c) of this paragraph and if  
28 approved after the effective date of P.L.2015, c.217, shall submit a  
29 temporary certificate of occupancy for the project no later than July  
30 28, 2021. Applications for tax credits pursuant to this subsection  
31 relating to an ancillary infrastructure project or infrastructure  
32 improvement in the public right-of-way, or both, shall be  
33 accompanied with a letter of support relating to the project or  
34 improvement by the governing body or agency in which the project  
35 is located. Credits awarded to a developer pursuant to this  
36 subsection shall be subject to the same financial and related analysis  
37 by the authority, the same term of the grant, and the same  
38 mechanism for administering the credits, and shall be utilized or  
39 transferred by the developer as if the credits had been awarded to  
40 the developer pursuant to section 35 of P.L.2009, c.90 (C.34:1B-  
41 209.3) for qualified residential projects thereunder. No portion of  
42 the revenues pledged pursuant to the "New Jersey Economic  
43 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.)  
44 shall be subject to withholding or retainage for adjustment, in the  
45 event the developer or taxpayer waives its rights to claim a refund  
46 thereof.

47 (4) A developer may apply to the Director of the Division of  
48 Taxation in the Department of the Treasury and the chief executive

1 officer of the authority for a tax credit transfer certificate, if the  
2 developer is awarded a tax credit pursuant to paragraph (2) or  
3 paragraph (3) of this subsection, covering one or more years, in lieu  
4 of the developer being allowed any amount of the credit against the  
5 tax liability of the developer. The tax credit transfer certificate,  
6 upon receipt thereof by the developer from the director and the  
7 chief executive officer of the authority, may be sold or assigned, in  
8 full or in part, to any other person who may have a tax liability  
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. The certificate  
12 provided to the developer shall include a statement waiving the  
13 developer's right to claim that amount of the credit against the taxes  
14 that the developer has elected to sell or assign. The sale or  
15 assignment of any amount of a tax credit transfer certificate allowed  
16 under this paragraph shall not be exchanged for consideration  
17 received by the developer of less than 75 percent of the transferred  
18 credit amount before considering any further discounting to present  
19 value that may be permitted. Any amount of a tax credit transfer  
20 certificate used by a purchaser or assignee against a tax liability  
21 shall be subject to the same limitations and conditions that apply to  
22 the use of the credit by the developer who originally applied for and  
23 was allowed the credit.

24 c. All administrative costs associated with the incentive grant  
25 shall be assessed to the applicant and be retained by the State  
26 Treasurer from the annual incentive grant payments.

27 d. The incremental revenue for the revenues listed in  
28 subsection a. of this section shall be calculated as the difference  
29 between the amount collected in any fiscal year from any eligible  
30 revenue source included in the State redevelopment incentive grant  
31 agreement, less the revenue increment base for that eligible  
32 revenue.

33 e. The municipality is authorized to collect any information  
34 necessary to facilitate grants under this program and remit that  
35 information in order to assist in the calculation of incremental  
36 revenue.

37 (cf: P.L.2016, c.51, s.1)

38

39 2. This act shall take effect immediately.

40

41

42

STATEMENT

43

44 This bill increases the overall value of tax credits that the  
45 Economic Development Authority (authority) may award under the  
46 Economic Redevelopment and Growth Grant program to developers  
47 of qualified residential projects and mixed use parking projects  
48 from \$718 million to \$823 million. The bill restricts the award of

**S2868 POU, SARLO**

7

1 the additional \$105 million worth of tax credits to qualified  
2 residential projects and mixed use parking projects located in a  
3 Garden State Growth Zone city having a population in excess of  
4 125,000. The \$105 million represents an amount that had already  
5 been awarded by the authority under the Urban Transit Hub Tax  
6 Credit (UTH) Program; however, the application for that award was  
7 withdrawn in accordance with the terms of the award and the UTH  
8 Program has since expired.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 2868**

# **STATE OF NEW JERSEY**

DATED: JANUARY 30, 2017

The Assembly Appropriations Committee reports favorably Senate Bill No. 2868 (1R).

This bill increases the overall value of all tax credits that the New Jersey Economic Development Authority (EDA) may award under the Economic Redevelopment and Growth (ERG) program to developers of certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. The bill restricts the award of the additional tax credits authorized by the bill to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones, and requires the developers seeking an award of the additional tax credits to meet certain application and project completion deadlines.

Under current law, the authority is permitted to award ERG program tax credits to developers for a percentage of total project costs that are incurred in connection with certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. Current law limits the overall value of all tax credits that can be awarded to developers for these projects to not more than \$718 million over the life of the program, and allocates certain portions of the authorized tax credits to specific geographic regions and categories of eligible projects.

This bill increases the current limit imposed on the overall value of all tax credits that can be awarded to developers under the program to \$823 million. In doing so, the bill restricts the award of the \$105 million in additional tax credits to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones having a population in excess of 125,000, and requires the developer of a project seeking an award of the additional tax credits authorized by the bill to submit an incentive grant application prior to July 1, 2018, and if approved, to submit a temporary certificate of occupancy for the project no later than July 28, 2021.

As reported, this bill is identical to Assembly Bill No. 4501, as reported by the committee.



**FISCAL IMPACT:**

The Office of Legislative Services (OLS) expects the bill will produce a negative fiscal net impact of an indeterminate magnitude to the State. This expectation is due to the fact that the ERG program does not require eligible projects receiving tax credits to yield a net fiscal benefit to the State.

The inability of the OLS to quantify the bill's fiscal net impact is the result of insufficient information regarding: the number and attributes of projects in eligible Garden State Growth Zones that are likely to be awarded tax credits as a result of the bill and the potential State tax revenue that may be replaced by ERG program tax credit awards to projects in the eligible zones.

In general, the State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$105 million in ERG program tax credits to certain projects in eligible zones and their indeterminate opportunity costs and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity the additional tax credit awards will catalyze.

The bill may accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain from recipients of such tax credit awards spending amounts realized from incentives in New Jersey on goods and services that would not have been purchased absent the tax credit award.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2868**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 9, 2017

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2868, with committee amendments.

As amended, this bill increases the overall value of all tax credits that the New Jersey Economic Development Authority (EDA) may award under the Economic Redevelopment and Growth (ERG) program to developers of certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. The bill restricts the award of the additional tax credits authorized by the bill to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones, and requires the developers seeking an award of the additional tax credits to meet certain application and project completion deadlines.

Under current law, the authority is permitted to award ERG program tax credits to developers for a percentage of total project costs that are incurred in connection with certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. Current law limits the overall value of all tax credits that can be awarded to developers for these projects to not more than \$718 million over the life of the program, and allocates certain portions of the authorized tax credits to specific geographic regions and categories of eligible projects.

This bill increases the current limit imposed on the overall value of all tax credits that can be awarded to developers under the program to \$823 million. In doing so, the bill restricts the award of the \$105 million in additional tax credits to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones having a population in excess of 125,000, and requires the developer of a project seeking an award of the additional tax credits authorized by the bill to submit an incentive grant application prior to July 1, 2018, and if approved, to submit a temporary certificate of occupancy for the project no later than July 28, 2021.

The bill is scheduled to take effect immediately upon enactment.

COMMITTEE AMENDMENTS:

The amendments require the developer of a qualified residential project or a mixed use parking project that is seeking an award of the additional Economic Redevelopment and Growth (ERG) program tax credits authorized by the bill to submit an incentive grant application prior to July 1, 2018, and if approved, to submit a temporary certificate of occupancy for the project no later than July 28, 2021.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill will produce a negative fiscal net impact of an indeterminate magnitude to the State. This expectation is due to the fact that the ERG program does not require eligible projects receiving tax credits to yield a net fiscal benefit to the State.

The inability of the OLS to quantify the bill's fiscal net impact is the result of insufficient information regarding: the number and attributes of projects in eligible Garden State Growth Zones that are likely to be awarded tax credits as a result of the bill and the potential State tax revenue that may be replaced by ERG program tax credit awards to projects in the eligible zones.

In general, the State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$105 million in ERG program tax credits to certain projects in eligible zones and their indeterminate opportunity costs and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity the additional tax credit awards will catalyze.

The bill may accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain from recipients of such tax credit awards spending amounts realized from incentives in New Jersey on goods and services that would not have been purchased absent the tax credit award.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2868

### STATE OF NEW JERSEY 217th LEGISLATURE

DATED: JANUARY 27, 2017

#### SUMMARY

- Synopsis:** Increases value of Economic Redevelopment and Growth Grant program residential tax credits to \$823 million; restricts \$105 million of tax credits to qualified residential projects and mixed use parking projects.
- Type of Impact:** Reduced State revenue; potential revenue increase to affected local governments.
- Agencies Affected:** New Jersey Economic Development Authority.  
Department of the Treasury.  
Certain Local Governments.

#### Office of Legislative Services Estimate

| <b>Fiscal Impact</b>          | <b><u>Multi-Year Lifespan of Tax Credits</u></b> |
|-------------------------------|--|
| <b>State Revenue Decrease</b> | Up to \$105,000,000                              |
| <b>Local Revenue Increase</b> | Indeterminate – See comments below               |

- The Office of Legislative Services (OLS) finds that, aggregated over several years, the bill will reduce State revenue by up to \$105 million, the amount of additional Economic Redevelopment and Growth Grant (ERG) tax credits permitted under the bill. Taxpayers will use the credits in 10 annual installments following project completion, which must occur by the bill's 2021 deadline. The annual revenue reduction will be no more than \$10.5 million.
- This reduction in revenue is expected to be offset to some degree by increased State revenues resulting from the economic activity incentivized by tax credit-receiving projects. The amount of that additional offsetting revenue is likely to be less than \$105 million because the ERG program does not require residential, tax credit-receiving, projects to yield a net positive fiscal benefit to the State.
- The legislation might accrue an indeterminate revenue gain to affected local governments if the bill results in the New Jersey Economic Development Authority (EDA) extending financial assistance to redevelopment projects that would not be undertaken absent the

assistance and if the redevelopment projects involve value-increasing improvements to taxable real estate.

## **BILL DESCRIPTION**

Senate Bill No. 2868 (1R) of 2016 increases by \$105 million, from \$718 million to \$823 million, the overall value of all tax credits that the EDA may award under the ERG program to developers of certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. The bill restricts the additional tax credit awards to qualified residential projects and mixed use parking projects located in the City of Paterson. The application deadline for the additional tax credits is July 1, 2018 and projects must obtain temporary certificates of occupancy by July 28, 2021.

In general, ERG tax credit awards are authorized for taxpayer use in up to ten equal annual installments following project completion, must close a project financing gap that otherwise would be likely to prevent a project's realization, and cannot exceed 30 percent of total project cost in conjunction with any municipal ERG award (or 40 percent in one of the five designated Garden State Growth Zone municipalities: Atlantic City, Camden, Passaic, Paterson, and Trenton). The application deadline for all projects unaffected by this bill was July 1, 2016 and projects must obtain temporary certificates of occupancy by July 28, 2018. Projects receiving ERG tax credits are not required to generate fiscal benefits to the State in excess of the incentive amount.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that, aggregated over several years, the bill will reduce State revenue by up to \$105 million, the amount of additional ERG tax credits permitted under the bill. This reduction is expected to be offset to some degree by increased State revenues resulting from the economic activity incentivized by tax credit-receiving projects. The amount of that additional offsetting revenue is likely to be less than \$105 million because the ERG program does not require residential, tax credit-receiving, projects to yield a net positive fiscal benefit to the State.

The ERG credits are to begin being awarded upon enactment of the bill; however the bill also requires any project to be completed with a certificate of occupancy no later than July 28, 2021. Completion of the project is the point at which the tax credit award may begin to be redeemed by the award recipient. The tax credits are to be taken in 10 equal annual installments. This means that between the effective date of the bill and the 2021 project completion deadline, the \$105 million in credits will need to be awarded and begin redemption. Assuming all credits are both awarded and completed within the deadline, credit redemption will have fully phased-in and begun being redeemed at a full rate of \$10.5 million per year starting in 2021. By 2031, 10 years following the date when projects must be completed, the tax credit awards will have been fully redeemed and there will no longer be a reduction in revenue.

ERG tax credits are awarded for redevelopment projects that are expected to result in increased employment in the construction industry and positive State tax revenue, including, income taxes on employees as well as any applicable sales tax on construction materials. Once the projects are complete, the State is expected to realize additional indirect revenue from any new residents who move into the area as a result of the projects, as well as economic activity generated by businesses providing services or jobs for those new residents.

The amount of benefit from this new economic activity is likely to be less than the \$105 million cost of the tax credits because the ERG program does not require recipients of residential tax credit-receiving projects to pass a net benefits test. The net benefits test is a calculation made by the EDA to measure the total State revenue that will be generated by an incentivized project to ensure that the State will realize a positive return on its investment of economic development incentives. By not subjecting a project to a net benefits requirement, it is possible that a project will generate an amount of State revenue below the amount provided to the project in tax credits, resulting in a net revenue loss to the State. The amount of that net loss cannot be known due to a lack of information on the attributes of projects that may be granted the \$105 million in additional tax credits.

The legislation might also accrue an indeterminate revenue gain to affected local governments if the bill results in the EDA extending financial assistance to redevelopment projects that would not be undertaken absent the assistance and if the redevelopment projects involve value-increasing improvements to taxable real estate.

In general, the OLS notes that only the indirect revenue to be realized from redevelopment projects that will be incentivized by the tax credits can be attributed to the bill. In contrast, whenever the State will subsidize a project that a taxpayer will undertake with or without the public assistance, the financial inducement will not cause the project's realization. As a result, none of the project's economic and fiscal feedback effects will be attributable to the incentive, and therefore will have to be excluded from the tabulation of the incentive's indirect fiscal benefits.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Kevin J. Donahue  
Lead Research Analyst*

*Approved: Frank W. Haines III  
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.).

# ASSEMBLY, No. 4501

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED JANUARY 19, 2017

**Sponsored by:**

**Assemblywoman SHAVONDA E. SUMTER**

**District 35 (Bergen and Passaic)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Increases value of Economic Redevelopment and Growth Grant program residential tax credits to \$823 million; restricts \$105 million of tax credits to qualified residential projects and mixed use parking projects.

**CURRENT VERSION OF TEXT**

As introduced.



A4501 SUMTER, WIMBERLY

2

1 AN ACT concerning tax credits under the Economic Redevelopment  
2 and Growth Grant program for qualified residential projects and  
3 mixed use parking projects, and amending P.L.2009, c.90.

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

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

10 6. a. Up to the limits established in subsection b. of this  
11 section and in accordance with a redevelopment incentive grant  
12 agreement, beginning upon the receipt of occupancy permits for any  
13 portion of the redevelopment project, or upon any other event  
14 evidencing project completion as set forth in the incentive grant  
15 agreement, the State Treasurer shall pay to the developer  
16 incremental State revenues directly realized from businesses  
17 operating at the site of the redevelopment project from the  
18 following taxes: the Corporation Business Tax Act (1945),  
19 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine  
20 insurance companies pursuant to R.S.54:16-1 et seq., the tax  
21 imposed on insurers generally, pursuant to P.L.1945,  
22 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public  
23 utilities gross receipts tax and public utility excise tax imposed on  
24 sewerage and water corporations pursuant to P.L.1940,  
25 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by  
26 electric, natural gas, telecommunications, water and sewage  
27 utilities, and cable television companies under the jurisdiction of  
28 the New Jersey Board of Public Utilities, or comparable entity,  
29 except for those tariffs, fees, or taxes related to societal benefits  
30 charges assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-  
31 60), any charges paid for compliance with the "Global Warming  
32 Response Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional  
33 energy facility assessment unit taxes paid pursuant to section 67 of  
34 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on  
35 public utility and cable television services and commodities, the tax  
36 derived from net profits from business, a distributive share of  
37 partnership income, or a pro rata share of S corporation income  
38 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et  
39 seq., the tax derived from a business at the site of a redevelopment  
40 project that is required to collect the tax pursuant to the "Sales and  
41 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed  
42 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase  
43 of furniture, fixtures and equipment, or materials for the  
44 remediation, the construction of new structures at the site of a  
45 redevelopment project, the hotel and motel occupancy fee imposed

**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 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the  
2 portion of the fee imposed pursuant to section 3 of P.L.1968,  
3 c.49 (C.46:15-7) derived from the sale of real property at the site of  
4 the redevelopment project and paid to the State Treasurer for use by  
5 the State, that is not credited to the "Shore Protection Fund" or the  
6 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New  
7 Jersey Affordable Housing Trust Fund") pursuant to section 4 of  
8 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to  
9 assign their ability to apply for the tax credit under this subsection  
10 to a non-profit organization with a mission dedicated to attracting  
11 investment and completing development and redevelopment  
12 projects in a Garden State Growth Zone. The non-profit  
13 organization may make an application on behalf of a developer  
14 which meets the requirements for the tax credit, or a group of non-  
15 qualifying developers, such that these will be considered a unified  
16 project for the purposes of the incentives provided under this  
17 section.

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

22 (2) In the case of a qualified residential project or a project  
23 involving university infrastructure, if the authority determines that  
24 the estimated amount of incremental revenues pledged towards the  
25 State portion of an incentive grant is inadequate to fully fund the  
26 amount of the State portion of the incentive grant, then in lieu of an  
27 incentive grant based on the incremental revenues, the developer  
28 shall be awarded tax credits equal to the full amount of the  
29 incentive grant.

30 (3) In the case of a mixed use parking project, if the authority  
31 determines that the estimated amount of incremental revenues  
32 pledged towards the State portion of an incentive grant is  
33 inadequate to fully fund the amount of the State portion of the  
34 incentive grant, then, in lieu of an incentive grant based on the  
35 incremental revenues, the developer shall be awarded tax credits  
36 equal to the full amount of the incentive grant.

37 The value of all credits approved by the authority pursuant to  
38 paragraphs (2) and (3) of this subsection shall not exceed  
39 **[\$718,000,000]** \$823,000,000, of which:

40 (a) \$250,000,000 shall be restricted to qualified residential  
41 projects within Atlantic, Burlington, Camden, Cape May,  
42 Cumberland, Gloucester, Ocean, and Salem counties, of which  
43 \$175,000,000 of the credits shall be restricted to the following  
44 categories of projects: (i) qualified residential projects located in a  
45 Garden State Growth Zone located within the aforementioned  
46 counties; and (ii) mixed use parking projects located in a Garden  
47 State Growth Zone or urban transit hub located within the  
48 aforementioned counties; (iii) and \$75,000,000 of the credits shall

A4501 SUMTER, WIMBERLY

1 be restricted to qualified residential projects in municipalities with a  
2 2007 Municipal Revitalization Index of 400 or higher as of the date  
3 of enactment of the "New Jersey Economic Opportunity Act of  
4 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within  
5 the aforementioned counties;

6 (b) ~~【\$290,000,000】~~ \$395,000,000 shall be restricted to the  
7 following categories of projects: (i) qualified residential projects  
8 located in urban transit hubs that are commuter rail in nature that  
9 otherwise do not qualify under subparagraph (a) of this paragraph;  
10 (ii) qualified residential projects located in Garden State Growth  
11 Zones that do not qualify under subparagraph (a) of this paragraph;  
12 (iii) mixed use parking projects located in urban transit hubs or  
13 Garden State Growth Zones that do not qualify under subparagraph  
14 (a) of this paragraph, provided however, an urban transit hub shall  
15 be allocated no more than \$25,000,000 for mixed use parking  
16 projects; (iv) qualified residential projects which are disaster  
17 recovery projects that otherwise do not qualify under subparagraph  
18 (a) of this paragraph; (v) qualified residential projects in SDA  
19 municipalities located in Hudson County that were awarded State  
20 Aid in State Fiscal Year 2013 through the Transitional Aid to  
21 Localities program and otherwise do not qualify under  
22 subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits shall  
23 be restricted to mixed use parking projects in Garden State Growth  
24 Zones which have a population in excess of 125,000 and do not  
25 qualify under subparagraph (a) of this paragraph; **【and】** (vii)  
26 \$40,000,000 of credits shall be restricted to qualified residential  
27 projects that include a theater venue for the performing arts and do  
28 not qualify under subparagraph (a) of this paragraph, which projects  
29 are located in a municipality with a population of less than 100,000  
30 according to the latest federal decennial census, and within which  
31 municipality is located an urban transit hub and a campus of a  
32 public research university, as defined in section 1 of P.L.2009,  
33 c.308 (C.18A:3B-46); and (viii) \$105,000,000 of credits shall be  
34 restricted to qualified residential projects and mixed use parking  
35 projects in Garden State Growth Zones having a population in  
36 excess of 125,000 and do not qualify under subparagraph (a) of this  
37 paragraph;

38 (c) \$87,000,000 shall be restricted to the following categories of  
39 projects: (i) qualified residential projects located in distressed  
40 municipalities, deep poverty pockets, highlands development credit  
41 receiving areas or redevelopment areas, otherwise not qualifying  
42 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed  
43 use parking projects that do not qualify under subparagraph (a) or  
44 (b) of this paragraph, and which are used by an independent  
45 institution of higher education, a school of medicine, a nonprofit  
46 hospital system, or any combination thereof; provided, however,  
47 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use

1 parking projects that do not qualify under subparagraph (a) or (b) of  
2 this paragraph;

3 (d) (i) \$16,000,000 shall be restricted to qualified residential  
4 projects that are located within a qualifying economic  
5 redevelopment and growth grant incentive area otherwise not  
6 qualifying under subparagraph (a), (b), or (c) of this paragraph; and

7 (ii) an additional \$50,000,000 shall be restricted to qualified  
8 residential projects which, as of the effective date of P.L.2016,  
9 c.51, are located in a city of the first class with a population in  
10 excess of 270,000, are subject to a Renewal Contract for a Section 8  
11 Mark-Up-To-Market Project from the United States Department of  
12 Housing and Urban Development, and for which an application for  
13 the award of tax credits under this subsection was submitted prior to  
14 January 1, 2016; and

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

17 (f) For subparagraphs (a) through (d) of this paragraph, not  
18 more than \$40,000,000 of credits shall be awarded to any qualified  
19 residential project in a deep poverty pocket or distressed  
20 municipality and not more than \$20,000,000 of credits shall be  
21 awarded to any other qualified residential project. The developer of  
22 a qualified residential project seeking an award of credits towards  
23 the funding of its incentive grant shall submit an incentive grant  
24 application prior to July 1, 2016 and if approved after September  
25 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et  
26 al.) shall submit a temporary certificate of occupancy for the project  
27 no later than July 28, 2019. The developer of a mixed use parking  
28 project seeking an award of credits towards the funding of its  
29 incentive grant pursuant to subparagraph (c) of this paragraph and if  
30 approved after the effective date of P.L.2015, c.217, shall submit a  
31 temporary certificate of occupancy for the project no later than July  
32 28, 2021. The developer of a qualified residential project or a  
33 mixed use parking project seeking an award of credits toward the  
34 funding of its incentive grant for a project restricted under category  
35 (viii) of subparagraph (b) of this paragraph shall submit an  
36 incentive grant application prior to July 1, 2018, and if approved  
37 after the effective date of P.L. , c. (C. ) (pending before the  
38 Legislature as this bill), shall submit a temporary certificate of  
39 occupancy for the project no later than July 28, 2021. Applications  
40 for tax credits pursuant to this subsection relating to an ancillary  
41 infrastructure project or infrastructure improvement in the public  
42 right-of-way, or both, shall be accompanied with a letter of support  
43 relating to the project or improvement by the governing body or  
44 agency in which the project is located. Credits awarded to a  
45 developer pursuant to this subsection shall be subject to the same  
46 financial and related analysis by the authority, the same term of the  
47 grant, and the same mechanism for administering the credits, and  
48 shall be utilized or transferred by the developer as if the credits had

1 been awarded to the developer pursuant to section 35 of P.L.2009,  
2 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.  
3 No portion of the revenues pledged pursuant to the "New Jersey  
4 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-  
5 489p et al.) shall be subject to withholding or retainage for  
6 adjustment, in the event the developer or taxpayer waives its rights  
7 to claim a refund thereof.

8 (4) A developer may apply to the Director of the Division of  
9 Taxation in the Department of the Treasury and the chief executive  
10 officer of the authority for a tax credit transfer certificate, if the  
11 developer is awarded a tax credit pursuant to paragraph (2) or  
12 paragraph (3) of this subsection, covering one or more years, in lieu  
13 of the developer being allowed any amount of the credit against the  
14 tax liability of the developer. The tax credit transfer certificate,  
15 upon receipt thereof by the developer from the director and the  
16 chief executive officer of the authority, may be sold or assigned, in  
17 full or in part, to any other person who may have a tax liability  
18 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2  
19 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1  
20 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate  
21 provided to the developer shall include a statement waiving the  
22 developer's right to claim that amount of the credit against the taxes  
23 that the developer has elected to sell or assign. The sale or  
24 assignment of any amount of a tax credit transfer certificate allowed  
25 under this paragraph shall not be exchanged for consideration  
26 received by the developer of less than 75 percent of the transferred  
27 credit amount before considering any further discounting to present  
28 value that may be permitted. Any amount of a tax credit transfer  
29 certificate used by a purchaser or assignee against a tax liability  
30 shall be subject to the same limitations and conditions that apply to  
31 the use of the credit by the developer who originally applied for and  
32 was allowed the credit.

33 c. All administrative costs associated with the incentive grant  
34 shall be assessed to the applicant and be retained by the State  
35 Treasurer from the annual incentive grant payments.

36 d. The incremental revenue for the revenues listed in  
37 subsection a. of this section shall be calculated as the difference  
38 between the amount collected in any fiscal year from any eligible  
39 revenue source included in the State redevelopment incentive grant  
40 agreement, less the revenue increment base for that eligible  
41 revenue.

42 e. The municipality is authorized to collect any information  
43 necessary to facilitate grants under this program and remit that  
44 information in order to assist in the calculation of incremental  
45 revenue.

46 (cf: P.L.2016, c.51, s.1)

47

48 2. This act shall take effect immediately.

1 STATEMENT

2

3 This bill increases the overall value of all tax credits that the  
4 New Jersey Economic Development Authority (EDA) may award  
5 under the Economic Redevelopment and Growth Grant (ERG)  
6 program to developers of certain qualified residential projects,  
7 projects involving university infrastructure, and mixed use parking  
8 projects. The bill restricts the award of the additional tax credits  
9 authorized by the bill to qualified residential projects and mixed use  
10 parking projects located in certain Garden State Growth Zones, and  
11 requires the developers seeking an award of the additional tax  
12 credits to meet certain application and project completion deadlines.

13 Under current law, the authority is permitted to award ERG  
14 program tax credits to developers for a percentage of total project  
15 costs that are incurred in connection with certain qualified  
16 residential projects, projects involving university infrastructure, and  
17 mixed use parking projects. Current law limits the overall value of  
18 all tax credits that can be awarded to developers for these projects  
19 to not more than \$718 million over the life of the program, and  
20 allocates certain portions of the authorized tax credits to specific  
21 geographic regions and categories of eligible projects.

22 This bill increases the current limit imposed on the overall value  
23 of all tax credits that can be awarded to developers under the  
24 program to \$823 million. In doing so, the bill restricts the award of  
25 the \$105 million in additional tax credits to qualified residential  
26 projects and mixed use parking projects located in certain Garden  
27 State Growth Zones having a population in excess of 125,000, and  
28 requires the developer of a project seeking an award of the  
29 additional tax credits authorized by the bill to submit an incentive  
30 grant application prior to July 1, 2018, and if approved, to submit a  
31 temporary certificate of occupancy for the project no later than July  
32 28, 2021.

33 The bill is scheduled to take effect immediately upon enactment.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4501

# STATE OF NEW JERSEY

DATED: JANUARY 30, 2017

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4501.

This bill increases the overall value of all tax credits that the New Jersey Economic Development Authority (EDA) may award under the Economic Redevelopment and Growth (ERG) program to developers of certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. The bill restricts the award of the additional tax credits authorized by the bill to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones, and requires the developers seeking an award of the additional tax credits to meet certain application and project completion deadlines.

Under current law, the authority is permitted to award ERG program tax credits to developers for a percentage of total project costs that are incurred in connection with certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. Current law limits the overall value of all tax credits that can be awarded to developers for these projects to not more than \$718 million over the life of the program, and allocates certain portions of the authorized tax credits to specific geographic regions and categories of eligible projects.

This bill increases the current limit imposed on the overall value of all tax credits that can be awarded to developers under the program to \$823 million. In doing so, the bill restricts the award of the \$105 million in additional tax credits to qualified residential projects and mixed use parking projects located in certain Garden State Growth Zones having a population in excess of 125,000, and requires the developer of a project seeking an award of the additional tax credits authorized by the bill to submit an incentive grant application prior to July 1, 2018, and if approved, to submit a temporary certificate of occupancy for the project no later than July 28, 2021.

As reported, this bill is identical to Senate Bill No. 2868 (1R), as reported by the committee.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill will produce a negative fiscal net impact of an indeterminate magnitude to the State. This expectation is due to the fact that the ERG program does not

require eligible projects receiving tax credits to yield a net fiscal benefit to the State.

The inability of the OLS to quantify the bill's fiscal net impact is the result of insufficient information regarding: the number and attributes of projects in eligible Garden State Growth Zones that are likely to be awarded tax credits as a result of the bill and the potential State tax revenue that may be replaced by ERG program tax credit awards to projects in the eligible zones.

In general, the State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$105 million in ERG program tax credits to certain projects in eligible zones and their indeterminate opportunity costs and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity the additional tax credit awards will catalyze.

The bill may accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain from recipients of such tax credit awards spending amounts realized from incentives in New Jersey on goods and services that would not have been purchased absent the tax credit award.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4501**  
**STATE OF NEW JERSEY**  
**217th LEGISLATURE**

DATED: FEBRUARY 1, 2017

**SUMMARY**

- Synopsis:** Increases value of Economic Redevelopment and Growth Grant program residential tax credits to \$823 million; restricts \$105 million of tax credits to qualified residential projects and mixed use parking projects.
- Type of Impact:** Reduced State revenue; potential revenue increase to affected local governments.
- Agencies Affected:** New Jersey Economic Development Authority.  
 Department of the Treasury.  
 Certain Local Governments.

**Office of Legislative Services Estimate**

| <b>Fiscal Impact</b>          | <b><u>Multi-Year Lifespan of Tax Credits</u></b> |
|-------------------------------|--|
| <b>State Revenue Decrease</b> | Up to \$105,000,000                              |
| <b>Local Revenue Increase</b> | Indeterminate – See comments below               |

- The Office of Legislative Services (OLS) finds that, aggregated over several years, the bill will reduce State revenue by up to \$105 million, the amount of additional Economic Redevelopment and Growth Grant (ERG) tax credits permitted under the bill. Taxpayers will use the credits in 10 annual installments following project completion, which must occur by the bill’s 2021 deadline. The annual revenue reduction will be no more than \$10.5 million.
- This reduction in revenue is expected to be offset to some degree by increased State revenues resulting from the economic activity incentivized by tax credit-receiving projects. The amount of that additional offsetting revenue may be less than \$105 million because the ERG program does not require residential, tax credit-receiving projects to yield a net positive fiscal benefit to the State.
- The legislation might accrue an indeterminate revenue gain to affected local governments if the bill results in the New Jersey Economic Development Authority (EDA) extending financial assistance to redevelopment projects that would not be undertaken absent the assistance and if the redevelopment projects involve value-increasing improvements to taxable real estate.



## **BILL DESCRIPTION**

Assembly Bill No. 4501 of 2016 increases by \$105 million, from \$718 million to \$823 million, the overall value of all tax credits that the EDA may award under the ERG program to developers of certain qualified residential projects, projects involving university infrastructure, and mixed use parking projects. The bill restricts the additional tax credit awards to qualified residential projects and mixed use parking projects located in the City of Paterson. The application deadline for the additional tax credits is July 1, 2018 and projects must obtain temporary certificates of occupancy by July 28, 2021.

In general, ERG tax credit awards are authorized for taxpayer use in up to 10 equal annual installments following project completion, must close a project financing gap that otherwise would be likely to prevent a project's realization, and cannot exceed 30 percent of total project cost in conjunction with any municipal ERG award (or 40 percent in one of the five designated Garden State Growth Zone municipalities: the cities of Atlantic City, Camden, Passaic, Paterson, and Trenton). The application deadline for all projects unaffected by this bill was July 1, 2016 and projects must obtain temporary certificates of occupancy by July 28, 2019 or July 28, 2021 depending on the date of EDA approval of ERG tax credits for the project. Projects receiving ERG tax credits are not required to generate fiscal benefits to the State in excess of the incentive amount.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that, aggregated over several years, the bill will reduce State revenue by up to \$105 million, the amount of additional ERG tax credits permitted under the bill. This reduction is expected to be offset to some degree by increased State revenues resulting from the economic activity incentivized by tax credit-receiving projects. The amount of that additional offsetting revenue may be less than \$105 million because the ERG program does not require residential, tax credit-receiving projects to yield a net positive fiscal benefit to the State.

The ERG credits are to begin being awarded upon enactment of the bill; however, the bill also requires any project to be completed with a certificate of occupancy no later than July 28, 2021. Completion of the project is the point at which the tax credit award may begin to be redeemed by the award recipient. The tax credits are to be taken in 10 equal annual installments. This means that between the effective date of the bill and the 2021 project completion deadline, the \$105 million in credits will need to be awarded and begin redemption. Assuming all credits are both awarded and completed within the deadline, credit redemption will have fully phased-in and begun being redeemed at a full rate of \$10.5 million per year starting in 2021. By 2031, 10 years following the date when projects must be completed, the tax credit awards will have been fully redeemed and there will no longer be a reduction in revenue.

The ERG tax credits are awarded for redevelopment projects that are expected to result in increased employment in the construction industry and positive State tax revenue, including, from income taxes on employees as well as any applicable sales tax on construction materials. Once the projects are complete, the State is expected to realize additional indirect revenue from

any new residents who move into the area as a result of the projects, as well as economic activity generated by businesses providing services or jobs for those new residents.

The amount of benefit from this new economic activity may be less than the \$105 million cost of the tax credits because the ERG program does not require recipients of residential tax credit-receiving projects to pass a net benefits test. The net benefits test is a calculation made by the EDA to measure the total State revenue that will be generated by an incentivized project to ensure that the State will realize a positive return on its investment of economic development incentives. By not subjecting a project to a net benefits requirement, it is possible that a project will generate an amount of State revenue below the amount provided to the project in tax credits, resulting in a net revenue loss to the State. The amount of that net loss cannot be known due to a lack of information on the attributes of projects that may be granted the \$105 million in additional tax credits.

The legislation might also accrue an indeterminate revenue gain to affected local governments if the bill results in the EDA extending financial assistance to redevelopment projects that would not be undertaken absent the assistance and if the redevelopment projects involve value-increasing improvements to taxable real estate.

In general, the OLS notes that only the indirect revenue to be realized from redevelopment projects that will be incentivized by the tax credits can be attributed to the bill. In contrast, whenever the State will subsidize a project that a taxpayer will undertake with or without the public assistance, the financial inducement will not cause the project's realization. As a result, none of the project's economic and fiscal feedback effects will be attributable to the incentive, and therefore will have to be excluded from the tabulation of the incentive's indirect fiscal benefits.

*Section: Authorities, Utilities, Transportation and Communications*

*Analyst: Kevin J. Donahue  
Lead Research Analyst*

*Approved: Frank W. Haines III  
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.).

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## Governor Christie Takes Action On Pending Legislation

Monday, May 1, 2017

Tags: [Addiction Taskforce](#)
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**Trenton, NJ** - Governor Chris Christie signed into law today several bills to empower New Jersey's military members and veterans, including a bipartisan initiative to create the "Veterans Diversion Program."

The new law, S-307/A-4362 (Van Drew, Allen/Andrzejczak, Mazzeo, Land, Tucker, Benson, Bramnick), requires the New Jersey Department of Military and Veterans Affairs to collaborate with its federal counterpart and develop a statewide program providing appropriate case management and mental health services to eligible military service members who have committed nonviolent offenses. The department will publicize a directory of existing federal and State case management and mental health program locations, which will serve as points of entry to facilitate support and services.

"It is impossible to imagine the courage, sacrifices and experiences of the men and women who put their lives on the line to protect the American people and our freedom," Governor Christie said. "This critical legislation gives back by supporting New Jersey's military service members when they need it most and when their lives depend on it. This new program will strengthen families and communities, by empowering veterans with individualized, holistic care and steering them clear of the criminal justice system."

Other military and veterans' bills signed by Governor Christie today require the Department of Military and Veterans Affairs (DMAVA) to develop an informational website for Gold Star families; require DMAVA to notify local county veterans' affairs offices and State veterans service offices of the death of a New Jersey or other service member whose surviving beneficiary resides in the State in order to inform the beneficiaries of federal and state benefits and creates a designated Gold Star family member liaison for each county veterans' office; and, retains eligibility for New Jersey National Guard members or reserve components of the U.S. Armed Forces called to active federal military service who met maximum age requirements at the closing date of civil service examinations.

**Governor Christie also took action on the following bills:**

### BILL SIGNINGS:

**S-158/A-3631 (Madden, Cruz-Perez/Quijano, Schaer, Vainieri Huttler, Zwicker, Mukherji, Daniels)** - Permits holding companies of eligible New Jersey emerging technology companies to receive investments under "New Jersey Angel Investor Tax Credit Act"

**S-227/A-963 (Holzapfel, Allen/Wolfe, McGuckin, Dancer)** - Requires DOT, NJTA, and SJTA to use only native vegetation for landscaping, land management, reforestation, or habitat restoration

**S-518/A-4452 (Beck/Downey, Houghtaling, Benson, Mukherji, Vainieri Huttler)** - Requires sanitation vehicles display flashing lights in certain circumstances and imposes conditions on drivers approaching sanitation vehicles displaying flashing lights; designated as "Michael Massey's Law"

**S-724/A-3604 (Cruz-Perez, Allen/Eustace, Wolfe, Mukherji)** - Establishes "Integrated Roadside Vegetation Management Program"

**S-792/A-1271 (Sarlo/ Caride, Schaer, Pintor Marin)** - Permits newly created regional school districts or enlarging regional school districts to determine apportionment methodology for their boards of education on basis other than population

**S-913/A-3404 (Codey, Vitale/Burzichelli, Coughlin, Schaer, Singleton)** - Permits hospitals to establish system for making performance-based incentive payments to physicians

**S-1059/A-4462 (Diegnan/Lagana, Vainieri Huttie, Mukherji)** - Permits amusement games license to be issued to holder of alcoholic beverage special concessionaire permit at certain airports; allows licensees to offer electronic amusements under certain circumstances

**S-1398/A-1447 (Weinberg, Gill/Lampitt, Spencer, Vainieri Huttie, McKeon, Mukherji, Holley, Caride, Downey)** - Expands infertility coverage under certain health insurance plans

**S-1404/A-4423 (Weinberg/Johnson, Benson, Mukherji, Handlin)** - Requires governmental affairs agents to disclose on notice of representation form compensation amount received from State or local government entities; requires notice to be posted on Internet site of Election Law Enforcement Commission

**S-1475/A-3304 (Ruiz, Vitale/Vainieri Huttie, Mukherji, Holley, Jimenez)** - Establishes three-year Medicaid home visitation demonstration project

**S-1634/A-3991 (Turner, Stack/Muoio, Wimberly, Johnson, Pintor Marin, Mukherji)** - Requires housing authority to advertise when applications are being accepted for housing assistance waiting lists online

**S-1761/A-4473 (Rice, Cunningham, Pou/Johnson, Wimberly, Pintor Marin)** - Directs Community College Consortium for Workforce and Economic Development to promote basic skills training through organizations dedicated to the economic empowerment of specific segments of society, such as the African American Chamber of Commerce

**S-1825/A-3432 (Sarlo, Cruz-Perez, Gordon/Greenwald, Lampitt, Benson, Caride, Chiaravalloti)** - Establishes task force to study and make recommendations concerning mobility and support services needs of NJ adults with autism spectrum disorder

**S-1856/A-3846 (Pou, Allen/Phoebus, Tucker, Space)** - Provides for retained eligibility for members of NJ National Guard or reserve component of US Armed Forces called to active federal military service who met maximum age requirement at closing date of civil service examination

**S-2286/A-3083 (Weinberg, Gordon/Vainieri Huttie, Eustace, Johnson)** - Establishes Mike Adler Aphasia Task Force to assess needs of persons with aphasia, and their families, and ensure adequate provision of support services and information thereto

**S-2414/A-4056 (Scutari/Jimenez, Eustace, Giblin, McKnight)** - Requires "Massage and Bodywork Therapist Licensing Act" to require certain class study and examination requirements

**S-2856/A-4402 (Beach, Madden/Greenwald, Andrzejczak, Johnson, Rible, Jones, Land, Houghtaling, Benson)** - Requires DMVA to notify county veterans' affairs office of death of certain military service members; requires office to have Gold Star liaisons

**S-2857/A-4403 (Beach, Madden/Greenwald, Rible, Land, Johnson, Mazzeo, Andrzejczak, Houghtaling, Benson)** - Requires Adjutant General to create informational webpage for Gold Star families

**S-2868/A-4501 (Pou, Sarlo/Sumter, Wimberly)** - Increases value of Economic Redevelopment and Growth Grant program residential tax credits to \$823 million; restricts \$105 million of tax credits to qualified residential projects and mixed use parking projects

**S-3015/A-4623 (Rice, Ruiz/Sumter, Oliver, Schaer, Pintor Marin)** - Requires study of program allowing community service in lieu of paying motor vehicle surcharges

**SJR-49/AJR-106 (Ruiz, Oroho/Phoebus, Pintor Marin, Space, McKnight, Schepisi)** - Designates third week in September of each year as Go Gold for Kids with Cancer Awareness Week"

**SJR-75/AJR- 122 (Rice, Codey/Oliver, Giblin, Chiaravalloti, Sumter, Quijano, McKnight)** - Establishes "Disparity in State Procurement Study Commission"

#### **BILLS VETOED:**

**S-596/A-3422 (Cunningham, Greenstein, Sweeney/Benson, Mukherji, Muoio, Holley, Sumter, Downey, Lampitt, Oliver, Danielsen, Wimberly)** - **CONDITIONAL** - Establishes compensation program for law enforcement officers and certain other employees injured while performing official duties

**S-690/A-2921 (Gordon, Beach, Eustace, Houghtaling, Pinkin, Mazzeo)** - **CONDITIONAL** - Increases flexibility, clarity, and available tools of optional municipal consolidation process

**SCS for S-895/ACS for A-2182 (Lesniak, Beck, Cunningham/Sumter, Holley, Oliver, Jones, Wimberly)** - **CONDITIONAL** - "Earn Your Way Out Act"; requires DOC to develop inmate reentry plan; establishes administrative parole release for certain inmates; requires study and report by DOC on fiscal impact

**S-956/A-2202 (Gordon, Bateman/Eustace, Zwicker, O'Scanlon, Downey, Wisniewski, Pinkin)** - **CONDITIONAL** - Authorizes special emergency appropriations for the payment of certain expenses incurred by municipalities to implement a municipal consolidation

**S-2844/A-4425 (Vitale, Codey/Vainieri Huttie, Muoio, Eustace, Space, Benson)** - **CONDITIONAL** - Eliminates certificate of need requirement for inpatient hospital beds for treatment of psychiatric and substance use disorder dual

diagnosis

**S-3041/ACS for A-2338 (Lesniak/Benson, Vainieri Huttle, Eustace, Gusciora, Mukherji, Jimenez) -  
CONDITIONAL** - Revises "Pet Purchase Protection Act" to establish new requirements for pet dealers and pet shops

**S-3048/A-4520 (Weinberg, Turner, Greenstein/McKeon, Singleton, Moriarty, Quijano, Johnson, Benson) -  
CONDITIONAL** - Requires candidates for President and Vice-President of United States to disclose federal income tax returns to appear on ballot; prohibits Electoral College electors from voting for candidates who fail to file income tax returns

###

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