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P.L.2015, CHAPTER 242, *approved January 19, 2016*
Senate, No. 2880 (*Second Reprint*)

1 AN ACT concerning tax credits for certain purposes under the
2 Economic Redevelopment and Growth Grant Program and
3 amending P.L.2009, c.90.
4

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

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

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

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

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

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

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

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

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

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 SBA committee amendments adopted June 22, 2015.

²Assembly AAP committee amendments adopted January 7, 2016.

1 redevelopment agency as defined in section 3 of P.L.1992,
2 c.79 (C.40A:12A-3), or Rutgers, the State University of New
3 Jersey.

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

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

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

21 "Eligibility period" means the period of time specified in a
22 redevelopment incentive grant agreement for the payment of
23 reimbursements to a developer, which period shall not exceed 20
24 years, with the term to be determined solely at the discretion of the
25 applicant.

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

34 "Garden State Growth Zone" or "growth zone" means the four
35 New Jersey cities with the lowest median family income based on
36 the 2009 American Community Survey from the US Census, (Table
37 708. Household, Family, and Per Capita Income and Individuals,
38 and Families Below Poverty Level by City: 2009); or a municipality
39 which contains a Tourism District as established pursuant to section
40 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino
41 Reinvestment Development Authority.

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

47 "Incentive grant" means reimbursement of all or a portion of the
48 project financing gap of a redevelopment project through the State

1 or a local Economic Redevelopment and Growth Grant program
2 pursuant to section 4 or section 5 of P.L.2009, c.90 (C.52:27D-489d
3 or C.52:27D-489e).

4 "Infrastructure improvements in the public right-of-way" mean
5 public structures or improvements located in the public right of way
6 that are located within a project area or that constitute an ancillary
7 infrastructure project, either of which are dedicated to or owned by
8 a governmental body or agency upon completion, or any required
9 payment in lieu of **[such]** the structures, improvements or projects,
10 or any costs of remediation associated with **[such]** the structures,
11 improvements or projects, and that are determined by the authority,
12 in consultation with applicable State agencies, to be consistent with
13 and in furtherance of State public infrastructure objectives and
14 initiatives.

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

22 "Major rail station" means a railroad station located within a
23 qualified incentive area which provides access to the public to a
24 minimum of six rail passenger service lines operated by the New
25 Jersey Transit Corporation.

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

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

38 "Municipal Revitalization Index" means the 2007 index by the
39 Office for Planning Advocacy within the Department of State
40 measuring or ranking municipal distress.

41 "Project area" means land or lands located within the incentive
42 area under common ownership or control including through a
43 redevelopment agreement with a municipality, or as otherwise
44 established by a municipality or a redevelopment agreement
45 executed by a State entity to implement a redevelopment project.

46 "Project cost" means the costs incurred in connection with the
47 redevelopment project by the developer until the issuance of a
48 permanent certificate of occupancy, or until such other time

1 specified by the authority, for a specific investment or
2 improvement, including the costs relating to receiving Highlands
3 Development Credits under the Highlands Transfer Development
4 Rights Program authorized pursuant to section 13 of P.L.2004,
5 c.120 (C.13:20-13), lands, buildings, improvements, real or
6 personal property, or any interest therein, including leases
7 discounted to present value, including lands under water, riparian
8 rights, space rights and air rights acquired, owned, developed or
9 redeveloped, constructed, reconstructed, rehabilitated or improved,
10 any environmental remediation costs, plus costs not directly related
11 to construction, of an amount not to exceed 20 percent of the total
12 costs, capitalized interest paid to third parties, and the cost of
13 infrastructure improvements, including ancillary infrastructure
14 projects, and, for projects located in a Garden State Growth Zone
15 only, the cost of infrastructure improvements including any
16 ancillary infrastructure project and the amount by which total
17 project cost exceeds the cost of an alternative location for the
18 redevelopment project, but excluding any particular costs for which
19 the project has received federal, State, or local funding.

20 "Project financing gap" means:

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

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

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

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

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

41 **[(2)]** b. multiplying that product by a fraction having a
42 numerator equal to the taxable value of all the property assessed
43 within the project area, minus the property tax increment base, and
44 having a denominator equal to the taxable value of all property
45 assessed within the project area.

46 For the purpose of this definition, "property tax increment base"
47 means the aggregate taxable value of all property assessed which is
48 located within the redevelopment project area as of October 1st of

1 the year preceding the year in which the redevelopment incentive
2 grant agreement is authorized.

3 "Qualified incubator facility" means a commercial building
4 located within an incentive area: which contains 100,000 or more
5 square feet of office, laboratory, or industrial space; which is
6 located near, and presents opportunities for collaboration with, a
7 research institution, teaching hospital, college, or university; and
8 within which, at least 75 percent of the gross leasable area is
9 restricted for use by one or more technology startup companies
10 during the commitment period.

11 "Qualified residential project" means a redevelopment project
12 that is predominantly residential and includes multi-family
13 residential units for purchase or lease, or dormitory units for
14 purchase or lease, having a total project cost of at least
15 \$17,500,000, if the project is located in any municipality with a
16 population greater than 200,000 according to the latest federal
17 decennial census, or having a total project cost of at least
18 \$10,000,000 if the project is located in any municipality with a
19 population less than 200,000 according to the latest federal
20 decennial census, or is a disaster recovery project, or having a total
21 project cost of \$5,000,000 if the project is in a Garden State Growth
22 Zone.

23 "Qualifying economic redevelopment and growth grant incentive
24 area" or "incentive area" means:

25 a. an aviation district;
26 b. a port district;
27 c. a distressed municipality; or
28 d. an area (1) designated pursuant to the "State Planning Act,"
29 P.L.1985, c.398 (C.52:18A-196 et seq.), as:

30 (a) Planning Area 1 (Metropolitan);
31 (b) Planning Area 2 (Suburban); or
32 (c) Planning Area 3 (Fringe Planning Area);

33 (2) located within a smart growth area and planning area
34 designated in a master plan adopted by the New Jersey
35 Meadowlands Commission pursuant to subsection (i) of section 6 of
36 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
37 adopted by the New Jersey Meadowlands Commission pursuant to
38 section 20 of P.L.1968, c.404 (C.13:17-21);

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

44 (4) located within a regional growth area, a town, village, or a
45 military and federal installation area designated in the
46 comprehensive management plan prepared and adopted by the
47 Pinelands Commission pursuant to the "Pinelands Protection Act,"
48 P.L.1979, c.111 (C.13:18A-1 et seq.);

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

1 industrial, residential, or public structures or improvements within a
2 qualifying economic redevelopment and growth grant incentive area
3 or a transit village.

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

32 "Redevelopment utility" means a self-liquidating fund created by
33 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
34 489l) to account for revenues collected and incentive grants paid
35 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
36 revenues dedicated to a redevelopment project.

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

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

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

47 "Technology startup company" means a for profit business that
48 has been in operation fewer than five years and is developing or

1 possesses a proprietary technology or business method of a high-
2 technology or life science-related product, process, or service which
3 the business intends to move to commercialization.

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

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

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

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

22 a. buildings and structures, such as academic buildings,
23 recreation centers, indoor athletic facilities, public works garages,
24 and water and sewer treatment and pumping facilities;

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

27 c. transportation facilities, such as bus shelters and parking
28 facilities.

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

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

1 "Vacant health facility project" means a redevelopment project
2 where a health facility, as defined by section 2 of P.L.1971,
3 c.136 (C.26:2H-2), currently exists and is considered vacant. A
4 health facility shall be considered vacant if at least 70 percent of
5 that facility has not been open to the public or utilized to serve any
6 patients at the time of application to the authority.

7 (cf: P.L.2014, c.63, s.7)]¹

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

11 6. a. Up to the limits established in subsection b. of this
12 section and in accordance with a redevelopment incentive grant
13 agreement, beginning upon the receipt of occupancy permits for any
14 portion of the redevelopment project, or upon such other event
15 evidencing project completion as set forth in the incentive grant
16 agreement, the State Treasurer shall pay to the developer
17 incremental State revenues directly realized from businesses
18 operating on or at the site of the redevelopment project from the
19 following taxes: the Corporation Business Tax Act (1945),
20 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
21 insurance companies pursuant to R.S.54:16-1 et seq., the tax
22 imposed on insurers generally, pursuant to P.L.1945,
23 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
24 utilities gross receipts tax and public utility excise tax imposed on
25 sewerage and water corporations pursuant to P.L.1940,
26 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
27 electric, natural gas, telecommunications, water and sewage
28 utilities, and cable television companies under the jurisdiction of
29 the New Jersey Board of Utilities, or comparable entity, except for
30 those tariffs, fees, or taxes related to societal benefits charges
31 assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any
32 charges paid for compliance with the "Global Warming Response
33 Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy
34 facility assessment unit taxes paid pursuant to section 67 of
35 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
36 public utility and cable television services and commodities, the tax
37 derived from net profits from business, a distributive share of
38 partnership income, or a pro rata share of S corporation income
39 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
40 seq., the tax derived from a business at the site of a redevelopment
41 project that is required to collect the tax pursuant to the "Sales and
42 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
43 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
44 of furniture, fixtures and equipment, or materials for the
45 remediation, the construction of new structures at the site of a
46 redevelopment project, the hotel and motel occupancy fee imposed
47 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
48 portion of the fee imposed pursuant to section 3 of P.L.1968,

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

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

20 (2) In the case of a qualified residential project or a project
21 involving university infrastructure, if the authority determines that
22 the estimated amount of incremental revenues pledged towards the
23 State portion of an incentive grant is inadequate to fully fund the
24 amount of the State portion of the incentive grant, then in lieu of an
25 incentive grant based on such incremental revenue, the developer
26 shall be awarded tax credits equal to the full amount of the
27 incentive grant. The value of all credits approved by the authority
28 pursuant to this paragraph shall not exceed ~~'[\$600,000,000]~~
29 \$625,000,000¹, of which:

30 (a) \$250,000,000 shall be restricted to qualified residential
31 projects within Atlantic, Burlington, Camden, Cape May,
32 Cumberland, Gloucester, Ocean, and Salem counties, of which
33 \$175,000,000 of the credits shall be restricted to qualified
34 residential projects in a Garden State Growth Zone located within
35 the aforementioned counties, and \$75,000,000 of the credits shall be
36 restricted to qualified residential projects in municipalities with a
37 2007 Municipal Revitalization Index of 400 or higher as of the date
38 of enactment of the "New Jersey Economic Opportunity Act of
39 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
40 the aforementioned counties;

41 (b) ~~[\$250,000,000]~~ ~~'[\$225,000,000]~~ \$250,000,000¹ shall be
42 restricted to qualified residential projects located in: (i) urban
43 transit hubs that are commuter rail in nature that otherwise do not
44 qualify under subparagraph (a) of this paragraph, (ii) a Garden State
45 Growth Zone not located in a county mentioned in subparagraph (a)
46 of this paragraph, (iii) disaster recovery projects that otherwise do
47 not qualify under subparagraph (a) of this paragraph, or (iv) SDA
48 municipalities located in Hudson County that were awarded State

1 Aid in State Fiscal Year 2013 through the Transitional Aid to
2 Localities program and otherwise do not qualify under
3 subparagraph (a) of this paragraph;

4 (c) \$75,000,000 shall be restricted to qualified residential
5 projects in distressed municipalities, deep poverty pockets,
6 highlands development credit receiving areas or redevelopment
7 areas, otherwise not qualifying pursuant to subparagraph (a) or (b)
8 of this paragraph; **and**

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

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

15 For subparagraphs (a) through (d) of this paragraph, not more
16 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 the effective
23 date of P.L.2013, c.161 shall submit a temporary certificate of
24 occupancy for **such** the project no later than July 28, 2018.
25 Applications for tax credits pursuant to this subsection relating to
26 an ancillary infrastructure project or infrastructure improvement in
27 the public right of way, or both, shall be accompanied with a letter
28 of support relating to the project or improvement by the governing
29 body or agency in which the project is located. Credits awarded to
30 a developer pursuant to this subsection shall be subject to the same
31 financial and related analysis by the authority, the same term of the
32 grant, and the same mechanism for administering the credits, and
33 shall be utilized or transferred by the developer as if **such** the
34 credits had been awarded to the developer pursuant to section 35 of
35 P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects
36 thereunder. No portion of the revenues pledged pursuant to the
37 "New Jersey Economic Opportunity Act of 2013," P.L.2013,
38 c.161 (C.52:27D-489p et al.) shall be subject to withholding or
39 retainage for adjustment, in the event the developer or taxpayer
40 waives its rights to claim a refund thereof.

41 (3) A developer may apply to the Director of the Division of
42 Taxation in the Department of the Treasury and the chief executive
43 officer of the authority for a tax credit transfer certificate, if the
44 developer is awarded a tax credit pursuant to paragraph (2) of this
45 subsection, covering one or more years, in lieu of the developer
46 being allowed any amount of the credit against the tax liability of
47 the developer. The tax credit transfer certificate, upon receipt
48 thereof by the developer from the director and the chief executive

1 officer of the authority, may be sold or assigned, in full or in part,
2 to any other person ¹~~that~~ who¹ may have a tax liability pursuant
3 to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of
4 P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
5 P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
6 provided to the developer shall include a statement waiving the
7 developer's right to claim that amount of the credit against the taxes
8 that the developer has elected to sell or assign. The sale or
9 assignment of any amount of a tax credit transfer certificate allowed
10 under this paragraph shall not be exchanged for consideration
11 received by the developer of less than 75 percent of the transferred
12 credit amount before considering any further discounting to present
13 value that may be permitted. Any amount of a tax credit transfer
14 certificate used by a purchaser or assignee against a tax liability
15 shall be subject to the same limitations and conditions that apply to
16 the use of the credit by the developer who originally applied for and
17 was allowed the credit.

18 c. All administrative costs associated with the incentive grant
19 shall be assessed to the applicant and be retained by the State
20 Treasurer from the annual incentive grant payments.

21 d. The incremental revenue for the revenues listed in
22 subsection a. of this section shall be calculated as the difference
23 between the amount collected in any fiscal year from any eligible
24 revenue source included in the State redevelopment incentive grant
25 agreement, less the revenue increment base for that eligible
26 revenue.

27 e. The municipality is authorized to collect any ¹~~and all~~¹
28 information necessary to facilitate grants under this program and
29 remit that information ¹~~, as may be required from time to time,~~¹
30 in order to assist in the calculation of incremental revenue. ²
31 (cf: P.L.2014, c.63, s.8)

32

33 ²~~1~~³. Section 8 of P.L.2009, c.90 (C.52:27D-489h) is amended to
34 read as follows:

35 8. a. (1) The authority, in consultation with the State Treasurer,
36 shall promulgate an incentive grant application form and procedure
37 for the Economic Redevelopment and Growth Grant program.

38 (2) (a) The Local Finance Board, in consultation with the
39 authority, shall develop a minimum standard incentive grant
40 application form for municipal Economic Redevelopment and
41 Growth Grant programs.

42 (b) Through regulation, the authority shall establish standards
43 for redevelopment projects seeking State or local incentive grants
44 based on the green building manual prepared by the Commissioner
45 of Community Affairs pursuant to section 1 of P.L.2007,
46 c.132 (C.52:27D-130.6), regarding the use of renewable energy,
47 energy-efficient technology, and non-renewable resources in order

1 to reduce environmental degradation and encourage long-term cost
2 reduction.

3 b. Within each incentive grant application, a developer shall
4 certify information concerning:

5 (1) the status of control of the entire redevelopment project site;

6 (2) all required State and federal government permits that have
7 been issued for the redevelopment project, or will be issued pending
8 resolution of financing issues;

9 (3) local planning and zoning board approvals, as required, for
10 the redevelopment project;

11 (4) estimates of the revenue increment base, the eligible
12 revenues for the project, and the assumptions upon which those
13 estimates are made.

14 c. (1) With regard to State tax revenues proposed to be pledged
15 for an incentive grant the authority and the State Treasurer shall
16 review the project costs, evaluate and validate the project financing
17 gap estimated by the developer, and conduct a State fiscal impact
18 analysis to ensure that the overall public assistance provided to the
19 project, except with regards to a qualified residential project or a
20 project involving university infrastructure, will result in net benefits
21 to the State including, without limitation, both direct and indirect
22 economic benefits and non-financial community revitalization
23 objectives, including but not limited to, the promotion of the use of
24 public transportation in the case of the ancillary infrastructure
25 project portion of any transit project.

26 (2) With regard to local incremental revenues proposed to be
27 pledged for an incentive grant the authority and the Local Finance
28 Board shall review the project costs, and except with respect to an
29 application by a municipal redeveloper, evaluate and validate the
30 project financing gap projected by the developer, and conduct a
31 local fiscal impact analysis to ensure that the overall public
32 assistance provided to the project, except with regards to a qualified
33 residential project or a project involving university infrastructure,
34 will result in net benefits to the municipality wherein the
35 redevelopment project is located including, without limitation, both
36 direct and indirect economic benefits and non-financial community
37 revitalization objectives, including but not limited to, the promotion
38 of the use of public transportation in the case of the ancillary
39 infrastructure project portion of any transit project.

40 (3) The authority, State Treasurer, and Local Finance Board
41 may act cooperatively to administer and review applications, and
42 shall consult with the Office of State Planning on matters
43 concerning State, regional, and local development and planning
44 strategies.

45 (4) The costs of the aforementioned reviews shall be assessed to
46 the applicant as an application fee.

47 (5) A developer who has already applied for an incentive grant
48 award prior to the effective date of the "New Jersey Economic

1 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
2 but who has not yet been approved for **【such】** the grant, or has not
3 executed an agreement with the authority, may proceed under that
4 application or seek to amend **【such】** the application or reapply for
5 an incentive grant award for the same project or any part thereof for
6 the purpose of availing **【itself】** himself or herself of any more
7 favorable provisions of the Economic Redevelopment and Growth
8 Grant program established pursuant to the "New Jersey Economic
9 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
10 except that projects with costs exceeding \$200,000,000 shall not be
11 eligible for revised percentage caps under subsection d. of section
12 19 of P.L.2013, c.161 (C.52:27D-489i).¹²
13 (cf: P.L.2013, c.161, s.18)

14
15 ²**【** ¹4. Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
16 read as follows:

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

22 b. The decision of whether **【or not】** to enter into a
23 redevelopment incentive grant agreement is solely within the
24 discretion of the authority and the State Treasurer, provided that
25 they both agree to enter into an agreement.

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

29 d. (1) The redevelopment incentive grant agreement shall
30 specify the maximum amount of project costs, the amount of the
31 incentive grant to be awarded the developer, the frequency of
32 payments, and the eligibility period, which shall not exceed 20
33 years, during which reimbursement will be granted, and for a
34 project receiving an incentive grant in excess of \$50 million, the
35 amount of the negotiated repayment amount to the State, which may
36 include, but not be limited to, cash, equity, and warrants. Except
37 for redevelopment incentive grant agreements with a municipal
38 redeveloper or with the developer of a redevelopment project solely
39 with respect to the cost of infrastructure improvements in the public
40 right-of-way including any ancillary infrastructure project in the
41 public right-of-way, in no event shall the base amount of the
42 combined reimbursements under redevelopment incentive grant
43 agreements with the State or municipality exceed 20 percent of the
44 total project cost, except in a Garden State Growth Zone, which
45 shall not exceed 30 percent.

46 (2) The authority shall be permitted to increase the amount of
47 the reimbursement under the redevelopment incentive grant

1 agreement with the State by up to 10 percent of the total project
2 cost if the project is:

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

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

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

19 (d) a transit project;

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

23 (f) located in a highlands development credit receiving area or
24 redevelopment area;

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

26 (h) a disaster recovery project;

27 (i) an aviation project;

28 (j) a tourism destination project; or

29 (k) substantial rehabilitation or renovation of an existing
30 structure or structures.

31 (3) The maximum amount of any redevelopment incentive grant
32 shall be equal to up to 30 percent of the total project costs, except
33 for projects located in a Garden State Growth Zone, in which case
34 the maximum amount of any redevelopment incentive grant shall be
35 equal to up to 40 percent of the total project costs.

36 e. Except in the case of a qualified residential project or a
37 project involving university infrastructure, the authority and the
38 State Treasurer may enter into a redevelopment incentive grant
39 agreement only if they make a finding that the State revenues to be
40 realized from the redevelopment project will be in excess of the
41 amount necessary to reimburse the developer for its project
42 financing gap. This finding may be made by an estimation based
43 upon the professional judgment of the Chief Executive Officer of
44 the authority and the State Treasurer.

45 f. In deciding whether **[or not]** to recommend entering into a
46 redevelopment incentive grant agreement and in negotiating a
47 redevelopment agreement with a developer, the Chief Executive
48 Officer of the authority shall consider the following factors:

- 1 (1) the economic feasibility of the redevelopment project;
 - 2 (2) the extent of economic and related social distress in the
3 municipality and the area to be affected by the redevelopment
4 project or the level of site specific distress to include dilapidated
5 conditions, brownfields designation, environmental contamination,
6 pattern of vacancy, abandonment, or under utilization of the
7 property, rate of foreclosures, or other site conditions as determined
8 by the authority;
 - 9 (3) the degree to which the redevelopment project will advance
10 State, regional, and local development and planning strategies;
 - 11 (4) the likelihood that the redevelopment project shall, upon
12 completion, be capable of generating new tax revenue in an amount
13 in excess of the amount necessary to reimburse the developer for
14 project costs incurred as provided in the redevelopment incentive
15 grant agreement, provided, however, that any tax revenue generated
16 by a redevelopment project that is a disaster recovery project shall
17 be considered new tax revenue even if the same or more tax revenue
18 was generated at or on the site prior to the disaster;
 - 19 (5) the relationship of the redevelopment project to a
20 comprehensive local development strategy, including other major
21 projects undertaken within the municipality;
 - 22 (6) the need of the redevelopment incentive grant agreement to
23 the viability of the redevelopment project or the promotion of the
24 use of public transportation; and
 - 25 (7) the degree to which the redevelopment project enhances and
26 promotes job creation and economic development or the promotion
27 of the use of public transportation.
- 28 g. (1) A developer **[that]** who has entered into a redevelopment
29 incentive grant agreement with the authority and the State Treasurer
30 pursuant to this section may, upon notice to and consent of the
31 authority and the State Treasurer, pledge, assign, transfer, or sell
32 any or all of its right, title, and interest in and to **[such]** the
33 agreements and in the incentive grants payable thereunder, and the
34 right to receive same, along with the rights and remedies provided
35 to the developer under **[such]** the agreement. Any such assignment
36 shall be an absolute assignment for all purposes, including the
37 federal bankruptcy code.
- 38 (2) Any pledge of incentive grants made by the developer shall
39 be valid and binding from the time **[when]** the pledge is made and
40 filed in the records of the authority. The incentive grants **[so]**
41 pledged and thereafter received by the developer shall immediately
42 be subject to the lien of the pledge without any physical delivery
43 thereof or further act, and the lien of any pledge shall be valid and
44 binding **[as]** against all parties having claims of any kind in tort,
45 contract, or otherwise against the developer irrespective of whether
46 the parties have notice thereof. Neither the redevelopment
47 incentive grant agreement nor any other instrument by which a

1 pledge under this section is created need be filed or recorded except
2 with the authority.¹²
3 (cf: P.L.2013, c.161, s.19)¹

4
5 ²1. Section 3 of P.L.2009, c.90 (C.52:27D-489c) is amended to
6 read as follows:

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

9 "Applicant" means a developer proposing to enter into a
10 redevelopment incentive grant agreement.

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

20 "Authority" means the New Jersey Economic Development
21 Authority established under section 4 of P.L.1974, c.80 (C.34:1B-
22 4).

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

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

32 "Developer" means any person who enters or proposes to enter
33 into a redevelopment incentive grant agreement pursuant to the
34 provisions of section 9 of P.L.2009, c.90 (C.52:27D-489i), or its
35 successors or assigns, including but not limited to a lender that
36 completes a redevelopment project, operates a redevelopment
37 project, or completes and operates a redevelopment project. A
38 developer also may be a municipal redeveloper as defined herein or
39 Rutgers, the State University of New Jersey.

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

42 "Disaster recovery project" means a redevelopment project
43 located on property that has been wholly or substantially damaged
44 or destroyed as a result of a federally-declared disaster, and which
45 is located within the incentive area and has been determined by the
46 authority to be in an area appropriate for development and in need
47 of economic development incentive assistance.

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

10 "Eligibility period" means the period of time specified in a
11 redevelopment incentive grant agreement for the payment of
12 reimbursements to a developer, which period shall not exceed 20
13 years, with the term to be determined solely at the discretion of the
14 applicant.

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

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

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

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

41 "Infrastructure improvements in the public right-of-way" mean
42 public structures or improvements located in the public right of way
43 that are located within a project area or that constitute an ancillary
44 infrastructure project, either of which are dedicated to or owned by
45 a governmental body or agency upon completion, or any required
46 payment in lieu of **【such】** the structures, improvements or projects,
47 or any costs of remediation associated with **【such】** the structures,
48 improvements or projects, and that are determined by the authority,

1 in consultation with applicable State agencies, to be consistent with
2 and in furtherance of State public infrastructure objectives and
3 initiatives.

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

11 "Major rail station" means a railroad station located within a
12 qualified incentive area which provides access to the public to a
13 minimum of six rail passenger service lines operated by the New
14 Jersey Transit Corporation.

15 "Mixed use parking project" means a redevelopment project
16 undertaken by a municipal redeveloper, the parking component of
17 which shall constitute 51 percent or more of any of the following:

- 18 a. the total square footage of the entire mixed use parking
19 project;
- 20 b. the estimated revenues of the entire mixed use parking
21 project; or
- 22 c. the total construction cost of the entire mixed use parking
23 project.

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

32 "Municipal redeveloper" means an applicant for a redevelopment
33 incentive grant agreement, which applicant is:

- 34 a. a municipal government, a municipal parking authority, or a
35 redevelopment agency acting on behalf of a municipal government
36 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
- 37 b. a developer of a mixed use parking project, provided that the
38 parking component of the mixed use parking project is operated and
39 maintained by a municipal parking authority for the term of any
40 financial assistance granted pursuant to P.L.2015, c.69.

41 "Municipal Revitalization Index" means the 2007 index by the
42 Office for Planning Advocacy within the Department of State
43 measuring or ranking municipal distress.

44 "Non-parking component" means that portion of a mixed use
45 parking project not used for parking, together with the portion of
46 the costs of the mixed use parking project, including but not limited
47 to the footings, foundations, site work, infrastructure, and soft costs
48 that are allocable to the non-parking use.

1 "Parking component" means that portion of a mixed use parking
2 project used for parking, together with the portion of the costs of
3 the mixed use parking project, including but not limited to the
4 footings, foundations, site work, infrastructure, and soft costs that
5 are allocable to the parking use.

6 "Project area" means land or lands located within the incentive
7 area under common ownership or control including through a
8 redevelopment agreement with a municipality, or as otherwise
9 established by a municipality or a redevelopment agreement
10 executed by a State entity to implement a redevelopment project.

11 "Project cost" means the costs incurred in connection with the
12 redevelopment project by the developer until the issuance of a
13 permanent certificate of occupancy, or until such other time
14 specified by the authority, for a specific investment or
15 improvement, including the costs relating to receiving Highlands
16 Development Credits under the Highlands Transfer Development
17 Rights Program authorized pursuant to section 13 of P.L.2004,
18 c.120 (C.13:20-13), lands, buildings, improvements, real or
19 personal property, or any interest therein, including leases
20 discounted to present value, including lands under water, riparian
21 rights, space rights and air rights acquired, owned, developed or
22 redeveloped, constructed, reconstructed, rehabilitated or improved,
23 any environmental remediation costs, plus costs not directly related
24 to construction, of an amount not to exceed 20 percent of the total
25 costs, capitalized interest paid to third parties, and the cost of
26 infrastructure improvements, including ancillary infrastructure
27 projects, and, for projects located in a Garden State Growth Zone
28 only, the cost of infrastructure improvements including any
29 ancillary infrastructure project and the amount by which total
30 project cost exceeds the cost of an alternative location for the
31 redevelopment project, but excluding any particular costs for which
32 the project has received federal, State, or local funding.

33 "Project financing gap" means:

34 a. the part of the total project cost, including return on
35 investment, that remains to be financed after all other sources of
36 capital have been accounted for, including, but not limited to,
37 developer-contributed capital, which shall not be less than 20
38 percent of the total project cost, which may include the value of any
39 existing land and improvements in the project area owned or
40 controlled by the developer, and the cost of infrastructure
41 improvements in the public right-of-way, subject to review by the
42 State Treasurer, and investor or financial entity capital or loans for
43 which the developer, after making all good faith efforts to raise
44 additional capital, certifies that additional capital cannot be raised
45 from other sources on a non-recourse basis; and

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

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

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

4 a. multiplying the general tax rate levied each year by the
5 taxable value of all the property assessed within a project area in
6 the same year, excluding any special assessments; and

7 b. multiplying that product by a fraction having a numerator
8 equal to the taxable value of all the property assessed within the
9 project area, minus the property tax increment base, and having a
10 denominator equal to the taxable value of all property assessed
11 within the project area.

12 For the purpose of this definition, "property tax increment base"
13 means the aggregate taxable value of all property assessed which is
14 located within the redevelopment project area as of October 1st of
15 the year preceding the year in which the redevelopment incentive
16 grant agreement is authorized.

17 "Qualified incubator facility" means a commercial building
18 located within an incentive area: which contains 100,000 or more
19 square feet of office, laboratory, or industrial space; which is
20 located near, and presents opportunities for collaboration with, a
21 research institution, teaching hospital, college, or university; and
22 within which, at least 75 percent of the gross leasable area is
23 restricted for use by one or more technology startup companies
24 during the commitment period.

25 "Qualified residential project" means a redevelopment project
26 that is predominantly residential and includes multi-family
27 residential units for purchase or lease, or dormitory units for
28 purchase or lease, having a total project cost of at least
29 \$17,500,000, if the project is located in any municipality with a
30 population greater than 200,000 according to the latest federal
31 decennial census, or having a total project cost of at least
32 \$10,000,000 if the project is located in any municipality with a
33 population less than 200,000 according to the latest federal
34 decennial census, or is a disaster recovery project, or having a total
35 project cost of \$5,000,000 if the project is in a Garden State Growth
36 Zone.

37 "Qualifying economic redevelopment and growth grant incentive
38 area" or "incentive area" means:

- 39 a. an aviation district;
40 b. a port district;
41 c. a distressed municipality; or
42 d. an area (1) designated pursuant to the "State Planning Act,"
43 P.L.1985, c.398 (C.52:18A-196 et seq.), as:
44 (a) Planning Area 1 (Metropolitan);
45 (b) Planning Area 2 (Suburban); or
46 (c) Planning Area 3 (Fringe Planning Area);
47 (2) located within a smart growth area and planning area
48 designated in a master plan adopted by the New Jersey

- 1 Meadowlands Commission pursuant to subsection (i) of section 6 of
2 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
3 adopted by the New Jersey Meadowlands Commission pursuant to
4 section 20 of P.L.1968, c.404 (C.13:17-21);
- 5 (3) located within any land owned by the New Jersey Sports and
6 Exposition Authority, established pursuant to P.L.1971,
7 c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack
8 Meadowlands District as delineated in section 4 of P.L.1968,
9 c.404 (C.13:17-4);
- 10 (4) located within a regional growth area, a town, village, or a
11 military and federal installation area designated in the
12 comprehensive management plan prepared and adopted by the
13 Pinelands Commission pursuant to the "Pinelands Protection Act,"
14 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 15 (5) located within the planning area of the Highlands Region as
16 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
17 highlands development credit receiving area or redevelopment area;
- 18 (6) located within a Garden State Growth Zone;
- 19 (7) located within land approved for closure under any federal
20 Base Closure and Realignment Commission action; or
- 21 (8) located only within the following portions of the areas
22 designated pursuant to the "State Planning Act," P.L.1985,
23 c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning
24 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
25 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A
26 (Rural Planning Area), Planning Area 4B (Rural/Environmentally
27 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
28 located within:
- 29 (a) a designated center under the State Development and
30 Redevelopment Plan;
- 31 (b) a designated growth center in an endorsed plan until the
32 State Planning Commission revises and readopts New Jersey's State
33 Strategic Plan and adopts regulations to revise this definition as it
34 pertains to Statewide planning areas;
- 35 (c) any area determined to be in need of redevelopment pursuant
36 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
37 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
38 P.L.1992, c.79 (C.40A:12A-14);
- 39 (d) any area on which a structure exists or previously existed
40 including any desired expansion of the footprint of the existing or
41 previously existing structure provided such expansion otherwise
42 complies with all applicable federal, State, county, and local
43 permits and approvals;
- 44 (e) the planning area of the Highlands Region as defined in
45 section 3 of P.L.2004, c.120 (C.13:20-3) or a highlands
46 development credit receiving area or redevelopment area; or
- 47 (f) any area on which an existing tourism destination project is
48 located.

1 "Qualifying economic redevelopment and growth grant incentive
2 area" or "incentive area" shall not include any property located
3 within the preservation area of the Highlands Region as defined in
4 the "Highlands Water Protection and Planning Act," P.L.2004,
5 c.120 (C.13:20-1 et al.).

6 "Redevelopment incentive grant agreement" means an agreement
7 between:

8 a. the State and the New Jersey Economic Development
9 Authority and a developer; or

10 b. a municipality and a developer, or a municipal ordinance
11 authorizing a project to be undertaken by a municipal redeveloper,
12 under which, in exchange for the proceeds of an incentive grant, the
13 developer agrees to perform any work or undertaking necessary for
14 a redevelopment project, including the clearance, development or
15 redevelopment, construction, or rehabilitation of any structure or
16 improvement of commercial, industrial, residential, or public
17 structures or improvements within a qualifying economic
18 redevelopment and growth grant incentive area or a transit village.

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

1 "Redevelopment utility" means a self-liquidating fund created by
2 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
3 489l) to account for revenues collected and incentive grants paid
4 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
5 revenues dedicated to a redevelopment project.

6 "Revenue increment base" means the amounts of all eligible
7 revenues from sources within the redevelopment project area in the
8 calendar year preceding the year in which the redevelopment
9 incentive grant agreement is executed, as certified by the State
10 Treasurer for State revenues, and the chief financial officer of the
11 municipality for municipal revenues.

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

14 "SDA municipality" means a municipality in which an SDA
15 district is ~~【situate】~~ situated.

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

21 "Tourism destination project" means a redevelopment project
22 that will be among the most visited privately owned or operated
23 tourism or recreation sites in the State, and which is located within
24 the incentive area and has been determined by the authority to be in
25 an area appropriate for development and in need of economic
26 development incentive assistance.

27 "Transit project" means a redevelopment project located within a
28 1/2-mile radius, or one-mile radius for projects located in a Garden
29 State Growth Zone, surrounding the mid-point of a New Jersey
30 Transit Corporation, Port Authority Transit Corporation, or Port
31 Authority Trans-Hudson Corporation rail, bus, or ferry station
32 platform area, including all light rail stations.

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

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

39 a. buildings and structures, such as academic buildings,
40 recreation centers, indoor athletic facilities, public works garages,
41 and water and sewer treatment and pumping facilities;

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

44 c. transportation facilities, such as bus shelters and parking
45 facilities.

46 "Urban transit hub" means an urban transit hub, as defined in
47 section 10 of P.L.2007, c.346 (C.34:1B-208), that is located within
48 an eligible municipality, as defined in section 10 of P.L.2007,

1 c.346 (C.34:1B-208), or all light rail stations and property located
2 within a one-mile radius of the mid-point of the platform area of
3 such a rail, bus, or ferry station if the property is in a qualified
4 municipality under the "Municipal Rehabilitation and Economic
5 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.).

6 "Vacant commercial building" means any commercial building
7 or complex of commercial buildings having over 400,000 square
8 feet of office, laboratory, or industrial space that is more than 70
9 percent unoccupied at the time of application to the authority or is
10 negatively impacted by the approval of a "qualified business
11 facility," as defined pursuant to section 2 of P.L.2007,
12 c.346 (C.34:1B-208), or any vacant commercial building in a
13 Garden State Growth Zone having over 35,000 square feet of office,
14 laboratory, or industrial space, or over 200,000 square feet of
15 office, laboratory, or industrial space in Atlantic, Burlington,
16 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
17 counties available for occupancy for a period of over one year.

18 "Vacant health facility project" means a redevelopment project
19 where a health facility, as defined by section 2 of P.L.1971,
20 c.136 (C.26:2H-2), currently exists and is considered vacant. A
21 health facility shall be considered vacant if at least 70 percent of
22 that facility has not been open to the public or utilized to serve any
23 patients at the time of application to the authority.²

24 (cf: P.L.2015, c.69, s.1)

25
26 ²2. Section 6 of P.L.2009, c.90 (C.52:27D-489f) is amended to
27 read as follows:

28 6. a. Up to the limits established in subsection b. of this
29 section and in accordance with a redevelopment incentive grant
30 agreement, beginning upon the receipt of occupancy permits for any
31 portion of the redevelopment project, or upon such other event
32 evidencing project completion as set forth in the incentive grant
33 agreement, the State Treasurer shall pay to the developer
34 incremental State revenues directly realized from businesses
35 operating on or at the site of the redevelopment project from the
36 following taxes: the Corporation Business Tax Act (1945),
37 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
38 insurance companies pursuant to R.S.54:16-1 et seq., the tax
39 imposed on insurers generally, pursuant to P.L.1945,
40 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
41 utilities gross receipts tax and public utility excise tax imposed on
42 sewerage and water corporations pursuant to P.L.1940,
43 c.5 (C.54:30A-49 et seq.), those tariffs and charges imposed by
44 electric, natural gas, telecommunications, water and sewage
45 utilities, and cable television companies under the jurisdiction of
46 the New Jersey Board of Utilities, or comparable entity, except for
47 those tariffs, fees, or taxes related to societal benefits charges
48 assessed pursuant to section 12 of P.L.1999, c.23 (C.48:3-60), any

1 charges paid for compliance with the "Global Warming Response
2 Act," P.L.2007, c.112 (C.26:2C-37 et seq.), transitional energy
3 facility assessment unit taxes paid pursuant to section 67 of
4 P.L.1997, c.162 (C.48:2-21.34), and the sales and use taxes on
5 public utility and cable television services and commodities, the tax
6 derived from net profits from business, a distributive share of
7 partnership income, or a pro rata share of S corporation income
8 under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et
9 seq., the tax derived from a business at the site of a redevelopment
10 project that is required to collect the tax pursuant to the "Sales and
11 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed
12 pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase
13 of furniture, fixtures and equipment, or materials for the
14 remediation, the construction of new structures at the site of a
15 redevelopment project, the hotel and motel occupancy fee imposed
16 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1), or the
17 portion of the fee imposed pursuant to section 3 of P.L.1968,
18 c.49 (C.46:15-7) derived from the sale of real property at the site of
19 the redevelopment project and paid to the State Treasurer for use by
20 the State, that is not credited to the "Shore Protection Fund" or the
21 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
22 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
23 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
24 assign their ability to apply for the tax credit under this subsection
25 to a non-profit organization with a mission dedicated to attracting
26 investment and completing development and redevelopment
27 projects in a Garden State Growth Zone. The non-profit
28 organization may make an application on behalf of a developer
29 which meets the requirements for the tax credit, or a group of non-
30 qualifying developers, such that these will be considered a unified
31 project for the purposes of the incentives provided under this
32 section.

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

37 (2) In the case of a qualified residential project or a project
38 involving university infrastructure, if the authority determines that
39 the estimated amount of incremental revenues pledged towards the
40 State portion of an incentive grant is inadequate to fully fund the
41 amount of the State portion of the incentive grant, then in lieu of an
42 incentive grant based on **[such]** the incremental **[revenue]**
43 revenues, the developer shall be awarded tax credits equal to the
44 full amount of the incentive grant.

45 (3) In the case of a mixed use parking project, if the authority
46 determines that the estimated amount of **[the]** incremental revenues
47 pledged towards the State portion of an incentive grant is
48 inadequate to fully fund the amount of the State portion of the

1 incentive grant, then, in lieu of an incentive grant based on **[such]**
2 the incremental **[revenue]** revenues, **[a]** the municipal redeveloper
3 shall be awarded tax credits equal to the full amount of the
4 incentive grant.

5 The value of all credits approved by the authority pursuant to
6 **[paragraph]** paragraphs (2) **[or]** and (3) of this **[paragraph]**
7 subsection shall not exceed **[\$600,000,000]** \$625,000,000, of
8 which:

9 (a) \$250,000,000 shall be restricted to qualified residential
10 projects within Atlantic, Burlington, Camden, Cape May,
11 Cumberland, Gloucester, Ocean, and Salem counties, of which
12 \$175,000,000 of the credits shall be restricted to the following
13 categories of projects: (i) qualified residential projects located in a
14 Garden State Growth Zone located within the aforementioned
15 counties **[.];** (ii) mixed use parking projects located in a Garden
16 State Growth Zone or urban transit hub located within the
17 aforementioned counties **[.];** and (iii) \$75,000,000 of the credits
18 shall be restricted to qualified residential projects in municipalities
19 with a 2007 Municipal Revitalization Index of 400 or higher as of
20 the date of enactment of the "New Jersey Economic Opportunity
21 Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located
22 within the aforementioned counties;

23 (b) \$250,000,000 shall be restricted to the following categories
24 of projects: (i) qualified residential projects located in urban transit
25 hubs that are commuter rail in nature that otherwise do not qualify
26 under subparagraph (a) of this paragraph **[.];** (ii) qualified
27 residential projects located in Garden State Growth Zones that do
28 not qualify under subparagraph (a) of this paragraph **[.];** (iii) mixed
29 use parking projects located in urban transit hubs or Garden State
30 Growth Zones that do not qualify under subparagraph (a) of this
31 paragraph, provided however, an urban transit hub shall be
32 allocated no more than \$25,000,000 for mixed use parking projects
33 **[.];** (iv) qualified residential projects which are disaster recovery
34 projects that otherwise do not qualify under subparagraph (a) of this
35 paragraph **[.];** and (v) qualified residential projects in SDA
36 municipalities located in Hudson County that were awarded State
37 Aid in State Fiscal Year 2013 through the Transitional Aid to
38 Localities program and otherwise do not qualify under
39 subparagraph (a) of this paragraph, and \$25,000,000 of credits shall
40 be restricted to mixed use parking projects in Garden State Growth
41 Zones which have a population in excess of 125,000 and do not
42 qualify under subparagraph (a) of this paragraph;

43 (c) \$75,000,000 shall be restricted to the following categories of
44 projects: (i) qualified residential projects located in distressed
45 municipalities, deep poverty pockets, highlands development credit
46 receiving areas or redevelopment areas, otherwise not qualifying
47 pursuant to subparagraph (a) or (b) of this paragraph **[.];** and (ii)

1 mixed use parking projects that do not qualify under subparagraph
2 (a) or (b) of this paragraph, which include a vacant commercial
3 building located wholly or partially within a distressed
4 municipality, and which are used by an independent institution of
5 higher education, a school of medicine, a nonprofit hospital system,
6 or any combination thereof; **[and]**

7 (d) \$25,000,000 shall be restricted to qualified residential
8 projects that are located within a qualifying economic
9 redevelopment and growth grant incentive area otherwise not
10 qualifying under **[subparagraph]** subparagraphs (a), (b), or (c) of
11 this paragraph **[.]**; **and**

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

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

40 (4) A developer may apply to the Director of the Division of
41 Taxation in the Department of the Treasury and the chief executive
42 officer of the authority for a tax credit transfer certificate, if the
43 developer is awarded a tax credit pursuant to paragraph (2) or
44 paragraph (3) of this subsection, covering one or more years, in lieu
45 of the developer being allowed any amount of the credit against the
46 tax liability of the developer. The tax credit transfer certificate,
47 upon receipt thereof by the developer from the director and the

1 chief executive officer of the authority, may be sold or assigned, in
2 full or in part, to any other person **[that]** who may have a tax
3 liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5),
4 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
5 section 1 of P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The
6 certificate provided to the developer shall include a statement
7 waiving the developer's right to claim that amount of the credit
8 against the taxes that the developer has elected to sell or assign.
9 The sale or assignment of any amount of a tax credit transfer
10 certificate allowed under this paragraph shall not be exchanged for
11 consideration received by the developer of less than 75 percent of
12 the transferred credit amount before considering any further
13 discounting to present value that may be permitted. Any amount of
14 a tax credit transfer certificate used by a purchaser or assignee
15 against a tax liability shall be subject to the same limitations and
16 conditions that apply to the use of the credit by the developer who
17 originally applied for and was allowed the credit.

18 c. All administrative costs associated with the incentive grant
19 shall be assessed to the applicant and be retained by the State
20 Treasurer from the annual incentive grant payments.

21 d. The incremental revenue for the revenues listed in
22 subsection a. of this section shall be calculated as the difference
23 between the amount collected in any fiscal year from any eligible
24 revenue source included in the State redevelopment incentive grant
25 agreement, less the revenue increment base for that eligible
26 revenue.

27 e. The municipality is authorized to collect any **[and all]**
28 information necessary to facilitate grants under this program and
29 remit that information **[, as may be required from time to time,]** in
30 order to assist in the calculation of incremental revenue.²

31 (cf: P.L.2015, c.69, s.2)

32

33 ²3. Section 8 of P.L.2009, c.90 (C.52:27D-489h) is amended to
34 read as follows:

35 8. a. (1) The authority, in consultation with the State
36 Treasurer, shall promulgate an incentive grant application form and
37 procedure for the Economic Redevelopment and Growth Grant
38 program.

39 (2) (a) The Local Finance Board, in consultation with the
40 authority, shall develop a minimum standard incentive grant
41 application form for municipal Economic Redevelopment and
42 Growth Grant programs.

43 (b) Through regulation, the authority shall establish standards
44 for redevelopment projects seeking State or local incentive grants
45 based on the green building manual prepared by the Commissioner
46 of Community Affairs pursuant to section 1 of P.L.2007,
47 c.132 (C.52:27D-130.6), regarding the use of renewable energy,

- 1 energy-efficient technology, and non-renewable resources in order
2 to reduce environmental degradation and encourage long-term cost
3 reduction.
- 4 b. Within each incentive grant application, a developer shall
5 certify information concerning:
- 6 (1) the status of control of the entire redevelopment project site;
7 (2) all required State and federal government permits that have
8 been issued for the redevelopment project, or will be issued pending
9 resolution of financing issues;
- 10 (3) local planning and zoning board approvals, as required, for
11 the redevelopment project;
- 12 (4) estimates of the revenue increment base, the eligible
13 revenues for the project, and the assumptions upon which those
14 estimates are made.
- 15 c. (1) With regard to State tax revenues proposed to be
16 pledged for an incentive grant the authority and the State Treasurer
17 shall review the project costs, evaluate and validate the project
18 financing gap estimated by the developer, and conduct a State fiscal
19 impact analysis to ensure that the overall public assistance provided
20 to the project, except with regards to a qualified residential project
21 **【or】**, a mixed use parking project, or a project involving university
22 infrastructure, will result in net benefits to the State including,
23 without limitation, both direct and indirect economic benefits and
24 non-financial community revitalization objectives, including but not
25 limited to, the promotion of the use of public transportation in the
26 case of the ancillary infrastructure project portion of any transit
27 project.
- 28 (2) With regard to local incremental revenues proposed to be
29 pledged for an incentive grant the authority and the Local Finance
30 Board shall review the project costs, and except with respect to an
31 application by a municipal redeveloper, evaluate and validate the
32 project financing gap projected by the developer, and conduct a
33 local fiscal impact analysis to ensure that the overall public
34 assistance provided to the project, except with regards to a qualified
35 residential project **【or】**, a mixed use parking project, or a project
36 involving university infrastructure, will result in net benefits to the
37 municipality wherein the redevelopment project is located
38 including, without limitation, both direct and indirect economic
39 benefits and non-financial community revitalization objectives,
40 including but not limited to, the promotion of the use of public
41 transportation in the case of the ancillary infrastructure project
42 portion of any transit project.
- 43 (3) The authority, State Treasurer, and Local Finance Board
44 may act cooperatively to administer and review applications, and
45 shall consult with the Office of State Planning on matters
46 concerning State, regional, and local development and planning
47 strategies.

1 (4) The costs of the aforementioned reviews shall be assessed to
2 the applicant as an application fee.

3 (5) A developer who has already applied for an incentive grant
4 award prior to the effective date of the "New Jersey Economic
5 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
6 but who has not yet been approved for **【such】** the grant, or has not
7 executed an agreement with the authority, may proceed under that
8 application or seek to amend **【such】** the application or reapply for
9 an incentive grant award for the same project or any part thereof for
10 the purpose of availing **【itself】** himself or herself of any more
11 favorable provisions of the Economic Redevelopment and Growth
12 Grant program established pursuant to the "New Jersey Economic
13 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
14 except that projects with costs exceeding \$200,000,000 shall not be
15 eligible for revised percentage caps under subsection d. of section
16 19 of P.L.2013, c.161 (C.52:27D-489i).²
17 (cf: P.L.2015, c.69, s.3)

18
19 ²4. Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
20 read as follows:

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

26 b. The decision of whether **【or not】** to enter into a
27 redevelopment incentive grant agreement is solely within the
28 discretion of the authority and the State Treasurer, provided that
29 they both agree to enter into an agreement.

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

33 d. (1) The redevelopment incentive grant agreement shall
34 specify the maximum amount of project costs, the amount of the
35 incentive grant to be awarded the developer, the frequency of
36 payments, and the eligibility period, which shall not exceed 20
37 years, during which reimbursement will be granted, and for a
38 project receiving an incentive grant in excess of \$50 million, the
39 amount of the negotiated repayment amount to the State, which may
40 include, but not be limited to, cash, equity, and warrants. Except
41 for redevelopment incentive grant agreements with a municipal
42 redeveloper, or with the developer of a redevelopment project
43 solely with respect to the cost of infrastructure improvements in the
44 public right-of-way including any ancillary infrastructure project in
45 the public right-of-way, in no event shall the base amount of the
46 combined reimbursements under redevelopment incentive grant
47 agreements with the State or municipality exceed 20 percent of the

1 total project cost, except in a Garden State Growth Zone, which
2 shall not exceed 30 percent.

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

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

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

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

23 (d) a transit project;

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

27 (f) located in a highlands development credit receiving area or
28 redevelopment area;

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

30 (h) a disaster recovery project;

31 (i) an aviation project;

32 (j) a tourism destination project; or

33 (k) substantial rehabilitation or renovation of an existing
34 structure or structures.

35 (3) The maximum amount of any redevelopment incentive grant
36 shall be equal to up to 30 percent of the total project costs, except
37 for projects located in a Garden State Growth Zone, in which case
38 the maximum amount of any redevelopment incentive grant shall be
39 equal to up to 40 percent of the total project costs. Notwithstanding
40 anything to the contrary contained within this section, the maximum
41 amount of any redevelopment incentive grant with respect to a
42 mixed use parking project shall be up to 100 percent of the total
43 project costs allocable to the parking component of the project, and
44 shall be up to 40 percent of the total project costs allocable to the
45 non-parking component of the project.

46 e. Except in the case of a qualified residential project **[or]**, a
47 mixed use parking project, or a project involving university
48 infrastructure, the authority and the State Treasurer may enter into a

1 redevelopment incentive grant agreement only if they make a
2 finding that the State revenues to be realized from the
3 redevelopment project will be in excess of the amount necessary to
4 reimburse the developer for its project financing gap. This finding
5 may be made by an estimation based upon the professional
6 judgment of the Chief Executive Officer of the authority and the
7 State Treasurer.

8 f. In deciding whether **【or not】** to recommend entering into a
9 redevelopment incentive grant agreement and in negotiating a
10 redevelopment agreement with a developer, the Chief Executive
11 Officer of the authority shall consider the following factors:

12 (1) the economic feasibility of the redevelopment project;

13 (2) the extent of economic and related social distress in the
14 municipality and the area to be affected by the redevelopment
15 project or the level of site specific distress to include dilapidated
16 conditions, brownfields designation, environmental contamination,
17 pattern of vacancy, abandonment, or under utilization of the
18 property, rate of foreclosures, or other site conditions as determined
19 by the authority;

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

22 (4) the likelihood that the redevelopment project shall, upon
23 completion, be capable of generating new tax revenue in an amount
24 in excess of the amount necessary to reimburse the developer for
25 project costs incurred as provided in the redevelopment incentive
26 grant agreement, provided, however, that any tax revenue generated
27 by a redevelopment project that is a disaster recovery project shall
28 be considered new tax revenue even if the same or more tax revenue
29 was generated at or on the site prior to the disaster;

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

33 (6) the need of the redevelopment incentive grant agreement to
34 the viability of the redevelopment project or the promotion of the
35 use of public transportation; and

36 (7) the degree to which the redevelopment project enhances and
37 promotes job creation and economic development or the promotion
38 of the use of public transportation.

39 g. (1) A developer **【that】** who has entered into a redevelopment
40 incentive grant agreement with the authority and the State Treasurer
41 pursuant to this section may, upon notice to and consent of the
42 authority and the State Treasurer, pledge, assign, transfer, or sell
43 any or all of its right, title and interest in and to **【such】** the
44 agreements and in the incentive grants payable thereunder, and the
45 right to receive same, along with the rights and remedies provided
46 to the developer under **【such】** the agreement. Any such assignment
47 shall be an absolute assignment for all purposes, including the
48 federal bankruptcy code.

1 (2) Any pledge of incentive grants made by the developer shall
2 be valid and binding from the time **【when】** the pledge is made and
3 filed in the records of the authority. The incentive grants **【so】**
4 pledged and thereafter received by the developer shall immediately
5 be subject to the lien of the pledge without any physical delivery
6 thereof or further act, and the lien of any pledge shall be valid and
7 binding **【as】** against all parties having claims of any kind in tort,
8 contract, or otherwise against the developer irrespective of whether
9 the parties have notice thereof. Neither the redevelopment
10 incentive grant agreement nor any other instrument by which a
11 pledge under this section is created need be filed or recorded except
12 with the authority.²

13 (cf: P.L.2015, c.69, s.4)

14

15 ¹**【3.】** 5.¹ This act shall take effect immediately.

16

17

18

19

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

SENATE, No. 2880

STATE OF NEW JERSEY
216th LEGISLATURE

INTRODUCED MAY 14, 2015

Sponsored by:

Senator RAYMOND J. LESNIAK

District 20 (Union)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



S2880 LESNIAK

2

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

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

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

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

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

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

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

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

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

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

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

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 "Project financing gap" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26

27 3. This act shall take effect immediately.

28

29

30

STATEMENT

31

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

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 2880

STATE OF NEW JERSEY

DATED: MAY 14, 2015

The Senate Economic Growth Committee reports favorably Senate Bill No. 2880.

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

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2880

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 23, 2015

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2880, with committee amendments.

As amended, this bill authorizes up to \$25 million in Economic Redevelopment and Growth Grant (ERG) tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects include: 1) buildings and structures; 2) open space with improvements; and 3) transportation facilities. To accommodate the additional tax credits without adversely affecting other ERG tax credit program categories, the bill also raises the total program cap from \$600 million to \$625 million.

ERG tax credit awards are authorized for taxpayer use in up to ten 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 a Garden State Growth Zone municipality). The application deadline is July 1, 2016 and projects must obtain temporary certificates of occupancy by July 28, 2018. Projects receiving ERG tax credits are exempt from the general ERG program requirement that supported projects must generate fiscal benefits to the State in excess of the incentive amount.

COMMITTEE AMENDMENTS:

The committee amendments raise the ERG tax credit program cap for residential redevelopment projects and projects involving university infrastructure from \$600 million to \$625 million. In so doing the amendment ensures that any tax credit award to Rutgers, the State University of New Jersey, will not occur at the expense of other ERG tax credit program categories.

The committee amendments also clarify that ERG tax credits awarded to Rutgers, the State University of New Jersey, are treated like ERG tax credits awarded to residential redevelopment projects in that the projects are exempt from the requirement that they generate fiscal net benefits to the State. The committee amendments also make technical changes.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State. This expectation reflects the waiving under the ERG tax credit program of the requirement that tax credit-receiving projects yield a net fiscal benefit to the State.

The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey; and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at Rutgers.

In general, the State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding up to \$25 million in ERG tax credits to infrastructure projects at Rutgers and their indeterminate opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

The bill might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2880

STATE OF NEW JERSEY 216th LEGISLATURE

DATED: JUNE 29, 2015

SUMMARY

- Synopsis:** Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey.
- Type of Impact:** Potential negative fiscal net impact on State General Fund and Property Tax Relief Fund; potential revenue increase to affected local governments.
- Agencies Affected:** Department of the Treasury.
New Jersey Economic Development Authority.
Certain Local Governments.

Office of Legislative Services Estimate

Fiscal Impact	Multi-Year Lifespan of Tax Credit Awards
Direct <u>State</u> Revenue Loss	Up to \$25,000,000
Indirect <u>State</u> Revenue Gain	Indeterminate — See comments below
<u>State</u> Opportunity Cost	Indeterminate — See comments below
Indirect <u>Local</u> Revenue Gain	Indeterminate — See comments below

- The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State, considering that the Economic Redevelopment and Growth Grant (ERG) tax credit program does not require tax credit-receiving projects to yield a net fiscal benefit to the State.
- The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey; and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at the university.
- The State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$25 million in ERG tax credits to infrastructure projects at Rutgers and their indeterminate

opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

- The legislation might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

BILL DESCRIPTION

Senate Bill No. 2880 (1R) of 2015 authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects involve buildings and structures, open space with improvements, and transportation facilities. So as to accommodate the additional tax credits without adversely affecting previously created ERG tax credit program categories, the bill also raises the total ERG tax credit program cap from \$600 million to \$625 million.

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 a Garden State Growth Zone municipality). The application deadline is 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 expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State and a potential revenue gain to affected local governments. Conceptually, the State fiscal net impact is calculated by adding the direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

Direct State Revenue Loss: The legislation's direct revenue loss to the State General Fund or Property Tax Relief Fund could be as high as \$25 million, considering that the bill authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, and raises the ERG tax credit program cap by an equivalent amount from \$600 million to \$625 million.

Any revenue loss, however, will be a) temporally limited, for the EDA will only consider applications received before July 1, 2016; and b) spread out over several years, for tax credit awards are only to be used in up to ten annual installments following project completion.

Indirect State and Local Revenue Gain: The OLS cannot quantify the legislation's indirect revenue gain to the State and local governments because of imperfect information on the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey. But, for reasons laid out below, the OLS anticipates the bill's indirect State and local government revenue gain to fall below its direct State revenue loss of up to \$25 million.

Analytical Framework: Like any government expenditure, economic development incentive awards inject new spending into the economy. Once businesses and individuals receive payments they would not receive absent the incentive awards, at least a portion of these payments will newly circulate in New Jersey's economy and produce so-called "multiplier effects." As the additional financial resources flow through the economy they generate, as a byproduct, additional State and local revenue collections—the indirect revenue gain discussed in this section. Examples are enhanced local property tax collections accruing when an incentive recipient invests the incentive amount in facility improvements, which then appreciate the property's value; or additional State sales and use tax collections from construction workers employed in the facility improvement spending their resultant income on taxable goods and services.

Indirect State fiscal effects offset the State's direct cost of awarding incentives in part or potentially even in whole. Fiscal "multiplier effects" tend to be maximized whenever an incentive award serves as the indispensable impetus for additional spending by the incentive recipient that would not otherwise occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State's outlay. Depending on project and incentive attributes, the induced project may even yield indirect fiscal State benefits exceeding the cost of the subsidy. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State's return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project's realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive's indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event the incentive award still represents an injection of additional cash into New Jersey's economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey's economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment's New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized redevelopment project in New Jersey will pay Pennsylvania, and not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill's State Indirect Fiscal Effects: Two foundational aspects of the ERG tax credit program motivate the OLS to expect that the bill's direct State revenue loss will exceed its indirect State and local government revenue gain.

First, the ERG tax credit program does not subject credit-receiving capital investments to the multiplier-based net benefit test calculation, which for other economic development incentive programs is intended to ensure that the Economic Development Authority (EDA) will award tax incentives only to capital projects that are estimated to generate indirect State revenue equal to at least 110 percent of a tax incentive's direct State cost.

Second, under the ERG tax credit program, the EDA must only determine that the realization of a credit-receiving capital project is likely with the provision of a tax credit at the level requested but not likely without the tax credit. By not requiring that the financial assistance be instrumental to project execution, however, the bill gives projects the benefit of a doubt and thereby allows for projects to receive tax credits that will happen irrespective of the receipt of the State assistance.

Nevertheless, the OLS points out that it is possible that incentive-receiving projects that have not been induced by the incentive program may generate some indirect fiscal State benefits. This would occur whenever recipients of such tax incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award. If any tax credit award to Rutgers, the State University of New Jersey, were not instrumental to the realization of the credit-receiving project, it would be reasonable to expect that Rutgers, as a New Jersey-based public institution of higher education, would expend most of its incentive award in New Jersey and create at least some indirect State revenue attributable to the bill.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources and its balanced budget requirement, the decision to award ERG tax credits to infrastructure projects at Rutgers, the State University of New Jersey, will invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of these fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible for a bill to produce a *net* fiscal loss to the State even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of this legislation, the State invested in road construction the bill would produce a *net* fiscal effect equal to the difference between the total fiscal impact of the ERG tax credit awards to infrastructure projects at Rutgers, the State University of New Jersey—or the direct State cost of awarding ERG tax credits to infrastructure projects at Rutgers, minus the incentives' indirect State fiscal effects—and that of the foregone road construction investment.

Section: Revenue, Finance and Appropriations

*Analyst: Thomas Koenig
Lead Fiscal Analyst*

*Approved: David J. Rosen
Legislative Budget and Finance Officer*

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

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2880

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 7, 2016

The Assembly Appropriations Committee reports favorably Senate Bill No. 2880 (1R), with committee amendments.

As amended, this bill authorizes up to \$25 million in Economic Redevelopment and Growth Grant (ERG) tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects include: 1) buildings and structures; 2) open space with improvements; and 3) transportation facilities. To accommodate the additional tax credits without adversely affecting other ERG tax credit program categories, the bill also raises the total program cap from \$600 million to \$625 million.

ERG tax credit awards are authorized for taxpayer use in up to ten 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 a Garden State Growth Zone municipality). The application deadline is July 1, 2016 and projects must obtain temporary certificates of occupancy by July 28, 2018. The bill exempts the university infrastructure projects receiving ERG tax credits under the bill from the general ERG program requirement that supported projects must generate fiscal benefits to the State in excess of the incentive amount.

As reported, this bill is identical to Assembly Bill No. 4704, as amended and reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State. This expectation reflects the provision of the bill waiving the ERG tax credit program requirement that tax credit-receiving projects yield a net fiscal benefit to the State.

The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey;

and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at Rutgers.

In general, the State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding up to \$25 million in ERG tax credits to infrastructure projects at Rutgers and their indeterminate opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

The bill might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

COMMITTEE AMENDMENTS:

The amendments incorporate statutory changes previously made by P.L.2015, c.69 (which amended the ERG program to allow municipal parking authorities and certain private developers to apply for tax credits under the ERG program when they develop mixed use parking projects).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2880

STATE OF NEW JERSEY 216th LEGISLATURE

DATED: JANUARY 14, 2016

SUMMARY

- Synopsis:** Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey.
- Type of Impact:** Potential negative fiscal net impact on State General Fund and Property Tax Relief Fund; potential revenue increase to affected local governments.
- Agencies Affected:** Department of the Treasury.
New Jersey Economic Development Authority.
Certain Local Governments.

Office of Legislative Services Estimate

Fiscal Impact	Multi-Year Lifespan of Tax Credit Awards
Direct <u>State</u> Revenue Loss	Up to \$25,000,000
Indirect <u>State</u> Revenue Gain	Indeterminate — See comments below
<u>State</u> Opportunity Cost	Indeterminate — See comments below
Indirect <u>Local</u> Revenue Gain	Indeterminate — See comments below

- The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State, considering that the Economic Redevelopment and Growth Grant (ERG) tax credit program does not require tax credit-receiving projects to yield a net fiscal benefit to the State.
- The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey; and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at the university.
- The State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$25 million in ERG tax credits to infrastructure projects at Rutgers and their indeterminate

opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

- The legislation might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

BILL DESCRIPTION

Senate Bill No. 2880 (2R) of 2015 authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects involve buildings and structures, open space with improvements, and transportation facilities. So as to accommodate the additional tax credits without adversely affecting previously created ERG tax credit program categories, the bill also raises the total ERG tax credit program cap from \$600 million to \$625 million.

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 a Garden State Growth Zone municipality). The application deadline is 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 expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State and a potential revenue gain to affected local governments. Conceptually, the State fiscal net impact is calculated by adding the direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

Direct State Revenue Loss: The legislation's direct revenue loss to the State General Fund or Property Tax Relief Fund could be as high as \$25 million, considering that the bill authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, and raises the ERG tax credit program cap by an equivalent amount from \$600 million to \$625 million.

Any revenue loss, however, will be a) temporally limited, for the EDA will only consider applications received before July 1, 2016; and b) spread out over several years, for tax credit awards are only to be used in up to ten annual installments following project completion.

Indirect State and Local Revenue Gain: The OLS cannot quantify the legislation's indirect revenue gain to the State and local governments because of imperfect information on the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey. But, for reasons laid out below, the OLS anticipates the bill's indirect State and local government revenue gain to fall below its direct State revenue loss of up to \$25 million.

Analytical Framework: Like any government expenditure, economic development incentive awards inject new spending into the economy. Once businesses and individuals receive payments they would not receive absent the incentive awards, at least a portion of these payments will newly circulate in New Jersey's economy and produce so-called "multiplier effects." As the additional financial resources flow through the economy they generate, as a byproduct, additional State and local revenue collections—the indirect revenue gain discussed in this section. Examples are enhanced local property tax collections accruing when an incentive recipient invests the incentive amount in facility improvements, which then appreciate the property's value; or additional State sales and use tax collections from construction workers employed in the facility improvement spending their resultant income on taxable goods and services.

Indirect State fiscal effects offset the State's direct cost of awarding incentives in part or potentially even in whole. Fiscal "multiplier effects" tend to be maximized whenever an incentive award serves as the indispensable impetus for additional spending by the incentive recipient that would not otherwise occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State's outlay. Depending on project and incentive attributes, the induced project may even yield indirect fiscal State benefits exceeding the cost of the subsidy. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State's return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project's realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive's indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event the incentive award still represents an injection of additional cash into New Jersey's economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey's economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment's New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized redevelopment project in New Jersey will pay Pennsylvania, and not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill's State Indirect Fiscal Effects: Two foundational aspects of the ERG tax credit program motivate the OLS to expect that the bill's direct State revenue loss will exceed its indirect State and local government revenue gain.

First, the ERG tax credit program does not subject credit-receiving capital investments to the multiplier-based net benefit test calculation, which for other economic development incentive programs is intended to ensure that the Economic Development Authority (EDA) will award tax incentives only to capital projects that are estimated to generate indirect State revenue equal to at least 110 percent of a tax incentive's direct State cost.

Second, under the ERG tax credit program, the EDA must only determine that the realization of a credit-receiving capital project is likely with the provision of a tax credit at the level requested but not likely without the tax credit. By not requiring that the financial assistance be instrumental to project execution, however, the bill gives projects the benefit of a doubt and thereby allows for projects to receive tax credits that will happen irrespective of the receipt of the State assistance.

Nevertheless, the OLS points out that it is possible that incentive-receiving projects that have not been induced by the incentive program may generate some indirect fiscal State benefits. This would occur whenever recipients of such tax incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award. If any tax credit award to Rutgers, the State University of New Jersey, were not instrumental to the realization of the credit-receiving project, it would be reasonable to expect that Rutgers, as a New Jersey-based public institution of higher education, would expend most of its incentive award in New Jersey and create at least some indirect State revenue attributable to the bill.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources and its balanced budget requirement, the decision to award ERG tax credits to infrastructure projects at Rutgers, the State University of New Jersey, will invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of these fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible for a bill to produce a *net* fiscal loss to the State even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of this legislation, the State invested in road construction the bill would produce a *net* fiscal effect equal to the difference between the total fiscal impact of the ERG tax credit awards to infrastructure projects at Rutgers, the State University of New Jersey—or the direct State cost of awarding ERG tax credits to infrastructure projects at Rutgers, minus the incentives' indirect State fiscal effects—and that of the foregone road construction investment.

Section: Revenue, Finance and Appropriations

Analyst: Jordan M. DiGiovanni
Assistant Fiscal 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. 4704

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED NOVEMBER 16, 2015

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/12/2016)

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

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

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

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

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

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

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

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

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

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

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

45 "Disaster recovery project" means a redevelopment project
46 located on property that has been wholly or substantially damaged

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 destroyed as a result of a federally-declared disaster, and which
2 is located within the incentive area and has been determined by the
3 authority to be in an area appropriate for development and in need
4 of economic development incentive assistance.

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

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

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

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

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

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

45 "Infrastructure improvements in the public right-of-way" mean
46 public structures or improvements located in the public right of way
47 that are located within a project area or that constitute an ancillary
48 infrastructure project, either of which are dedicated to or owned by

1 a governmental body or agency upon completion, or any required
2 payment in lieu of **[such]** the structures, improvements or projects,
3 or any costs of remediation associated with **[such]** the structures,
4 improvements or projects, and that are determined by the authority,
5 in consultation with applicable State agencies, to be consistent with
6 and in furtherance of State public infrastructure objectives and
7 initiatives.

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

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

19 "Mixed use parking project" means a redevelopment project
20 undertaken by a municipal redeveloper, the parking component of
21 which shall constitute 51 percent or more of any of the following:

- 22 a. the total square footage of the entire mixed use parking
23 project;
- 24 b. the estimated revenues of the entire mixed use parking
25 project; or
- 26 c. the total construction cost of the entire mixed use parking
27 project.

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

36 "Municipal redeveloper" means an applicant for a redevelopment
37 incentive grant agreement, which applicant is:

- 38 a. a municipal government, a municipal parking authority, or a
39 redevelopment agency acting on behalf of a municipal government
40 as defined in section 3 of P.L.1992, c.79 (C.40A:12A-3); or
- 41 b. a developer of a mixed use parking project, provided that the
42 parking component of the mixed use parking project is operated and
43 maintained by a municipal parking authority for the term of any
44 financial assistance granted pursuant to P.L.2015, c.69.

45 "Municipal Revitalization Index" means the 2007 index by the
46 Office for Planning Advocacy within the Department of State
47 measuring or ranking municipal distress.

1 "Non-parking component" means that portion of a mixed use
2 parking project not used for parking, together with the portion of
3 the costs of the mixed use parking project, including but not limited
4 to the footings, foundations, site work, infrastructure, and soft costs
5 that are allocable to the non-parking use.

6 "Parking component" means that portion of a mixed use parking
7 project used for parking, together with the portion of the costs of
8 the mixed use parking project, including but not limited to the
9 footings, foundations, site work, infrastructure, and soft costs that
10 are allocable to the parking use.

11 "Project area" means land or lands located within the incentive
12 area under common ownership or control including through a
13 redevelopment agreement with a municipality, or as otherwise
14 established by a municipality or a redevelopment agreement
15 executed by a State entity to implement a redevelopment project.

16 "Project cost" means the costs incurred in connection with the
17 redevelopment project by the developer until the issuance of a
18 permanent certificate of occupancy, or until such other time
19 specified by the authority, for a specific investment or
20 improvement, including the costs relating to receiving Highlands
21 Development Credits under the Highlands Transfer Development
22 Rights Program authorized pursuant to section 13 of P.L.2004,
23 c.120 (C.13:20-13), lands, buildings, improvements, real or
24 personal property, or any interest therein, including leases
25 discounted to present value, including lands under water, riparian
26 rights, space rights and air rights acquired, owned, developed or
27 redeveloped, constructed, reconstructed, rehabilitated or improved,
28 any environmental remediation costs, plus costs not directly related
29 to construction, of an amount not to exceed 20 percent of the total
30 costs, capitalized interest paid to third parties, and the cost of
31 infrastructure improvements, including ancillary infrastructure
32 projects, and, for projects located in a Garden State Growth Zone
33 only, the cost of infrastructure improvements including any
34 ancillary infrastructure project and the amount by which total
35 project cost exceeds the cost of an alternative location for the
36 redevelopment project, but excluding any particular costs for which
37 the project has received federal, State, or local funding.

38 "Project financing gap" means:

39 a. the part of the total project cost, including return on
40 investment, that remains to be financed after all other sources of
41 capital have been accounted for, including, but not limited to,
42 developer-contributed capital, which shall not be less than 20
43 percent of the total project cost, which may include the value of any
44 existing land and improvements in the project area owned or
45 controlled by the developer, and the cost of infrastructure
46 improvements in the public right-of-way, subject to review by the
47 State Treasurer, and investor or financial entity capital or loans for
48 which the developer, after making all good faith efforts to raise

1 additional capital, certifies that additional capital cannot be raised
2 from other sources on a non-recourse basis; and

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

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

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

8 a. multiplying the general tax rate levied each year by the
9 taxable value of all the property assessed within a project area in
10 the same year, excluding any special assessments; and

11 b. multiplying that product by a fraction having a numerator
12 equal to the taxable value of all the property assessed within the
13 project area, minus the property tax increment base, and having a
14 denominator equal to the taxable value of all property assessed
15 within the project area.

16 For the purpose of this definition, "property tax increment base"
17 means the aggregate taxable value of all property assessed which is
18 located within the redevelopment project area as of October 1st of
19 the year preceding the year in which the redevelopment incentive
20 grant agreement is authorized.

21 "Qualified incubator facility" means a commercial building
22 located within an incentive area: which contains 100,000 or more
23 square feet of office, laboratory, or industrial space; which is
24 located near, and presents opportunities for collaboration with, a
25 research institution, teaching hospital, college, or university; and
26 within which, at least 75 percent of the gross leasable area is
27 restricted for use by one or more technology startup companies
28 during the commitment period.

29 "Qualified residential project" means a redevelopment project
30 that is predominantly residential and includes multi-family
31 residential units for purchase or lease, or dormitory units for
32 purchase or lease, having a total project cost of at least
33 \$17,500,000, if the project is located in any municipality with a
34 population greater than 200,000 according to the latest federal
35 decennial census, or having a total project cost of at least
36 \$10,000,000 if the project is located in any municipality with a
37 population less than 200,000 according to the latest federal
38 decennial census, or is a disaster recovery project, or having a total
39 project cost of \$5,000,000 if the project is in a Garden State Growth
40 Zone.

41 "Qualifying economic redevelopment and growth grant incentive
42 area" or "incentive area" means:

43 a. an aviation district;

44 b. a port district;

45 c. a distressed municipality; or

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

48 (a) Planning Area 1 (Metropolitan);

- 1 (b) Planning Area 2 (Suburban); or
- 2 (c) Planning Area 3 (Fringe Planning Area);
- 3 (2) located within a smart growth area and planning area
- 4 designated in a master plan adopted by the New Jersey
- 5 Meadowlands Commission pursuant to subsection (i) of section 6 of
- 6 P.L.1968, c.404 (C.13:17-6) or subject to a redevelopment plan
- 7 adopted by the New Jersey Meadowlands Commission pursuant to
- 8 section 20 of P.L.1968, c.404 (C.13:17-21);
- 9 (3) located within any land owned by the New Jersey Sports and
- 10 Exposition Authority, established pursuant to P.L.1971,
- 11 c.137 (C.5:10-1 et seq.), within the boundaries of the Hackensack
- 12 Meadowlands District as delineated in section 4 of P.L.1968,
- 13 c.404 (C.13:17-4);
- 14 (4) located within a regional growth area, a town, village, or a
- 15 military and federal installation area designated in the
- 16 comprehensive management plan prepared and adopted by the
- 17 Pinelands Commission pursuant to the "Pinelands Protection Act,"
- 18 P.L.1979, c.111 (C.13:18A-1 et seq.);
- 19 (5) located within the planning area of the Highlands Region as
- 20 defined in section 3 of P.L.2004, c.120 (C.13:20-3) or in a
- 21 highlands development credit receiving area or redevelopment area;
- 22 (6) located within a Garden State Growth Zone;
- 23 (7) located within land approved for closure under any federal
- 24 Base Closure and Realignment Commission action; or
- 25 (8) located only within the following portions of the areas
- 26 designated pursuant to the "State Planning Act," P.L.1985,
- 27 c.398 (C.52:18A-196 et al.), as Planning Area 4A (Rural Planning
- 28 Area), Planning Area 4B (Rural/Environmentally Sensitive) or
- 29 Planning Area 5 (Environmentally Sensitive) if Planning Area 4A
- 30 (Rural Planning Area), Planning Area 4B (Rural/Environmentally
- 31 Sensitive) or Planning Area 5 (Environmentally Sensitive) is
- 32 located within:
 - 33 (a) a designated center under the State Development and
 - 34 Redevelopment Plan;
 - 35 (b) a designated growth center in an endorsed plan until the
 - 36 State Planning Commission revises and readopts New Jersey's State
 - 37 Strategic Plan and adopts regulations to revise this definition as it
 - 38 pertains to Statewide planning areas;
 - 39 (c) any area determined to be in need of redevelopment pursuant
 - 40 to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and
 - 41 C.40A:12A-6) or in need of rehabilitation pursuant to section 14 of
 - 42 P.L.1992, c.79 (C.40A:12A-14);
 - 43 (d) any area on which a structure exists or previously existed
 - 44 including any desired expansion of the footprint of the existing or
 - 45 previously existing structure provided such expansion otherwise
 - 46 complies with all applicable federal, State, county, and local
 - 47 permits and approvals;

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

4 (f) any area on which an existing tourism destination project is
5 located.

6 "Qualifying economic redevelopment and growth grant incentive
7 area" or "incentive area" shall not include any property located
8 within the preservation area of the Highlands Region as defined in
9 the "Highlands Water Protection and Planning Act," P.L.2004,
10 c.120 (C.13:20-1 et al.).

11 "Redevelopment incentive grant agreement" means an agreement
12 between:

13 a. the State and the New Jersey Economic Development
14 Authority and a developer; or

15 b. a municipality and a developer, or a municipal ordinance
16 authorizing a project to be undertaken by a municipal redeveloper,
17 under which, in exchange for the proceeds of an incentive grant, the
18 developer agrees to perform any work or undertaking necessary for
19 a redevelopment project, including the clearance, development or
20 redevelopment, construction, or rehabilitation of any structure or
21 improvement of commercial, industrial, residential, or public
22 structures or improvements within a qualifying economic
23 redevelopment and growth grant incentive area or a transit village.

24 "Redevelopment project" means a specific construction project
25 or improvement, including lands, buildings, improvements, real and
26 personal property or any interest therein, including lands under
27 water, riparian rights, space rights and air rights, acquired, owned,
28 leased, developed or redeveloped, constructed, reconstructed,
29 rehabilitated or improved, undertaken by a developer, owner or
30 tenant, or both, within a project area and any ancillary infrastructure
31 project including infrastructure improvements in the public right of
32 way, as set forth in an application to be made to the authority. The
33 use of the term "redevelopment project" in sections 3 through 18 of
34 P.L.2009, c.90 (C.52:27D-489c et al.) shall not be limited to only
35 redevelopment projects located in areas determined to be in need of
36 redevelopment pursuant to sections 5 and 6 of P.L.1992,
37 c.79 (C.40A:12A-5 and C.40A:12A-6) but shall also include, but
38 not be limited to, any work or undertaking in accordance with the
39 "Redevelopment Area Bond Financing Law," sections 1 through 10
40 of P.L.2001, c.310 (C.40A:12A-64 et seq.) or other applicable law,
41 pursuant to a redevelopment plan adopted by a State entity, or as
42 described in the resolution adopted by a public entity created by
43 State law with the power to adopt a redevelopment plan or
44 otherwise determine the location, type and character of a
45 redevelopment project or part of a redevelopment project on land
46 owned or controlled by it or within its jurisdiction, including but
47 not limited to, the New Jersey Meadowlands Commission
48 established pursuant to P.L.1968, c.404 (C.13:17-1 et seq.), the

1 New Jersey Sports and Exposition Authority established pursuant to
2 P.L.1971 c.137 (C.5:10-1 et seq.) and the Fort Monmouth
3 Economic Revitalization Authority created pursuant to P.L.2010,
4 c.51 (C.52:27I-18 et seq.).

5 "Redevelopment utility" means a self-liquidating fund created by
6 a municipality pursuant to section 12 of P.L.2009, c.90 (C.52:27D-
7 489l) to account for revenues collected and incentive grants paid
8 pursuant to section 11 of P.L.2009, c.90 (C.52:27D-489k), or other
9 revenues dedicated to a redevelopment project.

10 "Revenue increment base" means the amounts of all eligible
11 revenues from sources within the redevelopment project area in the
12 calendar year preceding the year in which the redevelopment
13 incentive grant agreement is executed, as certified by the State
14 Treasurer for State revenues, and the chief financial officer of the
15 municipality for municipal revenues.

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

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

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

25 "Tourism destination project" means a redevelopment project
26 that will be among the most visited privately owned or operated
27 tourism or recreation sites in the State, and which is located within
28 the incentive area and has been determined by the authority to be in
29 an area appropriate for development and in need of economic
30 development incentive assistance.

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

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

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

43 a. buildings and structures, such as academic buildings,
44 recreation centers, indoor athletic facilities, public works garages,
45 and water and sewer treatment and pumping facilities;

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

1 c. transportation facilities, such as bus shelters and parking
2 facilities.

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

11 "Vacant commercial building" means any commercial building
12 or complex of commercial buildings having over 400,000 square
13 feet of office, laboratory, or industrial space that is more than 70
14 percent unoccupied at the time of application to the authority or is
15 negatively impacted by the approval of a "qualified business
16 facility," as defined pursuant to section 2 of P.L.2007,
17 c.346 (C.34:1B-208), or any vacant commercial building in a
18 Garden State Growth Zone having over 35,000 square feet of office,
19 laboratory, or industrial space, or over 200,000 square feet of
20 office, laboratory, or industrial space in Atlantic, Burlington,
21 Camden, Cape May, Cumberland, Gloucester, Ocean, or Salem
22 counties available for occupancy for a period of over one year.

23 "Vacant health facility project" means a redevelopment project
24 where a health facility, as defined by section 2 of P.L.1971,
25 c.136 (C.26:2H-2), currently exists and is considered vacant. A
26 health facility shall be considered vacant if at least 70 percent of
27 that facility has not been open to the public or utilized to serve any
28 patients at the time of application to the authority.
29 (cf: P.L.2015, c.69, s.1)

30

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

33 6. a. Up to the limits established in subsection b. of this
34 section and in accordance with a redevelopment incentive grant
35 agreement, beginning upon the receipt of occupancy permits for any
36 portion of the redevelopment project, or upon such other event
37 evidencing project completion as set forth in the incentive grant
38 agreement, the State Treasurer shall pay to the developer
39 incremental State revenues directly realized from businesses
40 operating on or at the site of the redevelopment project from the
41 following taxes: the Corporation Business Tax Act (1945),
42 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
43 insurance companies pursuant to R.S.54:16-1 et seq., the tax
44 imposed on insurers generally, pursuant to P.L.1945, c.132
45 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
46 gross receipts tax and public utility excise tax imposed on sewerage
47 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
48 seq.), those tariffs and charges imposed by electric, natural gas,

1 telecommunications, water and sewage utilities, and cable television
2 companies under the jurisdiction of the New Jersey Board of
3 Utilities, or comparable entity, except for those tariffs, fees, or taxes
4 related to societal benefits charges assessed pursuant to section 12
5 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
6 with the "Global Warming Response Act," P.L.2007, c.112
7 (C.26:2C-37 et seq.), transitional energy facility assessment unit
8 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
9 and the sales and use taxes on public utility and cable television
10 services and commodities, the tax derived from net profits from
11 business, a distributive share of partnership income, or a pro rata
12 share of S corporation income under the "New Jersey Gross Income
13 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
14 the site of a redevelopment project that is required to collect the tax
15 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
16 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
17 et seq.) from the purchase of furniture, fixtures and equipment, or
18 materials for the remediation, the construction of new structures at
19 the site of a redevelopment project, the hotel and motel occupancy
20 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
21 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
22 c.49 (C.46:15-7) derived from the sale of real property at the site of
23 the redevelopment project and paid to the State Treasurer for use by
24 the State, that is not credited to the "Shore Protection Fund" or the
25 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
26 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
27 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
28 assign their ability to apply for the tax credit under this subsection
29 to a non-profit organization with a mission dedicated to attracting
30 investment and completing development and redevelopment
31 projects in a Garden State Growth Zone. The non-profit
32 organization may make an application on behalf of a developer
33 which meets the requirements for the tax credit, or a group of non-
34 qualifying developers, such that these will be considered a unified
35 project for the purposes of the incentives provided under this
36 section.

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

41 (2) In the case of a qualified residential project or a project
42 involving university infrastructure, if the authority determines that
43 the estimated amount of incremental revenues pledged towards the
44 State portion of an incentive grant is inadequate to fully fund the
45 amount of the State portion of the incentive grant, then in lieu of an
46 incentive grant based on **[such]** the incremental **[revenue]**
47 revenues, the developer shall be awarded tax credits equal to the
48 full amount of the incentive grant.

1 (3) In the case of a mixed use parking project, if the authority
2 determines that the estimated amount of **[the]** incremental revenues
3 pledged towards the State portion of an incentive grant is
4 inadequate to fully fund the amount of the State portion of the
5 incentive grant, then, in lieu of an incentive grant based on **[such]**
6 the incremental **[revenue]** revenues, **[a]** the municipal redeveloper
7 shall be awarded tax credits equal to the full amount of the
8 incentive grant.

9 The value of all credits approved by the authority pursuant to
10 **[paragraph]** paragraphs (2) **[or]** and (3) of this **[paragraph]**
11 subsection shall not exceed **[\$600,000,000]** \$625,000,000, of
12 which:

13 (a) \$250,000,000 shall be restricted to qualified residential
14 projects within Atlantic, Burlington, Camden, Cape May,
15 Cumberland, Gloucester, Ocean, and Salem counties, of which
16 \$175,000,000 of the credits shall be restricted to the following
17 categories of projects: (i) qualified residential projects located in a
18 Garden State Growth Zone located within the aforementioned
19 counties **[.];** (ii) mixed use parking projects located in a Garden
20 State Growth Zone or urban transit hub located within the
21 aforementioned counties **[.];** and (iii) \$75,000,000 of the credits
22 shall be restricted to qualified residential projects in municipalities
23 with a 2007 Municipal Revitalization Index of 400 or higher as of
24 the date of enactment of the "New Jersey Economic Opportunity
25 Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located
26 within the aforementioned counties;

27 (b) \$250,000,000 shall be restricted to the following categories
28 of projects: (i) qualified residential projects located in urban transit
29 hubs that are commuter rail in nature that otherwise do not qualify
30 under subparagraph (a) of this paragraph **[.];** (ii) qualified
31 residential projects located in Garden State Growth Zones that do
32 not qualify under subparagraph (a) of this paragraph **[.];** (iii) mixed
33 use parking projects located in urban transit hubs or Garden State
34 Growth Zones that do not qualify under subparagraph (a) of this
35 paragraph, provided however, an urban transit hub shall be
36 allocated no more than \$25,000,000 for mixed use parking projects
37 **[.];** (iv) qualified residential projects which are disaster recovery
38 projects that otherwise do not qualify under subparagraph (a) of this
39 paragraph **[.];** and (v) qualified residential projects in SDA
40 municipalities located in Hudson County that were awarded State
41 Aid in State Fiscal Year 2013 through the Transitional Aid to
42 Localities program and otherwise do not qualify under
43 subparagraph (a) of this paragraph, and \$25,000,000 of credits shall
44 be restricted to mixed use parking projects in Garden State Growth
45 Zones which have a population in excess of 125,000 and do not
46 qualify under subparagraph (a) of this paragraph;

1 (c) \$75,000,000 shall be restricted to the following categories of
2 projects: (i) qualified residential projects located in distressed
3 municipalities, deep poverty pockets, highlands development credit
4 receiving areas or redevelopment areas, otherwise not qualifying
5 pursuant to subparagraph (a) or (b) of this paragraph **【.】**; and (ii)
6 mixed use parking projects that do not qualify under subparagraph
7 (a) or (b) of this paragraph, which include a vacant commercial
8 building located wholly or partially within a distressed
9 municipality, and which are used by an independent institution of
10 higher education, a school of medicine, a nonprofit hospital system,
11 or any combination thereof; **【and】**

12 (d) \$25,000,000 shall be restricted to qualified residential
13 projects that are located within a qualifying economic
14 redevelopment and growth grant incentive area otherwise not
15 qualifying under **【subparagraph】** subparagraphs (a), (b), or (c) of
16 this paragraph **【.】**; 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 the effective
27 date of P.L.2013, c.161 shall submit a temporary certificate of
28 occupancy for **【such】** the project no later than July 28, 2018.
29 Applications for tax credits pursuant to this subsection relating to
30 an ancillary infrastructure project or infrastructure improvement in
31 the public right of way, or both, shall be accompanied with a letter
32 of support relating to the project or improvement by the governing
33 body or agency in which the project is located. Credits awarded to
34 a developer pursuant to this subsection shall be subject to the same
35 financial and related analysis by the authority, the same term of the
36 grant, and the same mechanism for administering the credits, and
37 shall be utilized or transferred by the developer as if **【such】** the
38 credits had been awarded to the developer pursuant to section 35 of
39 P.L.2009, c.90 (C.34:1B-209.3) for qualified residential projects
40 thereunder. No portion of the revenues pledged pursuant to the
41 "New Jersey Economic Opportunity Act of 2013," P.L.2013,
42 c.161 (C.52:27D-489p et al.) shall be subject to withholding or
43 retainage for adjustment, in the event the developer or taxpayer
44 waives its rights to claim a refund thereof.

45 (4) A developer may apply to the Director of the Division of
46 Taxation in the Department of the Treasury and the chief executive
47 officer of the authority for a tax credit transfer certificate, if the

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

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

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

32 e. The municipality is authorized to collect any **[and all]**
33 information necessary to facilitate grants under this program and
34 remit that information **[, as may be required from time to time,]** in
35 order to assist in the calculation of incremental revenue.

36 (cf: P.L.2015, c.69, s.2)

37

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

40 8. a. (1) The authority, in consultation with the State
41 Treasurer, shall promulgate an incentive grant application form and
42 procedure for the Economic Redevelopment and Growth Grant
43 program.

44 (2) (a) The Local Finance Board, in consultation with the
45 authority, shall develop a minimum standard incentive grant
46 application form for municipal Economic Redevelopment and
47 Growth Grant programs.

1 (b) Through regulation, the authority shall establish standards
2 for redevelopment projects seeking State or local incentive grants
3 based on the green building manual prepared by the Commissioner
4 of Community Affairs pursuant to section 1 of P.L.2007,
5 c.132 (C.52:27D-130.6), regarding the use of renewable energy,
6 energy-efficient technology, and non-renewable resources in order
7 to reduce environmental degradation and encourage long-term cost
8 reduction.

9 b. Within each incentive grant application, a developer shall
10 certify information concerning:

11 (1) the status of control of the entire redevelopment project site;

12 (2) all required State and federal government permits that have
13 been issued for the redevelopment project, or will be issued pending
14 resolution of financing issues;

15 (3) local planning and zoning board approvals, as required, for
16 the redevelopment project;

17 (4) estimates of the revenue increment base, the eligible
18 revenues for the project, and the assumptions upon which those
19 estimates are made.

20 c. (1) With regard to State tax revenues proposed to be
21 pledged for an incentive grant the authority and the State Treasurer
22 shall review the project costs, evaluate and validate the project
23 financing gap estimated by the developer, and conduct a State fiscal
24 impact analysis to ensure that the overall public assistance provided
25 to the project, except with regards to a qualified residential project
26 **[or]**, a mixed use parking project, or a project involving university
27 infrastructure, will result in net benefits to the State including,
28 without limitation, both direct and indirect economic benefits and
29 non-financial community revitalization objectives, including but not
30 limited to, the promotion of the use of public transportation in the
31 case of the ancillary infrastructure project portion of any transit
32 project.

33 (2) With regard to local incremental revenues proposed to be
34 pledged for an incentive grant the authority and the Local Finance
35 Board shall review the project costs, and except with respect to an
36 application by a municipal redeveloper, evaluate and validate the
37 project financing gap projected by the developer, and conduct a
38 local fiscal impact analysis to ensure that the overall public
39 assistance provided to the project, except with regards to a qualified
40 residential project **[or]**, a mixed use parking project, or a project
41 involving university infrastructure, will result in net benefits to the
42 municipality wherein the redevelopment project is located
43 including, without limitation, both direct and indirect economic
44 benefits and non-financial community revitalization objectives,
45 including but not limited to, the promotion of the use of public
46 transportation in the case of the ancillary infrastructure project
47 portion of any transit project.

1 (3) The authority, State Treasurer, and Local Finance Board
2 may act cooperatively to administer and review applications, and
3 shall consult with the Office of State Planning on matters
4 concerning State, regional, and local development and planning
5 strategies.

6 (4) The costs of the aforementioned reviews shall be assessed to
7 the applicant as an application fee.

8 (5) A developer who has already applied for an incentive grant
9 award prior to the effective date of the "New Jersey Economic
10 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
11 but who has not yet been approved for **【such】** the grant, or has not
12 executed an agreement with the authority, may proceed under that
13 application or seek to amend **【such】** the application or reapply for
14 an incentive grant award for the same project or any part thereof for
15 the purpose of availing **【itself】** himself or herself of any more
16 favorable provisions of the Economic Redevelopment and Growth
17 Grant program established pursuant to the "New Jersey Economic
18 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
19 except that projects with costs exceeding \$200,000,000 shall not be
20 eligible for revised percentage caps under subsection d. of section
21 19 of P.L.2013, c.161 (C.52:27D-489i).
22 (cf: P.L.2015, c.69, s.3)

23
24 4. Section 9 of P.L.2009, c.90 (C.52:27D-489i) is amended to
25 read as follows:

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

31 b. The decision of whether **【or not】** to enter into a
32 redevelopment incentive grant agreement is solely within the
33 discretion of the authority and the State Treasurer, provided that
34 they both agree to enter into an agreement.

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

38 d. (1) The redevelopment incentive grant agreement shall
39 specify the maximum amount of project costs, the amount of the
40 incentive grant to be awarded the developer, the frequency of
41 payments, and the eligibility period, which shall not exceed 20
42 years, during which reimbursement will be granted, and for a
43 project receiving an incentive grant in excess of \$50 million, the
44 amount of the negotiated repayment amount to the State, which may
45 include, but not be limited to, cash, equity, and warrants. Except
46 for redevelopment incentive grant agreements with a municipal
47 redeveloper, or with the developer of a redevelopment project
48 solely with respect to the cost of infrastructure improvements in the

1 public right-of-way including any ancillary infrastructure project in
2 the public right-of-way, in no event shall the base amount of the
3 combined reimbursements under redevelopment incentive grant
4 agreements with the State or municipality exceed 20 percent of the
5 total project cost, except in a Garden State Growth Zone, which
6 shall not exceed 30 percent.

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

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

17 (b) located in a distressed municipality which lacks adequate
18 access to health care and health services in the judgment of the
19 Chief Executive Officer of the authority and will include a health
20 care and health services center with a minimum of 10,000 square
21 feet of space devoted to the provision of health care and health
22 services;

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

27 (d) a transit project;

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

31 (f) located in a highlands development credit receiving area or
32 redevelopment area;

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

34 (h) a disaster recovery project;

35 (i) an aviation project;

36 (j) a tourism destination project; or

37 (k) substantial rehabilitation or renovation of an existing
38 structure or structures.

39 (3) The maximum amount of any redevelopment incentive grant
40 shall be equal to up to 30 percent of the total project costs, except
41 for projects located in a Garden State Growth Zone, in which case
42 the maximum amount of any redevelopment incentive grant shall be
43 equal to up to 40 percent of the total project costs. Notwithstanding
44 anything to the contrary contained within this section, the maximum
45 amount of any redevelopment incentive grant with respect to a
46 mixed use parking project shall be up to 100 percent of the total
47 project costs allocable to the parking component of the project, and

1 shall be up to 40 percent of the total project costs allocable to the
2 non-parking component of the project.

3 e. Except in the case of a qualified residential project **[or]**, a
4 mixed use parking project, or a project involving university
5 infrastructure, the authority and the State Treasurer may enter into a
6 redevelopment incentive grant agreement only if they make a
7 finding that the State revenues to be realized from the
8 redevelopment project will be in excess of the amount necessary to
9 reimburse the developer for its project financing gap. This finding
10 may be made by an estimation based upon the professional
11 judgment of the Chief Executive Officer of the authority and the
12 State Treasurer.

13 f. In deciding whether **[or not]** to recommend entering into a
14 redevelopment incentive grant agreement and in negotiating a
15 redevelopment agreement with a developer, the Chief Executive
16 Officer of the authority shall consider the following factors:

17 (1) the economic feasibility of the redevelopment project;

18 (2) the extent of economic and related social distress in the
19 municipality and the area to be affected by the redevelopment
20 project or the level of site specific distress to include dilapidated
21 conditions, brownfields designation, environmental contamination,
22 pattern of vacancy, abandonment, or under utilization of the
23 property, rate of foreclosures, or other site conditions as determined
24 by the authority;

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

27 (4) the likelihood that the redevelopment project shall, upon
28 completion, be capable of generating new tax revenue in an amount
29 in excess of the amount necessary to reimburse the developer for
30 project costs incurred as provided in the redevelopment incentive
31 grant agreement, provided, however, that any tax revenue generated
32 by a redevelopment project that is a disaster recovery project shall
33 be considered new tax revenue even if the same or more tax revenue
34 was generated at or on the site prior to the disaster;

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

38 (6) the need of the redevelopment incentive grant agreement to
39 the viability of the redevelopment project or the promotion of the
40 use of public transportation; and

41 (7) the degree to which the redevelopment project enhances and
42 promotes job creation and economic development or the promotion
43 of the use of public transportation.

44 g. (1) A developer **[that]** who has entered into a
45 redevelopment incentive grant agreement with the authority and the
46 State Treasurer pursuant to this section may, upon notice to and
47 consent of the authority and the State Treasurer, pledge, assign,
48 transfer, or sell any or all of its right, title and interest in and to

1 **【such】** the agreements and in the incentive grants payable
2 thereunder, and the right to receive same, along with the rights and
3 remedies provided to the developer under **【such】** the agreement.
4 Any such assignment shall be an absolute assignment for all
5 purposes, including the federal bankruptcy code.

6 (2) Any pledge of incentive grants made by the developer shall
7 be valid and binding from the time **【when】** the pledge is made and
8 filed in the records of the authority. The incentive grants **【so】**
9 pledged and thereafter received by the developer shall immediately
10 be subject to the lien of the pledge without any physical delivery
11 thereof or further act, and the lien of any pledge shall be valid and
12 binding **【as】** against all parties having claims of any kind in tort,
13 contract, or otherwise against the developer irrespective of whether
14 the parties have notice thereof. Neither the redevelopment
15 incentive grant agreement nor any other instrument by which a
16 pledge under this section is created need be filed or recorded except
17 with the authority.

18 (cf: P.L.2015, c.69, s.4)

19

20 5. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill authorizes up to \$25 million in Economic
26 Redevelopment and Growth Grant Program (ERG) tax credits to
27 Rutgers, the State University of New Jersey, to finance
28 infrastructure projects on its campus. Eligible projects include: 1)
29 buildings and structures; 2) open space with improvements; and 3)
30 transportation facilities. To accommodate the additional tax credits
31 without adversely affecting other ERG tax credit program
32 categories, the bill also raises the total program cap from \$600
33 million to \$625 million.

34 ERG tax credit awards are authorized for taxpayer use in up to
35 10 annual installments following project completion, must close a
36 project financing gap that otherwise would be likely to prevent a
37 project's realization, and cannot exceed 30 percent of total project
38 cost in conjunction with any municipal ERG award (or 40 percent
39 in a Garden State Growth Zone municipality). The application
40 deadline is July 1, 2016 and projects must obtain temporary
41 certificates of occupancy by July 28, 2018. Projects receiving ERG
42 tax credits are exempt from the general ERG program requirement
43 that supported projects must generate fiscal benefits to the State in
44 excess of the incentive amount.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4704

STATE OF NEW JERSEY

DATED: JANUARY 7, 2016

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4704.

This bill authorizes up to \$25 million in Economic Redevelopment and Growth Grant (ERG) tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects include: 1) buildings and structures; 2) open space with improvements; and 3) transportation facilities. To accommodate the additional tax credits without adversely affecting other ERG tax credit program categories, the bill also raises the total program cap from \$600 million to \$625 million.

ERG tax credit awards are authorized for taxpayer use in up to ten 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 a Garden State Growth Zone municipality). The application deadline is July 1, 2016 and projects must obtain temporary certificates of occupancy by July 28, 2018. The bill exempts the university infrastructure projects receiving ERG tax credits under the bill from the general ERG program requirement that supported projects must generate fiscal benefits to the State in excess of the incentive amount.

As reported, the bill is identical to Senate Bill No. 2880 (1R), as amended and reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State. This expectation reflects the provision of the bill waiving the ERG tax credit program requirement that tax credit-receiving projects yield a net fiscal benefit to the State.

The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey; and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at Rutgers.

In general, the State fiscal net impact is calculated by adding the indeterminate direct revenue loss from awarding up to \$25 million in

ERG tax credits to infrastructure projects at Rutgers and their indeterminate opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

The bill might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4704
STATE OF NEW JERSEY
216th LEGISLATURE

DATED: JANUARY 11, 2016

SUMMARY

- Synopsis:** Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey.
- Type of Impact:** Potential negative fiscal net impact on State General Fund and Property Tax Relief Fund; potential revenue increase to affected local governments.
- Agencies Affected:** Department of the Treasury.
 New Jersey Economic Development Authority.
 Certain Local Governments.

Office of Legislative Services Estimate

Fiscal Impact	Multi-Year Lifespan of Tax Credit Awards
Direct <u>State</u> Revenue Loss	Up to \$25,000,000
Indirect <u>State</u> Revenue Gain	Indeterminate — See comments below
<u>State</u> Opportunity Cost	Indeterminate — See comments below
Indirect <u>Local</u> Revenue Gain	Indeterminate — See comments below

- The Office of Legislative Services (OLS) expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State, considering that the Economic Redevelopment and Growth Grant (ERG) tax credit program does not require tax credit-receiving projects to yield a net fiscal benefit to the State.
- The OLS' inability to quantify the fiscal net impact is rooted in imperfect information on: a) the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey; and b) the State spending that may be crowded out by ERG tax credit awards to infrastructure projects at the university.
- The State fiscal net impact is calculated by adding the direct revenue loss from awarding up to \$25 million in ERG tax credits to infrastructure projects at Rutgers and their indeterminate opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indeterminate indirect

revenue gain that will accrue from additional economic activity that the additional incentive awards will catalyze.

- The legislation might accrue an indeterminate revenue gain to affected local governments in the form of an indirect revenue gain.

BILL DESCRIPTION

Assembly Bill No. 4704 of 2015 authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, to finance infrastructure projects on its campus. Eligible projects involve buildings and structures, open space with improvements, and transportation facilities. So as to accommodate the additional tax credits without adversely affecting previously created ERG tax credit program categories, the bill also raises the total ERG tax credit program cap from \$600 million to \$625 million.

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 a Garden State Growth Zone municipality). The application deadline is 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 expects the bill to produce a negative fiscal net impact of indeterminate magnitude on the State and a potential revenue gain to affected local governments. Conceptually, the State fiscal net impact is calculated by adding the direct revenue loss from awarding additional incentive amounts and their opportunity costs (the fiscal benefits the State forgoes as spending is redirected from one economic activity to another) and subtracting from that sum the indirect revenue gain that will accrue from additional economic activity that the additional incentive amounts will catalyze.

Direct State Revenue Loss: The legislation's direct revenue loss to the State General Fund or Property Tax Relief Fund could be as high as \$25 million, considering that the bill authorizes up to \$25 million in ERG tax credits to Rutgers, the State University of New Jersey, and raises the ERG tax credit program cap by an equivalent amount from \$600 million to \$625 million.

Any revenue loss, however, will be a) temporally limited, for the EDA will only consider applications received before July 1, 2016; and b) spread out over several years, for tax credit awards are only to be used in up to ten annual installments following project completion.

Indirect State and Local Revenue Gain: The OLS cannot quantify the legislation’s indirect revenue gain to the State and local governments because of imperfect information on the number and attributes of creditable infrastructure projects at Rutgers, the State University of New Jersey. But, for reasons laid out below, the OLS anticipates the bill’s indirect State and local government revenue gain to fall below its direct State revenue loss of up to \$25 million.

Analytical Framework: Like any government expenditure, economic development incentive awards inject new spending into the economy. Once businesses and individuals receive payments they would not receive absent the incentive awards, at least a portion of these payments will newly circulate in New Jersey’s economy and produce so-called “multiplier effects.” As the additional financial resources flow through the economy they generate, as a byproduct, additional State and local revenue collections—the indirect revenue gain discussed in this section. Examples are enhanced local property tax collections accruing when an incentive recipient invests the incentive amount in facility improvements, which then appreciate the property’s value; or additional State sales and use tax collections from construction workers employed in the facility improvement spending their resultant income on taxable goods and services.

Indirect State fiscal effects offset the State’s direct cost of awarding incentives in part or potentially even in whole. Fiscal “multiplier effects” tend to be maximized whenever an incentive award serves as the indispensable impetus for additional spending by the incentive recipient that would not otherwise occur. In this case, the incentive recipient magnifies the positive economic and fiscal impacts of the State’s outlay. Depending on project and incentive attributes, the induced project may even yield indirect fiscal State benefits exceeding the cost of the subsidy. The larger the proportion of the public assistance relative to the financial outlay by the subsidized party, however, the lower the probability that the subsidized activity will generate positive net returns to the State.

In contrast, the State’s return on investment is negative whenever the State subsidizes a project that a taxpayer will undertake with or without the public assistance. Because the financial inducement has not caused the project’s realization, none of its economic and fiscal feedback effects are attributable to the incentive, and therefore must be excluded from the tabulation of the incentive’s indirect fiscal benefits.

Nevertheless, even if the State provides financial assistance to a project that would be realized anyway, some, albeit comparatively small, indirect fiscal benefits may still accrue to the State. These would occur whenever the subsidy beneficiary spends the incentive award in New Jersey on goods and services that the beneficiary would otherwise not have procured. In that event the incentive award still represents an injection of additional cash into New Jersey’s economy whose ripple effects include the accumulation of indirect fiscal State benefits.

Lastly, given the high degree of integration of New Jersey’s economy with the national and global economies, an addition of spending in New Jersey will eventually leak into other jurisdictions and cease to circulate within the State. Consequently, any tabulation of a subsidy payment’s New Jersey feedback effects must disregard feedback effects that other jurisdictions will absorb. For example, a Pennsylvania resident who works as a carpenter on a subsidized redevelopment project in New Jersey will pay Pennsylvania, and not New Jersey, income tax on the compensation earned in accordance with the State of New Jersey and the Commonwealth of Pennsylvania Reciprocal Personal Income Tax Agreement.

Bill’s State Indirect Fiscal Effects: Two foundational aspects of the ERG tax credit program motivate the OLS to expect that the bill’s direct State revenue loss will exceed its indirect State and local government revenue gain.

First, the ERG tax credit program does not subject credit-receiving capital investments to the multiplier-based net benefit test calculation, which for other economic development incentive

programs is intended to ensure that the Economic Development Authority (EDA) will award tax incentives only to capital projects that are estimated to generate indirect State revenue equal to at least 110 percent of a tax incentive's direct State cost.

Second, under the ERG tax credit program, the EDA must only determine that the realization of a credit-receiving capital project is likely with the provision of a tax credit at the level requested but not likely without the tax credit. By not requiring that the financial assistance be instrumental to project execution, however, the bill gives projects the benefit of a doubt and thereby allows for projects to receive tax credits that will happen irrespective of the receipt of the State assistance.

Nevertheless, the OLS points out that it is possible that incentive-receiving projects that have not been induced by the incentive program may generate some indirect fiscal State benefits. This would occur whenever recipients of such tax incentives spend their incentive awards in New Jersey on goods and services that they would not have procured absent the incentive award. If any tax credit award to Rutgers, the State University of New Jersey, were not instrumental to the realization of the credit-receiving project, it would be reasonable to expect that Rutgers, as a New Jersey-based public institution of higher education, would expend most of its incentive award in New Jersey and create at least some indirect State revenue attributable to the bill.

Irrespective of the magnitude of the bill's indirect fiscal benefits, the analysis of its full impact on State finances is incomplete without considering the bill's opportunity costs.

State Opportunity Costs: Given the State's finite resources and its balanced budget requirement, the decision to award ERG tax credits to infrastructure projects at Rutgers, the State University of New Jersey, will invariably divert resources from policy alternatives to which they would have been applied absent the inducements. These policy alternatives also produce direct State costs and indirect State revenue collections. The concept of opportunity costs captures the value of these fiscal benefits the State foregoes as it redirects cash flows. Once opportunity costs are factored into the analysis, it is therefore possible for a bill to produce a *net* fiscal loss to the State even if its indirect fiscal benefits exceed its direct cost.

For example, if, instead of this legislation, the State invested in road construction the bill would produce a *net* fiscal effect equal to the difference between the total fiscal impact of the ERG tax credit awards to infrastructure projects at Rutgers, the State University of New Jersey—or the direct State cost of awarding ERG tax credits to infrastructure projects at Rutgers, minus the incentives' indirect State fiscal effects—and that of the foregone road construction investment.

Section: Revenue, Finance and Appropriations

*Analyst: Jordan M. DiGiovanni
Assistant Fiscal 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 Chris Christie Takes Action On Pending Legislation From The 216th Legislative Session

Tuesday, January 19, 2016 Tags: [Weather](#)



Trenton, NJ – Furthering his administration's commitment to New Jersey's veterans and military personnel, Governor Chris Christie took action today on legislation from the 216th Legislative Session, including 11 legislative measures designed to assist both active military members and veterans, along with their families.

"From the very start of this administration, we have focused on serving the needs of our veterans and the men and women still in active duty, assisting them with everything from securing jobs to finding the proper health care and social services," said Governor Christie. "The bills I signed today continue to make good on our promise to help those who have given so much of themselves to defend and serve this nation find a seamless transition back to civilian life and receive a helping-hand, when needed, no matter how long after their discharge from the military."

The enacted legislation includes:

- **S-172/A-2276 (Whelan, Beach/DeAngelo, Quijano)** - Exempts disabled veterans and Purple Heart recipients from payment of municipal parking meter fees when their vehicles bear a disable veteran's or Purple Heart license plate or placard issued by New Jersey Motor Vehicle Commission
- **S-2972/A-4465 (Van Drew, Cruz-Perez/Andrzejczak, Tucker, Benson)** - Requires DMVA assist and mentor veterans through criminal justice system
- **A-1667/S-2155 (Johnson, DeAngelo, Andrzejczak, Mukherji, Pintor Marin/Van Drew, A.R. Bucco)** - Permits child whose parent or guardian is ordered into active military service to remain enrolled in school district where child's parent or guardian resided prior to active military service
- **A-2935/S-1325 (Andrzejczak, Lagana, Webber, Mosquera, Lampitt/Van Drew, A.R. Bucco)** - Authorizes property tax deferral for deployed military personnel
- **A-2299/S-239 (Andrzejczak, Benson/Van Drew, Stack)** - Requires municipalities to exempt 100% disabled veterans from construction permit surcharge fees for improvements to promote living unit accessibility; appropriates \$20,000 for municipal reimbursements
- **A-3552/S-2636 (Mazzeo, Andrzejczak, Mukherji, Benson/Beach, Van Drew)** - Creates financial planning assistance program for disabled veterans and their caregivers
- **A-3554/S-2606 (Mazzeo, Andrzejczak, Mukherji, Benson, Danielsen/Beach, Cruz-Perez)** - Increases income eligibility cap to receive respite care for certain veterans
- **AS for A-3750/S-2569 (Lampitt, Tucker, Andrzejczak, Singleton, Mosquera/Beach, Allen)** - Requires Adjutant General to create informational webpage for women veterans
- **A-4148/S-2731 (Andrzejczak, Benson/Van Drew, Beach)** - Provides an excused absence on Veterans Day for pupil who participates in certain activities for veterans or active duty members of United States Armed Forces or New Jersey National Guard

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- **A-4323/S-2952 (DeAngelo, Lagana, Muoio, Benson/Beach, Whelan)** - Expands timeframe for renewal of driver's license, registration, and inspection by military personnel and immediate family members under certain circumstances.
- **AJR-117/SJR-85 (Tucker, Holley, Vainieri Huttie/Beach, Whelan, Madden)** - Urges Congress to restore funding to Vets4Warriors veteran suicide hotline

The Governor also took the following action on other pending legislation:

BILL SIGNINGS:

BILL SIGNINGS:

- **S-451/A-1103 (Ruiz, Allen/Vainieri Huttie, Singleton, Benson)** - Establishes Office of the Special Education Ombudsman in DOE
- **S-485/A-1976 (Cunningham, Ruiz/Lampitt, Mosquera, Quijano)** -Requires president of public institution of higher education to regularly report on-campus criminal and fire events to the institution's governing board
- **S-489/A-4926 (Cunningham, T. Kean/Diegnan, Mukherji, Benson)** - Authorizes institutions of higher education to grant college credit to high school students who complete the Jersey Boys State or Jersey Girls State program
- **S-832/A-2039 (Whelan, Beach/Moriarty, Stender, Garcia)** - Permits voter registration of certain persons at age 17 for voting at next election occurring on or after 18th birthday
- **S-1046/A-2721 (Turner, Scutari/Gusciora)** - Concerns alterations in child support obligations in response to changes to status of supported child
- **S-1184/A-1950 (Vitale, Beach/Conaway, Diegnan, Sumter, Danielsen)** - Revises requirements for licensure and creates physician-delegated scope of practice for physician assistants
- **S-1346wGR/A-3837 (Rice/Coughlin, Garcia, Rodriguez-Gregg, Pintor Marin, Jasey)** - Concerns the recording of mortgages
- **S-1447/A-2829 (Greenstein, Addiego/Johnson, Mainor, Rible, Quijano)** - Prohibits posting, publishing on the Internet, or disclosing certain information regarding law enforcement officers
- **S-1567/A-410 (A.R. Bucco, Van Drew/A.M. Bucco, Bramnick, Johnson, Quijano, Rumana)** - Establishes DOT roadside memorial program for fallen police officers, sheriff's officers, EMS workers, and firefighters; designated as "Patrolman Joseph Wargo's Law"
- **S-1687/A-4924 (Ruiz, Vitale/Diegnan, Eustace)** - Permits students made homeless by act of terrorism or natural disaster to attend tuition-free the school district in which they resided prior to being homeless for two school years after the event
- **S-2032wGR/A-3440 (Codey, Turner/Diegnan, Eustace)** - Requires DOE to review Core Curriculum Content Standards to ensure that they incorporate modern computer science standards where appropriate
- **S-2110/A-3343 (Oroho/Space, Vainieri Huttie, Schaer, Phoebus, Pinkin)** - Requires nursing homes to offer form designating beneficiary of personal needs allowance accounts from incoming and current residents

- **S-2201/A-3273 (O'Toole/Russo, Rumana, Casagrande)** - Authorizes youth camps to maintain supply of epinephrine and permit trained employees to administer epinephrine to camp members suffering from anaphylaxis
- **SCS for S-2251/A-3708 (Oroho, Barnes/Diegnan, Webber, Johnson, Space, Phoebus)** - Increases monetary amounts for transfer of estate assets without administration and for exemption from debts of the deceased
- **S-2260wGR/A-688 (Scutari, Cardinale/Schaer)** - Modifies certain fees charged by, and requirements imposed on, check casher licensees
- **S-2284wGR/A-3549 (Pou, Weinberg/Schaer, Vainieri Huttle, Webber, Singleton, Jimenez, Johnson, Bramnick)** - Requires Medicaid managed care organizations to meet certain conditions prior to reducing reimbursement rates for personal care assistant services and home-based supportive care services
- **S-2442/A-3891 (T. Kean, Sarlo/Bramnick, Rodriquez-Gregg, Johnson, Casagrande, Schepisi)** - Establishes NJ Innovation and Research Fellowship Program in DOLWD
- **S-2495/A-3868 (Codey, Rice/Conaway, Singleton, Eustace, Coughlin)** - Authorizes State-chartered banks, savings banks, savings and loans, and credit unions to conduct certain savings account promotions
- **S-2617/A-3944 (Cardinale/Garcia, McKeon, Auth, Eustace, Pinkin)** - Requires DEP to adopt regulations to allow cultivation of commercial shellfish species in certain coastal and inner harbor waters for research, educational, or restoration purposes; requires community engagement process for revision thereof
- **S-2627/A-3957 (Cardinale, Sacco/Schepisi, Auth, Eustace, Rumana, Johnson)** - Designates State Highway Route 17 in Borough of Ramsey as "Staff Sergeant Timothy R. McGill Memorial Highway"
- **S-2695/A-4110 (T. Kean, Sacco/Dancer, Benson, Jimenez, Johnson)** - Requires MVC conduct study and make recommendations concerning electronic driver's licenses and mobile applications
- **S-2741/A-4213 (Doherty/Vainieri Huttle, Webber)** - Permits unregulated solicitation to perform snow shoveling within 24 hours of predicted snowstorm
- **S-2787wGR/A-4273 (Sweeney/Singleton, Burzichelli, Giblin, Prieto, Wimberly)** - Establishes vocational training pilot program in DOC; provides for inmate compensation for education and workforce training participation
- **S-2880/A-4704 (Lesniak, T. Kean/Diegnan, Wisniewski)** - Provides up to \$25 million in tax credits under Economic Redevelopment and Growth Grant Program for certain infrastructure at Rutgers, the State University of New Jersey
- **S-2922/A-4925 (Ruiz, Turner/Diegnan, Jasey)** - Requires DOE on its website to link to Department of Treasury's website where list is maintained of all third party individuals and vendors employed or retained for work associated with State assessments
- **S-2923/A-4901 (Ruiz, Turner/Jasey, Caputo)** - Requires school district or charter school to provide notification to parent or guardian of enrolled student on upcoming administration of State assessments or commercially-developed standardized assessment
- **S-2960/A-4331 (Codey, Rice/Garcia, Vainieri Huttle, Danielsén, DeAngelo, Holley, Benson, Mukherji)** -

Establishes requirements for training programs for homemaker-home health aides in care of patients with Alzheimer's disease and related disorders

- **S-3019/A-4771 (Sweeney, Stack/Burzichelli, Muoio)** - Requires filing of financial agreement for long term tax exemption with county finance officer and counsel; requires quarterly payment of county share of payment in lieu of tax
- **S-3129/A-4728 (Madden, Cunningham/DeAngelo, Benson, Lampitt, Quijano)** - Directs DOLWD to provide information regarding employee leave and benefit rights
- **S-3168/A-4769 (Sweeney, O'Toole/Burzichelli)** - Limits increase in annual budget requests of certain county entities
- **S-3170/A-4768 (Pou, Bateman/Burzichelli)** - Requires county superintendent of elections to operate pursuant to county administrative code; subjects certain salary costs of office of county superintendent of elections to review and approval by county governing body
- **S-3171/A-4575 (Whelan, Oroho/Greenwald, Burzichelli)** - Creates definition of certified mail
- **S-3182/A-4690 (Ruiz, Pou/Pintor Marin, Spencer, Sumter)** - Delays certain documentation submission deadlines under certain business tax credit programs
- **S-3207/A-4714 (Vitale, T. Kean/Lampitt, Mosquera)** - Limits liability of caregivers when facilitating normalcy for children in foster care
- **S-3240/A-4878 (Lesniak, Allen/Spencer, Sumter, Holley, Eustace)** - Authorizes establishment of recovery high school alternative education programs
- **S-3242/A-4856 (Vitale, Sweeney/Vainieri Huttie)** - Clarifies best interests of the child should be primary consideration in actions undertaken by State governmental entities and courts of law
- **S-3243/A-4702 (Vitale, Greenstein/Vainieri Huttie, Spencer)** - Provides that if minor appears to have been sexually assaulted, health care professionals in addition to physicians may authorize forensic sexual assault examination and medical care without parental consent
- **S-3247/A-4928 (Ruiz, Pou/Sumter, Wimberly)** - Eliminates cap on cost of SDA district school facilities projects that may be constructed by district and included in capital outlay budget
- **S-3282wGR/A-4850 (Rice, Cunningham/Wimberly, Mainor, Johnson)** - Expands Police Training Commission membership to include representative from Northern New Jersey and South Jersey Chapters of National Organization of Black Law Enforcement Executives
- **S-3303/A-4469 (Whelan/Quijano, Mukherji, Jimenez)** - Makes fraudulent use of social security number to collect lottery winnings crime of fourth degree
- **S-3321/A-4927 (Smith, Van Drew, Bateman/Spencer, Rumana)** - Authorizes DEP to require public access to waterfront and adjacent shoreline as condition of waterfront development approvals and CAFRA permits

- **SJR-22/AJR-40 (Weinberg/Johnson, Vainieri Huttie)** - Designates January 14 of each year as "Hannah G. Solomon Day"
- **ACS for A-206, 471, 1663, 2879, 3060, 3108wGR/S-2663 (Green, Spencer, Gusciora, Johnson, McKeon, Giblin, Wimberly, Mainor, Quijano/Turner, Lesniak, Pou)** - Shortens waiting periods for expungement of criminal and other records and information; makes various changes to other expungement procedures and requirements
- **A-311/S-2426 (Bramnick, Diegnan, Wimberly, Gusciora/Ruiz, T. Kean)** - Requires public schools to weight courses in visual and performing arts equally with other courses worth same number of credits in calculating grade point average
- **ACS for A-428/S-393 (Jimenez, Prieto/Sacco, Sarlo)** - Expands DNA database to include samples from disorderly persons who are fingerprinted and permits law enforcement officers to collect certain biological samples
- **A-801wGR/S-861 (Coughlin, Wisniewski, Mazzeo/Vitale, Sacco)** - Directs New Jersey Turnpike Authority and South Jersey Transportation Authority to study and report on potential revenue generating services of rest areas and service plazas
- **A-984/S-1534 (Andrzejczak, Wimberly/Van Drew, Bateman)** - Enhances penalty for tampering with evidence after fleeing the scene of an accident resulting in death
- **A-1455/S-2011 (Diegnan, Mosquera, Caputo, Jasey, Mukherji/Madden, Holzapfel)** - Abigail's Law; requires that newly-manufactured school buses be equipped with sensors
- **A-1462/S-3288 (Diegnan, Wimberly/Gill)** - Requires coin redemption machine operators to disclose fees
- **A-1466 (Diegnan, O'Donnell, Mainor, Garcia)** - Allows for waiver of school bus requirements for mobility assistance vehicle technicians who transport students with medical needs to and from school
- **A-1726wGR/S-308 (Eustace, Lagana, Mosquera, Vainieri Huttie, Wimberly/Gordon)** - Amends "Flood Hazard Area Control Act" to require DEP to take certain actions concerning delineations of flood hazard areas and floodplains
- **A-1812/S-2717 (Mosquera, Mazzeo, Andrzejczak/Cruz-Perez, Oroho, Jones)** - Extends protections of the new vehicle "lemon law" to new farm tractors purchased or leased in New Jersey
- **A-1958/S-1848 (Allen, Van Drew)** - Concerns exemptions from permits for certain agricultural activities under "Freshwater Wetlands Protection Act"
- **A-2597/S-2161 (Singleton, Diegnan, DiMaio/Ruiz, Beach)** - Provides that beginning with the 2016-2017 grade nine class, Advanced Placement computer science course may satisfy a part of the mathematics credits required for high school graduation
- **A-2839/S-2620 (Burzichelli, Space, Phoebus/Oroho, Turner)** - "New Jersey Rural Microenterprise Act"
- **A-2915/S-2035 (Lagana, McKeon, Ciattarelli/Bateman, Barnes)** - "Uniform Trust Code"

- **A-2943/S-1312 (Andrzejczak, DeAngelo, Mazzeo, Quijano, Danielsen/Van Drew, Allen)** - Provides for voluntary contributions by taxpayers on gross income tax returns for active duty members of United States Armed Forces, Reserve components thereof, and National Guard from New Jersey

- **A-3006/S-3272 (Conaway, Singleton, Eustace, DiMaio, Danielsen/Beach, Turner)** - Establishes procedure for consolidating fire districts

- **A-3019/S-1978 (Singleton, Conaway, Andrzejczak, Mazzeo, Garcia, Mosquera/Van Drew, Beach)** - Requires State Employment and Training Commission to prepare annual report on State workforce

- **A-3043/S-1943 (Space, DeAngelo, Egan, Phoebus, Moriarty/Oroho, Van Drew)** - Concerns authority of DOLWD to inspect prevailing wage public work projects

- **A-3044/S-1944 (Space, DeAngelo, Egan, Phoebus, Moriarty/Oroho, Van Drew)**
Requires Commissioner of DOLWD to disseminate certain information to contractors who bid on or perform prevailing wage public work

- **A-3225/S-2333 (Singleton, Ribble, Lampitt, Quijano, Pintor Marin, Jimenez/Sweeney)** - Provides for licensure of chiropractic assistants

- **A-3228/S-2499 (Mukherji, Vainieri Huttie, Mosquera, Garcia/Turner)** - Requires sober living homes and other substance abuse aftercare treatment facilities to provide certain notifications to next-of-kin when patient is released from care; designated as "Nick Rohdes' Law"
- **A-3257wGR/S-2125 (Andrzejczak, Mazzeo, Burzichelli/Van Drew)** - Provides that determination by county agriculture development board or State Agriculture Development Committee as to what qualifies as farm-based recreational activity in pinelands protection area is binding on Pinelands Commission

- **A-3276/S-2248 (Mazzeo/Whelan)** - "Mainland Memoriam Act"; directs MVC to create graduated driver's license informational material to be distributed by motor vehicle dealers

- **A-3435wGR/S-2503 (Garcia, Mukherji, Vainieri Huttie, Mainor, Eustace, Mosquera/Stack, Gordon)** - "Boys & Girls Clubs Keystone Law"; permits minors to give consent for behavioral health care

- **A-3850/S-2467 (DeAngelo, Eustace, Mazzeo, Pintor Marin, Benson/Turner, Singer)** - Requires BPU to establish procedures allowing electric power and gas supplier customers to switch energy suppliers

- **A-3927/S-2820 (Andrzejczak, Mazzeo, Taliaferro, Dancer/Van Drew, Oroho)** - Requires drivers to slow down before passing slow moving vehicles; establishes Statewide educational campaign on rural roadway safety; updates agriculture-related motor vehicle laws to reflect current industry practices

- **A-3955/S-2644 (Conaway, Benson, Vainieri Huttie, Munoz, Sumter, Mukherji/Vitale, Codey)** - Requires development and maintenance of database to advise public about open bed availability in residential substance use disorders treatment facilities

- **A-4098/S-2877 (Pinkin, Sumter, Benson/Codey, Greenstein)** - Prohibits sale or distribution of liquid nicotine except in child-resistant containers

- **A-4105/S-2977 (Garcia, Mainor, Mukherji, O'Donnell, Sumter, Rible, A.M. Bucco/Greenstein, Cunningham)** - Expands scope of law governing registration of security guards; designated as " Detective Vincent Santiago's Law"

- **A-4133/S-2997 (Giblin, Pinkin/Cruz-Perez, Allen)** - Allows dispensation of certain nutritional supplements by physician or podiatric physician

- **A-4275wGR/S-2831 (Prieto, Eustace, Lagana, Greenwald, Quijano, Danielsen, Mukherji/Sweeney, Turner, Sarlo)** - "New Jersey Secure Choice Saving Program Act"; establishes retirement savings program for certain workers

- **A-4386wGR/S-3042 (Coughlin, Pinkin, Vitale, Singer)** - Permits candidates for school board to circulate petitions jointly and be bracketed together on ballot; permits short nonpolitical designation of principles on petitions and ballots; provides for study of impact of changes

- **A-4387/S-3016 (Coughlin, Wisniewski, Wimberly/Vitale)** - Requires MVC to allow submission of "Next-of-Kin Registry" information by mail

- **A-4388/S-3041 (Coughlin, Wisniewski/Vitale)** - Designates State Highway 184 in Woodbridge Township as "Bruce Turcotte Memorial Highway"

- **A-4415/S-3279 (Diegnan, Garcia, Pinkin/Turner, Ruiz)** - Establishes State Seal of Biliteracy to recognize high school graduates who have attained a high level of bilingual proficiency

- **A-4420/S-3056 (Mazzeo, Vainieri Huttle, DeAngelo, Lampitt/Gordon, Greenstein)** - Requires certain notifications for termination of services to persons with developmental disabilities and providers

- **A-4476wGR/S-2876 (Conaway/Codey)** - Requires certain surgical practices and ambulatory care facilities licensed in this State to be owned by hospital or medical school located in the State

- **A-4719/S-3250 (Moriarty, Mosquera, Vainieri Huttle, DeAngelo, Diegnan, Mukherji/Cruz-Perez, Ruiz)** - Extends use of stored driver's license picture for person undergoing chemotherapy or other treatment for certain medical illnesses

- **CC for A-4863/S-3233 (A.M. Bucco, Phoebus, Munoz, Wisniewski, Oliver/A.R. Bucco)** - Requires warning sign to be posted at pontoon boat rental businesses; designated as "Christopher's Law"

- **AJR-112/SJR-86 (Conaway/Weinberg)** - Designates May of each year as "Cystic Fibrosis Awareness Month"

BILLS POCKET VETOED:

- **S-221/A-4155 (Allen, Vitale/Vainieri Huttle, Sumter, Lampitt)** - Prohibits the restraint of prisoners during and immediately after childbirth

- **S-316/A-1739 (Gordon/Eustace, Ciattarelli, Lagana, Gusciora)** - Increases flexibility, clarity, and available tools of optional municipal consolidation process

- **S-564/A-4186 (Smith, Bateman/Eustace, McKeon, Spencer, Benson)** - Establishes "Solar Roof Installation Warranty Program" in EDA and transfers \$2 million from societal benefits charge to initially fund program

- **S-602/A-3254 (Codey, Vitale/Vainieri Huttle, Angelini, Lampitt, Diegnan, Jasey, Conaway, Moriarty)** - Raises minimum age for purchase and sale of tobacco products and electronic smoking devices from 19 to 21
- **SCS for S-726, 1257/ACS for A-1405 (Turner, Cruz-Perez, Beach, T. Kean/Lampitt, Egan, Quijano, Sumter, Danielsén)** - Establishes innovation zone program to stimulate technology industry clusters around New Jersey's research institutions; allows certain technology businesses located in certain innovation zones to receive certain tax credits under Grow New Jersey Assistance Program
- **S-1232/A-3314 (Weinberg, Pennacchio/Johnson, Greenwald, Wimberly, Mosquera)** - Establishes Office of State Dental Director and New Jersey Oral Health Commission
- **S-1279/A-2325 (Rice, Van Drew/Spencer, Muoio, Benson, Pintor Marin)** - Makes FY 2016 supplemental Grants-in-Aid appropriation of \$10 million to DCA for Lead Hazard Control Assistance Fund
- **S-1414/A-2405 (Smith, Bateman/Eustace, Benson, Johnson)** - Concerns low emission and zero emission vehicles; establishes Clean Vehicle Task Force
- **SCS for S-1420/ACS for A-1603 (Beach, Whelan, Smith, Sweeney, Bateman, Thompson/Spencer, Eustace, Quijano, Wimberly)** - Requires paint producers to implement or participate in paint stewardship program
- **S-1436/A-4687 (Rice/Green, Holley)** - Exempts sales to homeowner assistance and recovery programs from realty transfer fees
- **S-1594/A-4044 (Turner/Peterson, Lagana, Rible, Jasey, Wimberly)** - Requires a public school district to provide a daily recess period for students in grades kindergarten through 5
- **S-1961/A-4111 (Codey/McKeon, Jasey, Vainieri Huttle, Garcia)** - Establishes certain minimum and maximum temperatures in emergency shelters, rooming and boarding houses, and certain nursing homes and residential health care facilities
- **S-2143/ACS for A-1682, 3547 (Van Drew, Singer/Wisniewski, Andrzejczak, Webber)** - Establishes time periods for adverse possession of certain property
- **S-2375/A-3700 (Vitale, Singer/Mazzeo, Vainieri Huttle, Lagana, Sumter, A.M. Bucco)** - Provides for licensure of ambulatory care facilities to provide integrated primary care services including behavioral health care
- **S-2491/A-4069 (Smith/Danielsen, Pinkin, Benson)** - Establishes position of State Oceanographer
- **S-2515/A-3269 (Scutari/Mukherji, Burzichelli, McKeon, Garcia)** - Confers title of Acting Associate Justice of the Supreme Court on certain judges of the Superior Court, Appellate Division, temporarily assigned to the Supreme Court
- **SCS for S-2521/ACS for A-3888 (Gill, Allen/Lampitt, Benson, Vainieri Huttle, Eustace)** - Establishes Pedestrian and Bicycle Safety Advisory Council
- **S-2623/A-4849 (Turner/Wimberly, Mainor, Johnson)** - Requires law enforcement agencies in this State to establish minority recruitment and selection programs; establishes reporting requirement

- **S-2640/A-4026 (Madden, Pou/Lampitt, Mosquera, Vainieri Huttie)** - Establishes New Jersey Caregiver Task Force to evaluate and provide recommendations on caregiver support services
- **S-2711/A-4128 (Smith, Whelan/Mazzeo, DeAngelo, Spencer, Singleton, McKeon, Daniels, Johnson)** - Permits BPU to approve qualified wind energy project; requires BPU to provide application periods for those projects
- **S-2716/A-4359 (Ruiz, Turner/Pintor Marin, Spencer, Sumter, Caride)** - Requires that school district's request for permission to use unrecognized position title include list of abolished positions and positions in which there have been layoffs and detailed job descriptions for them
- **S-2769/AS for ACS for A-4197, 4206 (Smith, Bateman/Andrzejczak, McKeon, Spencer, Pintor Marin, Dancer, Vainieri Huttie)** - Implements 2014 constitutional dedication of CBT revenues for certain environmental purposes; revises State's open space, farmland, and historic preservation programs
- **S-2793/A-3962 (Whelan/Vainieri Huttie)** - Increases from 17 to 21 public members of New Jersey State Council on the Arts; requires members to be residents of NJ; imposes specific criteria for four new members initially appointed
- **S-2806/A-4913 (Cunningham, Vitale, Singer/Muoio, Spencer)** - Removes restrictions on convicted drug offenders receiving general assistance benefits under Work First New Jersey program
- **S-2878/A-4636 (Stack, Weinberg/Jimenez, Lagana, Mukherji, Vainieri Huttie, Giblin, Moriarty)** - Establishes minimum certified nurse aide-to-resident ratios in nursing homes
- **S-2975/A-4548 (Sarlo, Pou/Wimberly)** - Establishes pilot program in Paterson authorizing non-disclosure of records of certain expungements
- **S-3067/A-4653 (Barnes, Turner/Diegnan, Oliver)** - Requires teachers of health and physical education in grades kindergarten through six in public schools to possess appropriate endorsement to instructional certificate
- **S-3071/A-4639 (Weinberg, Gordon/Vainieri Huttie, Garcia, 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-3201/A-3607 (Barnes, Holzapfel/Dancer, McGuckin, Rible, A.M. Bucco)** - Requires interior light of motor vehicle be turned on when stopped by law enforcement under certain circumstances
- **S-3244/A-2740 (Ruiz, Sarlo/Diegnan, Johnson, Jasey)** - Eliminates school district budget per pupil administrative cost limits
- **S-3249/A-4717 (Weinberg, Codey/Johnson, Vainieri Huttie, Eustace, Garcia)** - Requires firearm retailers to sell personalized handguns
- **S-3277/A-4764 (Cruz-Perez/Burzichelli)** - Expands municipal authority to license and inspect residential rental property
- **S-3299/A-4903 (Sweeney, Singer, Vitale/Burzichelli, Rible, Pintor Marin, Mukherji, Lagana, Vainieri Huttie)** -

Maintains property tax exemption for certain nonprofit hospitals with on-site for-profit medical providers; requires these hospitals to pay community service contributions to host municipalities; establishes Nonprofit Hospital Community Service Contribution Study Commission

- **S-3416/A-4808 (Lesniak, Sarlo/Eustace, Gusciora)** - Prohibits possession, transport, import, export, processing, sale, or shipment of parts and products of certain animal species threatened with extinction
- **SJR-77/A-JR104 (Bateman, Whelan/Ciattarelli, McKeon, Eustace)** - Permits county commissioners of registration and boards of election to conduct "Electronic Poll Book Demonstration Project" in certain districts during 2016 elections; requires Division of Elections review and approval of proposed projects
- **A-431/S-2773 (Jimenez/Singer)** - Requires clinical laboratory that provides services for accountable care organization to establish clinical laboratory testing advisory board
- **A-943/S-2967 (Singleton, Conaway, Moriarty, Green, Lampitt, Mazzeo/Van Drew)** - Permits small businesses to qualify for loans from NJEDA for costs of energy audit and making energy efficiency or conservation improvements
- **A-945/S-2402 (Singleton, Lampitt, Schaer, Wimberly, Garcia/Rice, Turner)** - Establishes New Jersey Council on Responsible Fatherhood and Responsible Fatherhood Fund
- **A-964/S-187 (Singleton, DeAngelo, Quijano, Coughlin, Moriarty/Whelan, Madden)** - Requires certain bidders for prevailing wage public work to provide proof that the prevailing wage will be paid
- **A-986/S-247 (Andrzejczak, Benson, Danielsen, Moriarty/Van Drew, Cunningham)** - Establishes telemarketing fraud investigation unit
- **A-1035/S-2040 (Benson, Rible, A.M. Bucco/Scutari, Cardinale)** - Prohibits health insurance carriers from requiring optometrists to become providers with vision care plans as condition of becoming providers in carriers' panel of providers
- **A-1039/S-2310 (Benson, Prieto, Caride, Quijano/Sacco, Greenstein)** - Sets forth certain standards to be followed by law enforcement agencies and fire departments when utilizing drones
- **A-1431/S-1501 (Caride, Singleton, Jasey/Bateman, Addiego)** - Requires State Board of Education regulations regarding school nurse certification to include certain minimum eligibility requirements
- **A-1849/S-1766 (Lampitt, Spencer/Rice)** - Prohibits State Board of Education from limiting number of certain two-year college credits that may be applied towards meeting teacher certification requirements
- **A-2026/S-3317 (Greenwald, Pintor Marin/Sweeney, Oroho)** - Realigning the transfer inheritance tax payment due date to coincide with the payment due dates for State and federal estate taxes
- **A-2583 (DeAngelo, Pintor Marin)** - Requires development of fact sheet about bedbugs to be posted on the Department of Education's website
- **A-2586/S-1796 (DeAngelo, Quijano, Benson/Greenstein)** - Establishes "Energy Infrastructure Study Commission"

- **A-2925/S-1033 (Lagana, O'Scanlon, Burzichelli, Garcia/Weinberg, Oroho, Van Drew)** - Allows modernization for the form of disbursement for certain State government and local unit payments to individuals and business entities
- **A-3460/S-2191 (Conaway, Pinkin, Sumter, Casagrande, Wimberly/Vitale, Cruz-Perez)** - Requires Medicaid coverage for diabetes self-management education, training, services, and equipment for patients diagnosed with diabetes, gestational diabetes, and pre-diabetes
- **A-3806/S-2493 (Singleton, Dancer, Mosquera, Benson/Sweeney, Weinberg)** - Establishes four-year pilot program in Ocean County for electronic monitoring of certain domestic violence offenders; designated as "Lisa's Law"; appropriates \$2.5 million
- **A-4182/S-1995 (Eustace, Sumter, Wimberly, Danielsen, Jimenez/Bateman, Smith)** - Prohibits firearm possession by persons convicted of carjacking, gang criminality, racketeering and terroristic threats
- **A-4271/S-3036 (Conaway, Benson, Pinkin, Wimberly/Vitale, Greenstein)** - Mandates health benefits coverage for opioid analgesics with abuse-deterrent properties
- **A-4343/S-2888 (Schaer, Prieto, Sumter, Danielsen, Johnson/Turner)** - Requires county and municipal police departments to establish cultural diversity training course and plan
- **A-4384/S-3145 (DeAngelo, Pintor Marin, Danielsen, Schaer, Johnson/Whelan)** - Requires BPU to render decision on case within 12 months of final public hearing or hold another public hearing prior to deciding case
- **ACS for A-4576/S-1771 (Johnson, Wimberly, Spencer, Tucker/Turner)** - Requires lowest possible price not exceeding certain cap for inmate telephone calls
- **A-4616/S-2958 (Giblin, DeAngelo, Mukherji/Sweeney)** - Extends by two months seasonal retail consumption alcoholic beverage license
- **A-4652/S-3065 (Benson/Gordon)** - Requires Public Health Counsel to promulgate rules and regulations for use of quality control programs in bio-analytical and clinical laboratories
- **A-4763/SS for SCS for S-2973 (McKeon, Spencer, Pinkin/Smith, Bateman, Greenstein, Codey)** - Revises "Electronic Waste Management Act"
- **A-4772/S-3169 (Burzichelli/Weinberg)** - Permits counties to impose one-percent hotel tax
- **A-4773/S-3146 (Eustace, Garcia, Gusciora/Lesniak)** - Prohibits possession and transport of parts and products of certain animals at PANYNJ airports and port facilities
- **A-4918/S-3301 (Gusciora, S. Kean/Sweeney, Singer)** - Clarifies stadiums and arenas owned by local government entities are exempt from property taxation
- **A-4931/S-3325 (Mazzeo/Sweeney)** - Revises "Casino Property Tax Stabilization Act"

- **NO ACTION TAKEN ON BILLS:**

- **A-3981wGR/S-2572 (Mazzeo, Burzichelli, Andrzejczak/Sweeney, Whelan)** - "Casino Property Taxation Stabilization Act"

- **A-3984wGR/S-2575 (Mazzeo, Burzichelli, Giblin/Sweeney, Whelan)** - Reallocates casino investment alternative tax to Atlantic City to pay debt service on municipal bonds issued

- **A-3985wGR/S-2576 (Mazzeo, Burzichelli, Andrzejczak, Giblin/Sweeney, Whelan)** - Removes provisions of law relating to Atlantic City Alliance

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