

34:1B-209
LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2020 **CHAPTER:** 138

NJSA: 34:1B-209 (Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.)

BILL NO: S3046 (Substituted for A4875)

SPONSOR(S) M. Teresa Ruiz and others

DATE INTRODUCED: 10/19/2020

COMMITTEE: **ASSEMBLY:** ---

SENATE: Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 12/17/2020

SENATE: 12/17/2020

DATE OF APPROVAL: 12/23/2020

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

S3046

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 10/26/2020
11/30/2020

A4875

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

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

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

Also of possible interest:

Committee meeting of Assembly Commerce and Economic Development Committee: Assembly bills 5343 and 4730 [June 13, 2019, Trenton, New Jersey]

Call number: 974.90 E19, 2019c

Available online at <https://dspace.njstatelib.org/handle/10929/54801>

Committee meeting of Senate Select Committee on Economic Growth Strategies: the Select Committee will take testimony from invited guests concerning the Grow NJ program and the Economic Redevelopment and Growth grant program

July 29, 2019, Trenton, New Jersey]

Call number: 974.90 A278, 2019

Available online at <https://dspace.njstatelib.org/handle/10929/55600>

Committee meeting of Senate Select Committee on Economic Growth Strategies: the Select Committee will take testimony from invited guests concerning tax incentive program best practices and oversight of the Grow NJ program and the Economic Redevelopment and Growth Grant program

[September 5, 2019, Trenton, New Jersey]

Call number: 974.90 E19, 2019e

Available online at <https://dspace.njstatelib.org/handle/10929/55776>

Committee meeting of Senate Select Committee on Economic Growth Strategies: the Select Committee will take testimony from invited representatives of businesses directly impacted by New Jersey Economic Development Authority tax incentives and experts in economic development; invited guests will testify concerning the impact of delayed tax incentive awards, the expiration of existing tax incentive programs, and the overall impact of tax incentives on the economy

[September 23, 2019, Trenton, New Jersey]

Call number: 974.90 E19, 2019f

Available online at <https://dspace.njstatelib.org/handle/10929/56110>

Committee meeting of Senate Select Committee on Economic Growth Strategies: the Select Committee will take testimony from invited guests directly impacted by the New Jersey Economic Development Authority tax incentives [November 18, 2019, Trenton, New Jersey]

Call number: 974.90 E19, 2019h

Available online at <https://dspace.njstatelib.org/handle/10929/56366>

Rwh/cl

P.L. 2020, CHAPTER 138, *approved December 23, 2020*

Senate, No. 3046 (*First Reprint*)

1 **AN ACT** extending certain document submission deadlines for
2 business tax credit programs, and amending P.L.2007, c.346 and
3 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.2007, c.346 (C.34:1B-209) is amended to
9 read as follows:

10 3. a. (1) A business, upon application to and approval from
11 the authority, shall be allowed a credit of 100 percent of its capital
12 investment, made after the effective date of P.L.2007, c.346
13 (C.34:1B-207 et seq.) but prior to its submission of documentation
14 pursuant to subsection c. of this section, in a qualified business
15 facility within an eligible municipality, pursuant to the restrictions
16 and requirements of this section. To be eligible for any tax credits
17 authorized under this section, a business shall demonstrate to the
18 authority, at the time of application, that the State's financial
19 support of the proposed capital investment in a qualified business
20 facility will yield a net positive benefit to both the State and the
21 eligible municipality. The value of all credits approved by the
22 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall
23 not exceed \$1,750,000,000, except as may be increased by the
24 authority as set forth in paragraph (5) of subsection a. of section 35
25 of P.L.2009, c.90 (C.34:1B-209.3) and section 6 of P.L.2010, c.57
26 (C.34:1B-209.4).

27 (2) A business, other than a tenant eligible pursuant to
28 paragraph (3) of this subsection, shall make or acquire capital
29 investments totaling not less than \$50,000,000 in a qualified
30 business facility, at which the business shall employ not fewer than
31 250 full-time employees to be eligible for a credit under this
32 section. A business that acquires a qualified business facility shall
33 also be deemed to have acquired the capital investment made or
34 acquired by the seller.

35 (3) A business that is a tenant in a qualified business facility, the
36 owner of which has made or acquired capital investments in the
37 facility totaling not less than \$50,000,000, shall occupy a leased
38 area of the qualified business facility that represents at least
39 \$17,500,000 of the capital investment in the facility at which the
40 tenant business and up to two other tenants in the qualified business
41 facility shall employ not fewer than 250 full-time employees in the
42 aggregate to be eligible for a credit under this section. The amount

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 amendments adopted in accordance with Governor's recommendations November 16, 2020.

1 of capital investment in a facility that a leased area represents shall
2 be equal to that percentage of the owner's total capital investment in
3 the facility that the percentage of net leasable area leased by the
4 tenant is of the total net leasable area of the qualified business
5 facility. Capital investments made by a tenant shall be deemed to
6 be included in the calculation of the capital investment made or
7 acquired by the owner, but only to the extent necessary to meet the
8 owner's minimum capital investment of \$50,000,000. Capital
9 investments made by a tenant and not allocated to meet the owner's
10 minimum capital investment threshold of \$50,000,000 shall be
11 added to the amount of capital investment represented by the
12 tenant's leased area in the qualified business facility.

13 (4) A business shall not be allowed tax credits under this section
14 if the business participates in a business employment incentive
15 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.),
16 relating to the same capital and employees that qualify the business
17 for this credit, or if the business receives assistance pursuant to
18 P.L.1996, c.25 (C.34:1B-112 et seq.). A business that is allowed a
19 tax credit under this section shall not be eligible for incentives
20 authorized pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A
21 business shall not qualify for a tax credit under this section, based
22 upon its capital investment and the employment of full-time
23 employees, if that capital investment or employment was the basis
24 for which a grant was provided to the business pursuant to the
25 "InvestNJ Business Grant Program Act," P.L.2008, c.112 (C.34:1B-
26 237 et seq.).

27 (5) Full-time employment for an accounting or a privilege
28 period shall be determined as the average of the monthly full-time
29 employment for the period.

30 (6) The capital investment of the owner of a qualified business
31 facility is that percentage of the capital investment made or
32 acquired by the owner of the building that the percentage of net
33 leasable area of the qualified business facility not leased to tenants
34 is of the total net leasable area of the qualified business facility.

35 (7) A business shall be allowed a tax credit of 100 percent of its
36 capital investment, made after the effective date of P.L.2011, c.89
37 but prior to its submission of documentation pursuant to subsection
38 c. of this section, in a qualified business facility that is part of a
39 mixed use project, provided that (a) the qualified business facility
40 represents at least \$17,500,000 of the total capital investment in the
41 mixed use project, (b) the business employs not fewer than 250 full-
42 time employees in the qualified business facility, and (c) the total
43 capital investment in the mixed use project of which the qualified
44 business facility is a part is not less than \$50,000,000. The
45 allowance of credits under this paragraph shall be subject to the
46 restrictions and requirements, to the extent that those are not
47 inconsistent with the provisions of this paragraph, set forth in
48 paragraphs (1) through (6) of this subsection, including, but not

1 limited to, the requirement that the business shall demonstrate to the
2 authority, at the time of application, that the State's financial
3 support of the proposed capital investment in a qualified business
4 facility will yield a net positive benefit to both the State and the
5 eligible municipality.

6 (8) In determining whether a proposed capital investment will
7 yield a net positive benefit, the authority shall not consider the
8 transfer of an existing job from one location in the State to another
9 location in the State as the creation of a new job, unless (a) the
10 business proposes to transfer existing jobs to a municipality in the
11 State as part of a consolidation of business operations from two or
12 more other locations that are not in the same municipality whether
13 in-State or out-of-State, or (b) the business's chief executive officer,
14 or equivalent officer, submits a certification to the authority
15 indicating that the existing jobs are at risk of leaving the State and
16 that the business's chief executive officer, or equivalent officer, has
17 reviewed the information submitted to the authority and that the
18 representations contained therein are accurate, and the business
19 intends to employ not fewer than 500 full-time employees in the
20 qualified business facility. In the event that this certification by the
21 business's chief executive officer, or equivalent officer, is found to
22 be willfully false, the authority may revoke any award of tax credits
23 in their entirety, which revocation shall be in addition to any other
24 criminal or civil penalties that the business and the officer may be
25 subject to. When considering an application involving intra-State
26 job transfers, the authority shall require the company to submit the
27 following information as part of its application: a full economic
28 analysis of all locations under consideration by the company; all
29 lease agreements, ownership documents, or substantially similar
30 documentation for the business's current in-State locations; and all
31 lease agreements, ownership documents, or substantially similar
32 documentation for the potential out-of-State location alternatives, to
33 the extent they exist. Based on this information, and any other
34 information deemed relevant by the authority, the authority shall
35 independently verify and confirm, by way of making a factual
36 finding by separate vote of the authority's board, the business's
37 assertion that the jobs are actually at risk of leaving the State,
38 before a business may be awarded any tax credits under this section.

39 b. (1) If applications under this section have been received by
40 the authority prior to the effective date of the "New Jersey
41 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
42 489p et al.), then, to the extent that there remains sufficient
43 financial authorization for the award of a tax credit, the authority is
44 authorized to consider those applications and to make awards of tax
45 credits to eligible applicants, provided that the authority shall take
46 final action on those applications no later than December 31, 2013.

47 (2) A business shall apply for the credit under this section prior
48 to the effective date of the "New Jersey Economic Opportunity Act

1 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
2 its documentation for approval of its credit amount no later than
3 **【April 26, 2021】** December 31, 2023.

4 (3) If a business has submitted an application under this section
5 and that application has not been approved for any reason, the lack
6 of approval shall not serve to prejudice in any way the
7 consideration of a new application as may be submitted for the
8 qualified business facility for the provision of incentives offered
9 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
10 P.L.2013, c.161 (C.52:27D-489p et al.).

11 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
12 207 et seq.) for applications submitted to and approved by the
13 authority prior to the effective date of the "New Jersey Economic
14 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
15 shall be administered by the authority in the manner established
16 prior to that date.

17 (5) With respect to an application received by the authority prior
18 to the effective date of the "New Jersey Economic Opportunity Act
19 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
20 business facility that is located on or adjacent to the campus of an
21 acute care medical facility, (a) the minimum number of full-time
22 employees required for eligibility under the program may be
23 employed by any number of tenants or other occupants of the
24 facility, in the aggregate, and the initial satisfaction of the
25 requirement following completion of the project shall be deemed to
26 satisfy the employment requirements of the program in all respects,
27 and (b) if the capital investment in the facility exceeds
28 \$100,000,000, the determination of the net positive benefit yield
29 shall be based on the benefits generated during a period of up to 30
30 years following the completion of the project, as determined by the
31 authority.

32 c. (1) The amount of credit allowed shall, except as otherwise
33 provided, be equal to the capital investment made by the business,
34 or the capital investment represented by the business's leased area,
35 or area owned by the business as a condominium, and shall be taken
36 over a 10-year period, at the rate of one-tenth of the total amount of
37 the business's credit for each tax accounting or privilege period of
38 the business, beginning with the tax period in which the business is
39 first certified by the authority as having met the investment capital
40 and employment qualifications, subject to any reduction or
41 disqualification as provided by subsection d. of this section as
42 determined by annual review by the authority. In conducting its
43 annual review, the authority may require a business to submit any
44 information determined by the authority to be necessary and
45 relevant to its review.

46 The credit amount for any tax period ending after **【July 28,**
47 **2021】** December 31, 2023 during which the documentation of a
48 business's credit amount remains uncertified shall be forfeited,

1 although credit amounts for the remainder of the years of the 10-
2 year credit period shall remain available to it.

3 The credit amount that may be taken for a tax period of the
4 business that exceeds the final liabilities of the business for the tax
5 period may be carried forward for use by the business in the next 20
6 successive tax periods, and shall expire thereafter, provided that the
7 value of all credits approved by the authority against tax liabilities
8 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
9 shall not exceed \$260,000,000.

10 The amount of credit allowed for a tax period to a business that
11 is a tenant in a qualified business facility shall not exceed the
12 business's total lease payments for occupancy of the qualified
13 business facility for the tax period.

14 (2) A business that is a partnership shall not be allowed a credit
15 under this section directly, but the amount of credit of an owner of a
16 business shall be determined by allocating to each owner of the
17 partnership that proportion of the credit of the business that is equal
18 to the owner of the partnership's share, whether or not distributed,
19 of the total distributive income or gain of the partnership for its tax
20 period ending within or at the end of the owner's tax period, or that
21 proportion that is allocated by an agreement, if any, among the
22 owners of the partnership that has been provided to the Director of
23 the Division of Taxation in the Department of the Treasury by the
24 time and accompanied by the additional information as the director
25 may require.

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

31 d. (1) If, in any tax period, fewer than 200 full-time employees
32 of the business at the qualified business facility are employed in
33 new full-time positions, the amount of the credit otherwise
34 determined pursuant to final calculation of the award of tax credits
35 pursuant to subsection c. of this section shall be reduced by 20
36 percent for that tax period and each subsequent tax period until the
37 first period for which documentation demonstrating the restoration
38 of the 200 full-time employees employed in new full-time positions
39 at the qualified business facility has been reviewed and approved by
40 the authority, for which tax period and each subsequent tax period
41 the full amount of the credit shall be allowed; provided, however,
42 that for businesses applying before January 1, 2010, there shall be
43 no reduction if a business relocates to an urban transit hub from
44 another location or other locations in the same municipality. For
45 the purposes of this paragraph, a "new full-time position" means a
46 position created by the business at the qualified business facility
47 that did not previously exist in this State.

1 (2) If, in any tax period, the business reduces the total number
2 of full-time employees in its Statewide workforce by more than 20
3 percent from the number of full-time employees in its Statewide
4 workforce in the last tax accounting or privilege period prior to the
5 credit amount approval under subsection a. of this section, then the
6 business shall forfeit its credit amount for that tax period and each
7 subsequent tax period, until the first tax period for which
8 documentation demonstrating the restoration of the business's
9 Statewide workforce to the threshold levels required by this
10 paragraph has been reviewed and approved by the authority, for
11 which tax period and each subsequent tax period the full amount of
12 the credit shall be allowed.

13 (3) If, in any tax period, (a) the number of full-time employees
14 employed by the business at the qualified business facility located
15 in an urban transit hub within an eligible municipality drops below
16 250, or (b) the number of full-time employees, who are not the
17 subject of intra-State job transfers, pursuant to paragraph (8) of
18 subsection a. of this section, employed by the business at any other
19 business facility in the State, whether or not located in an urban
20 transit hub within an eligible municipality, drops by more than 20
21 percent from the number of full-time employees in its workforce in
22 the last tax accounting or privilege period prior to the credit amount
23 approval under this section, then the business shall forfeit its credit
24 amount for that tax period and each subsequent tax period, until the
25 first tax period for which documentation demonstrating the
26 restoration of the number of full-time employees employed by the
27 business at the qualified business facility to 250 or an increase
28 above the 20 percent reduction has been reviewed and approved by
29 the authority, for which tax period and each subsequent tax period
30 the full amount of the credit shall be allowed.

31 (4) (i) If the qualified business facility is sold in whole or in
32 part during the 10-year eligibility period, the new owner shall not
33 acquire the capital investment of the seller and the seller shall
34 forfeit all credits for the tax period in which the sale occurs and all
35 subsequent tax periods; provided, however, that any credits of
36 tenants shall remain unaffected.

37 (ii) If a tenant subleases its tenancy in whole or in part during
38 the 10-year eligibility period, the new tenant shall not acquire the
39 credit of the sublessor, and the sublessor tenant shall forfeit all
40 credits for the tax period of its sublease and all subsequent tax
41 periods.

42 e. (1) The Executive Director of the New Jersey Economic
43 Development Authority, in consultation with the Director of the
44 Division of Taxation in the Department of the Treasury, shall adopt
45 rules in accordance with the "Administrative Procedure Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
47 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
48 examples of and the determination of capital investment; the

1 enumeration of eligible municipalities; specific delineation of urban
2 transit hubs; the determination of the limits, if any, on the expense
3 or type of furnishings that may constitute capital improvements; the
4 promulgation of procedures and forms necessary to apply for a
5 credit, including the enumeration of the certification procedures and
6 allocation of tax credits for different phases of a qualified business
7 facility or mixed use project; and provisions for credit applicants to
8 be charged an initial application fee, and ongoing service fees, to
9 cover the administrative costs related to the credit.

10 (2) Through regulation, the authority shall establish standards
11 based on the green building manual prepared by the Commissioner
12 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
13 (C.52:27D-130.6), regarding the use of renewable energy, energy-
14 efficient technology, and non-renewable resources in order to
15 reduce environmental degradation and encourage long-term cost
16 reduction.

17 (cf: P.L.2017, c.314, s.1)

18

19 2. Section 35 of P.L.2009, c.90 (C.34:1B-209.3) is amended to
20 read as follows:

21 35. a. (1) A developer, upon application to and approval from
22 the authority, shall be allowed a credit of up to 35 percent of its
23 capital investment, or up to 40 percent for a project located in a
24 Garden State Growth Zone, made after the effective date of
25 P.L.2009, c.90 (C.52:27D-489a et al.) but prior to its submission of
26 documentation pursuant to subsection c. of this section, in a
27 qualified residential project, pursuant to the restrictions and
28 requirements of this section. To be eligible for any tax credits
29 authorized under this section, a developer shall demonstrate to the
30 authority, through a project pro forma analysis at the time of
31 application, that the qualified residential project is likely to be
32 realized with the provision of tax credits at the level requested, but
33 is not likely to be accomplished by private enterprise without the
34 tax credits. The value of all credits approved by the authority
35 pursuant to this section for qualified residential projects may be up
36 to \$150,000,000, except as may be increased by the authority as set
37 forth below and as set forth in paragraph (5) of this subsection;
38 provided; however, that the combined value of all credits approved
39 by the authority pursuant to section 3 of P.L.2007, c.346 [(C.34:1B-
40 207)] (C.34:1B-209) and this section shall not exceed
41 \$1,750,000,000, except as may be increased by the authority as set
42 forth in paragraph (5) of this subsection. The authority shall
43 monitor application and allocation activity under P.L.2007, c.346
44 (C.34:1B-207 et seq.), and if sufficient credits are available after
45 taking into account allocation under P.L.2007, c.346 (C.34:1B-207
46 et seq.) to those qualified business facilities for which applications
47 have been filed or for which applications are reasonably anticipated,
48 and if the executive director judges certain qualified residential

1 projects to be meritorious, the aforementioned \$150,000,000 cap
2 may, in the discretion of the executive director, from time to time,
3 be exceeded for allocation to qualified residential projects in
4 amounts as the executive director deems reasonable, justified, and
5 appropriate. In allocating all credits to qualified residential projects
6 under this section, the executive director shall take into account,
7 together with other factors deemed relevant by the executive
8 director: input from the municipality in which the project is to be
9 located; whether the project contributes to the recovery of areas
10 affected by Hurricane Sandy; whether the project furthers specific
11 State or municipal planning and development objectives, or both;
12 and whether the project furthers a public purpose, such as
13 catalyzing urban development or maximizing the value of vacant,
14 dilapidated, outmoded, government-owned, or underutilized
15 property, or both.

16 (2) A developer shall make or acquire capital investments
17 totaling not less than \$50,000,000 in a qualified residential project
18 to be eligible for a credit under this section. A developer that
19 acquires a qualified residential project shall also be deemed to have
20 acquired the capital investment made or acquired by the seller.

21 (3) The capital investment requirement may be met by the
22 developer or by one or more of its affiliates.

23 (4) A developer of a mixed use project shall be allowed a credit
24 pursuant to subparagraph (a) or (b) of this paragraph, but not both.

25 (a) A developer shall be allowed a credit in accordance with this
26 section for a qualified residential project that includes a mixed use
27 project.

28 (b) A developer shall be allowed a credit of up to 35 percent of
29 its capital investment, or up to 40 percent for a project located in a
30 Garden State Growth Zone, made after the effective date of
31 P.L.2011, c.89, but prior to its submission of documentation
32 pursuant to subsection c. of this section, in a qualified residential
33 project that is part of a mixed use project, provided that:

34 (i) the capital investment in the qualified residential project
35 represents at least \$17,500,000 of the total capital investment in the
36 mixed use project; and

37 (ii) the total capital investment in the mixed use project of which
38 the qualified residential project is a part is not less than
39 \$50,000,000.

40 The allowance of credits under this paragraph shall be subject to
41 the restrictions and requirements, to the extent that those are not
42 inconsistent with the provisions of this paragraph, set forth in
43 paragraphs (1) through (3) of this subsection, including, but not
44 limited to, the requirement prescribed in paragraph (1) of this
45 subsection that the developer shall demonstrate to the authority,
46 through a project pro forma analysis at the time of application, that
47 the qualified residential project is likely to be realized with the

1 provision of tax credits at the level requested but is not likely to be
2 accomplished by private enterprise without the tax credits.

3 As used in this subparagraph:

4 "Mixed use project" means a project comprising both a qualified
5 residential project and a qualified business facility.

6 (5) The authority may approve and allocate credits for qualified
7 residential projects in a value sufficient to meet the requirements of
8 all applications that were received by the authority between October
9 24, 2012 and December 21, 2012, without regard to the terms of
10 any competitive solicitation, except for the \$33,000,000 per project
11 cap, and without need for reapplication by any applicant. The
12 authority shall take final action on those applications prior to the
13 120th day after the date of enactment of the "New Jersey Economic
14 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

15 b. (1) A developer shall apply for the credit under this section
16 on or prior to December 21, 2012 but may thereafter supplement an
17 application as may be requested by the authority. A developer shall
18 submit its documentation for approval of its credit amount no later
19 than **[April 26, 2021]** December 31, 2023.

20 (2) If a developer has submitted an application under this
21 section and the application has not been approved for any reason,
22 the lack of approval shall not serve to prejudice in any way the
23 consideration of a new application as may be submitted for the
24 project for the provision of incentives offered pursuant to the "New
25 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
26 (C.52:27D-489p et al.).

27 c. The credit shall be administered in accordance with the
28 provisions of subsections c. and e. of section 3 of P.L.2007, c.346
29 (C.34:1B-209), as amended by section 32 of P.L.2009, c.90, and
30 section 33 of P.L.2009, c.90 (C.34:1B-209.1), except that:

31 (1) all references therein to "business" and "qualified business
32 facility" shall be deemed to refer respectively to "developer" and
33 "qualified residential project," as those terms are defined in section
34 34 of P.L.2009, c.90 (C.34:1B-209.2); and

35 (2) all references therein to credits claimed by tenants and to
36 reductions or disqualifications in credits as determined by annual
37 review of the authority shall be disregarded.

38 For purposes of a "mixed use project" as that term is used and
39 defined pursuant to subparagraph (b) of paragraph (4) of subsection
40 a. of this section, "qualified business facility" means that term as
41 defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208).

42 (cf: P.L.2017, c.314, s.2)

43

44 ¹3. Section 5 of P.L.2009, c.90 (C.52:27D-489e) is amended to
45 read as follows:

46 5. a. The New Jersey Economic Development Authority, in
47 consultation with the State Treasurer, shall establish an Economic
48 Redevelopment and Growth Grant program for the purpose of

1 encouraging redevelopment projects in qualifying economic
2 redevelopment and growth grant incentive areas that do not qualify
3 as such areas solely by virtue of being a transit village, through the
4 provision of incentive grants to reimburse developers for certain
5 project financing gap costs.

6 b. (1) A developer shall submit an application for a State
7 incentive grant prior to July 1, 2019; provided, however, a
8 developer of a qualified residential project or a mixed use parking
9 project seeking an award of credits toward the funding of its
10 incentive grant for a project restricted under part (viii) of
11 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
12 P.L.2009, c.90 (C.52:27D-489f) shall submit an incentive grant
13 application prior to December 31, 2021. A developer that submits
14 an application for a State incentive grant shall indicate on the
15 application whether it is also applying for a local incentive grant.

16 (2) When an applicant indicates it is also applying for a local
17 incentive grant, the authority shall forward a copy of the application
18 to the municipality wherein the redevelopment project is to be
19 located for approval by municipal ordinance.

20 c. An application for a State incentive grant shall be reviewed
21 and approved by the authority. The authority shall not approve an
22 application for a State incentive grant unless the application was
23 submitted prior to July 1, 2019; provided, however, the authority
24 shall not approve an application for a State incentive grant by a
25 developer of a qualified residential project or a mixed use parking
26 project seeking an award of credits toward the funding of its
27 incentive grant for a project restricted under part (viii) of
28 subparagraph (b) of paragraph (3) of subsection b. of section 6 of
29 P.L.2009, c.90 (C.52:27D-489f) unless the application was
30 submitted prior to December 31, 2021.

31 d. A developer shall not be required to purchase pinelands
32 development credits under the "Pinelands Protection Act,"
33 P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive
34 management plan, or any other rule or regulation adopted pursuant
35 to that act in connection with any approval or relief obtained related
36 to a redevelopment project located in an aviation district on or after
37 the effective date of P.L.2018, c.120, except if seeking to develop in
38 permanently protected open space pursuant to the Pinelands
39 Protection Act. The provisions of this subsection shall not apply to
40 a developer of a qualified residential project.¹

41 (cf: 2018, c.120, s.6)

42

43 ¹**[3.] 4.**¹ Section 6 of P.L.2009, c.90 (C.52:27D-489f) is
44 amended to read as follows:

45 6. a. Up to the limits established in subsection b. of this section
46 and in accordance with a redevelopment incentive grant agreement,
47 beginning upon the receipt of occupancy permits for any portion of the
48 redevelopment project, or upon any other event evidencing project

1 completion as set forth in the incentive grant agreement, the State
2 Treasurer shall pay to the developer incremental State revenues
3 directly realized from businesses operating at the site of the
4 redevelopment project from the following taxes: the Corporation
5 Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.), the tax
6 imposed on marine insurance companies pursuant to R.S.54:16-1 et
7 seq., the tax imposed on insurers generally, pursuant to P.L.1945,
8 c.132 (C.54:18A-1 et seq.), the public utility franchise tax, public
9 utilities gross receipts tax and public utility excise tax imposed on
10 sewerage and water corporations pursuant to P.L.1940, c.5 (C.54:30A-
11 49 et seq.), those tariffs and charges imposed by electric, natural gas,
12 telecommunications, water and sewage utilities, and cable television
13 companies under the jurisdiction of the New Jersey Board of Public
14 Utilities, or comparable entity, except for those tariffs, fees, or taxes
15 related to societal benefits charges assessed pursuant to section 12 of
16 P.L.1999, c.23 (C.48:3-60), any charges paid for compliance with the
17 "Global Warming Response Act," P.L.2007, c.112 (C.26:2C-37 et
18 seq.), transitional energy facility assessment unit taxes paid pursuant to
19 section 67 of P.L.1997, c.162 (C.48:2-21.34), and the sales and use
20 taxes on public utility and cable television services and commodities,
21 the tax derived from net profits from business, a distributive share of
22 partnership income, or a pro rata share of S corporation income under
23 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., the
24 tax derived from a business at the site of a redevelopment project that
25 is required to collect the tax pursuant to the "Sales and Use Tax Act,"
26 P.L.1966, c.30 (C.54:32B-1 et seq.), the tax imposed pursuant to
27 P.L.1966, c.30 (C.54:32B-1 et seq.) from the purchase of furniture,
28 fixtures and equipment, or materials for the remediation, the
29 construction of new structures at the site of a redevelopment project,
30 the hotel and motel occupancy fee imposed pursuant to section 1 of
31 P.L.2003, c.114 (C.54:32D-1), or the portion of the fee imposed
32 pursuant to section 3 of P.L.1968, c.49 (C.46:15-7) derived from the
33 sale of real property at the site of the redevelopment project and paid
34 to the State Treasurer for use by the State, that is not credited to the
35 "Shore Protection Fund" or the "Neighborhood Preservation
36 Nonlapsing Revolving Fund" ("New Jersey Affordable Housing Trust
37 Fund") pursuant to section 4 of P.L.1968, c.49 (C.46:15-8). Any
38 developer shall be allowed to assign their ability to apply for the tax
39 credit under this subsection to a non-profit organization with a mission
40 dedicated to attracting investment and completing development and
41 redevelopment projects in a Garden State Growth Zone. The non-
42 profit organization may make an application on behalf of a developer
43 which meets the requirements for the tax credit, or a group of non-
44 qualifying developers, such that these will be considered a unified
45 project for the purposes of the incentives provided under this section.
46 b. (1) Up to an average of 75 percent of the projected annual
47 incremental revenues or 85 percent of the projected annual incremental

1 revenues in a Garden State Growth Zone may be pledged towards the
2 State portion of an incentive grant.

3 (2) In the case of a qualified residential project or a project
4 involving university infrastructure, if the authority determines that the
5 estimated amount of incremental revenues pledged towards the State
6 portion of an incentive grant is inadequate to fully fund the amount of
7 the State portion of the incentive grant, then in lieu of an incentive
8 grant based on the incremental revenues, the developer shall be
9 awarded tax credits equal to the full amount of the incentive grant.

10 (3) In the case of a mixed use parking project, if the authority
11 determines that the estimated amount of incremental revenues pledged
12 towards the State portion of an incentive grant is inadequate to fully
13 fund the amount of the State portion of the incentive grant, then, in
14 lieu of an incentive grant based on the incremental revenues, the
15 developer shall be awarded tax credits equal to the full amount of the
16 incentive grant.

17 The value of all credits approved by the authority pursuant to
18 paragraphs (2) and (3) of this subsection shall not exceed
19 ~~1~~ **1** ~~[\$823,000,000]~~ \$843,000,000¹, of which:

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

33 (b) \$395,000,000 shall be restricted to the following categories of
34 projects: (i) qualified residential projects located in urban transit hubs
35 that are commuter rail in nature that otherwise do not qualify under
36 subparagraph (a) of this paragraph; (ii) qualified residential projects
37 located in Garden State Growth Zones that do not qualify under
38 subparagraph (a) of this paragraph; (iii) mixed use parking projects
39 located in urban transit hubs or Garden State Growth Zones that do not
40 qualify under subparagraph (a) of this paragraph, provided however,
41 an urban transit hub shall be allocated no more than \$25,000,000 for
42 mixed use parking projects; (iv) qualified residential projects which
43 are disaster recovery projects that otherwise do not qualify under
44 subparagraph (a) of this paragraph; (v) qualified residential projects in
45 SDA municipalities located in Hudson County that were awarded State
46 Aid in State Fiscal Year 2013 through the Transitional Aid to
47 Localities program and otherwise do not qualify under subparagraph
48 (a) of this paragraph; (vi) \$25,000,000 of credits shall be restricted to

1 mixed use parking projects in Garden State Growth Zones which have
2 a population in excess of 125,000 and do not qualify under
3 subparagraph (a) of this paragraph; (vii) \$40,000,000 of credits shall
4 be restricted to qualified residential projects that include a theater
5 venue for the performing arts and do not qualify under subparagraph
6 (a) of this paragraph, which projects are located in a municipality with
7 a population of less than 100,000 according to the latest federal
8 decennial census, and within which municipality is located an urban
9 transit hub and a campus of a public research university, as defined in
10 section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
11 ¹~~[\$105,000,000]~~ \$125,000,000¹ of credits shall be restricted to
12 qualified residential projects and mixed use parking projects in Garden
13 State Growth Zones having a population in excess of 125,000 and do
14 not qualify under subparagraph (a) of this paragraph;

15 (c) \$87,000,000 shall be restricted to the following categories of
16 projects: (i) qualified residential projects located in distressed
17 municipalities, deep poverty pockets, highlands development credit
18 receiving areas or redevelopment areas, otherwise not qualifying
19 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
20 use parking projects that do not qualify under subparagraph (a) or (b)
21 of this paragraph, and which are used by an independent institution of
22 higher education, a school of medicine, a nonprofit hospital system, or
23 any combination thereof; provided, however, that \$20,000,000 of the
24 \$87,000,000 shall be allocated to mixed use parking projects that do
25 not qualify under subparagraph (a) or (b) of this paragraph;

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

30 (ii) an additional \$50,000,000 shall be restricted to qualified
31 residential projects which, as of the effective date of P.L.2016, c.51,
32 are located in a city of the first class with a population in excess of
33 270,000, are subject to a Renewal Contract for a Section 8 Mark-Up-
34 To-Market Project from the United States Department of Housing and
35 Urban Development, and for which an application for the award of tax
36 credits under this subsection was submitted prior to January 1, 2016;
37 and

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

40 (f) For subparagraphs (a) through (d) of this paragraph, not more
41 than \$40,000,000 of credits shall be awarded to any qualified
42 residential project in a deep poverty pocket or distressed municipality
43 and not more than \$20,000,000 of credits shall be awarded to any other
44 qualified residential project. The developer of a qualified residential
45 project seeking an award of credits towards the funding of its incentive
46 grant shall submit an incentive grant application prior to July 1, 2016
47 and if approved after September 18, 2013, the effective date of
48 P.L.2013, c.161 (C.52:27D-489p et al.) shall submit a temporary

1 certificate of occupancy for the project no later than **July 28, 2021**
2 December 31, 2023. The developer of a mixed use parking project
3 seeking an award of credits towards the funding of its incentive grant
4 pursuant to subparagraph (c) of this paragraph and if approved after
5 the effective date of P.L.2015, c.217, shall submit a temporary
6 certificate of occupancy for the project no later than **July 28, 2021**
7 December 31, 2023. The developer of a qualified residential project or
8 a mixed use parking project seeking an award of credits toward the
9 funding of its incentive grant for a project restricted under categories
10 (vi) and (viii) of subparagraph (b) of this paragraph shall submit an
11 incentive grant application prior to July 1, 2019 ¹or, in the case of a
12 project restricted under part (viii) of subparagraph (b) of this
13 paragraph, December 31, 2021¹, and if approved after the effective
14 date of P.L.2017, c.59, shall submit a temporary certificate of
15 occupancy for the project no later than **July 28, 2022** December 31,
16 2023 provided that the municipality in which the project is located
17 shall have submitted to the chief executive officer of the authority a
18 letter of support identifying up to six projects prior to July 1, 2018.
19 The letter of support is to contain a project scope for each of the
20 projects and may be supplemented ¹or amended¹ from time to time
21 until July 1, 2019 ¹or, in the case of a project restricted under part
22 (viii) of subparagraph (b) of this paragraph, December 31, 2021¹.
23 Applications for tax credits pursuant to this subsection relating to an
24 ancillary infrastructure project or infrastructure improvement in the
25 public right-of-way, or both, shall be accompanied with a letter of
26 support relating to the project or improvement by the governing body
27 or agency in which the project is located. Credits awarded to a
28 developer pursuant to this subsection shall be subject to the same
29 financial and related analysis by the authority, the same term of the
30 grant, and the same mechanism for administering the credits, and shall
31 be utilized or transferred by the developer as if the credits had been
32 awarded to the developer pursuant to section 35 of P.L.2009, c.90
33 (C.34:1B-209.3) for qualified residential projects thereunder. No
34 portion of the revenues pledged pursuant to the "New Jersey Economic
35 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.)
36 shall be subject to withholding or retainage for adjustment, in the event
37 the developer or taxpayer waives its rights to claim a refund thereof.

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

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

15 c. All administrative costs associated with the incentive grant
16 shall be assessed to the applicant and be retained by the State
17 Treasurer from the annual incentive grant payments.

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

23 e. The municipality is authorized to collect any information
24 necessary to facilitate grants under this program and remit that
25 information in order to assist in the calculation of incremental revenue.
26 (cf: P.L.2018, c.44, s.2)

27

28 ¹**[4.] 5.**¹ This act shall take effect immediately.

29

30

31

32

33 Extends certain document submission deadlines for Urban
34 Transit Hub Tax Credit program and Economic Redevelopment and
35 Growth Grant Program.

SENATE, No. 3046

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator NELLIE POU

District 35 (Bergen and Passaic)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

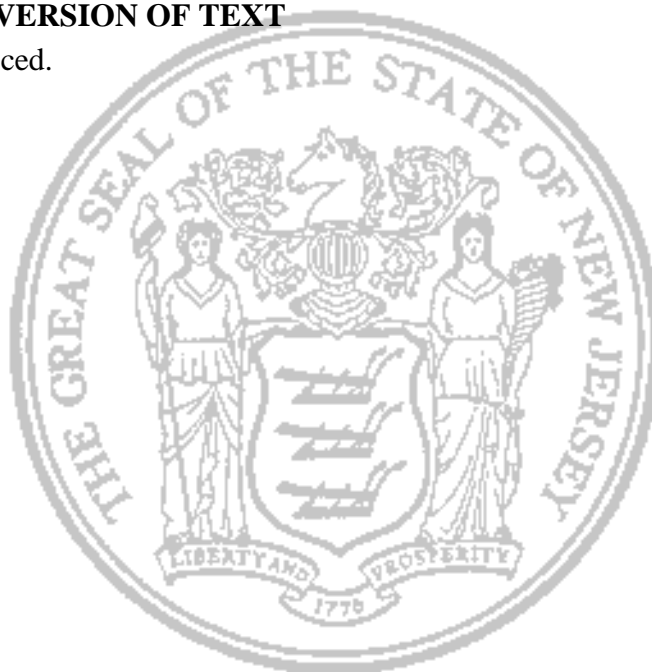
District 35 (Bergen and Passaic)

SYNOPSIS

Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/29/2020)

1 AN ACT extending certain document submission deadlines for
2 business tax credit programs, and amending P.L.2007, c.346 and
3 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.2007, c.346 (C.34:1B-209) is amended to
9 read as follows:

10 3. a. (1) A business, upon application to and approval from the
11 authority, shall be allowed a credit of 100 percent of its capital
12 investment, made after the effective date of P.L.2007, c.346
13 (C.34:1B-207 et seq.) but prior to its submission of documentation
14 pursuant to subsection c. of this section, in a qualified business
15 facility within an eligible municipality, pursuant to the restrictions
16 and requirements of this section. To be eligible for any tax credits
17 authorized under this section, a business shall demonstrate to the
18 authority, at the time of application, that the State's financial support
19 of the proposed capital investment in a qualified business facility will
20 yield a net positive benefit to both the State and the eligible
21 municipality. The value of all credits approved by the authority
22 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall not exceed
23 \$1,750,000,000, except as may be increased by the authority as set
24 forth in paragraph (5) of subsection a. of section 35 of P.L.2009, c.90
25 (C.34:1B-209.3) and section 6 of P.L.2010, c.57 (C.34:1B-209.4).

26 (2) A business, other than a tenant eligible pursuant to paragraph
27 (3) of this subsection, shall make or acquire capital investments
28 totaling not less than \$50,000,000 in a qualified business facility, at
29 which the business shall employ not fewer than 250 full-time
30 employees to be eligible for a credit under this section. A business
31 that acquires a qualified business facility shall also be deemed to have
32 acquired the capital investment made or acquired by the seller.

33 (3) A business that is a tenant in a qualified business facility, the
34 owner of which has made or acquired capital investments in the
35 facility totaling not less than \$50,000,000, shall occupy a leased area
36 of the qualified business facility that represents at least \$17,500,000
37 of the capital investment in the facility at which the tenant business
38 and up to two other tenants in the qualified business facility shall
39 employ not fewer than 250 full-time employees in the aggregate to
40 be eligible for a credit under this section. The amount of capital
41 investment in a facility that a leased area represents shall be equal to
42 that percentage of the owner's total capital investment in the facility
43 that the percentage of net leasable area leased by the tenant is of the
44 total net leasable area of the qualified business facility. Capital
45 investments made by a tenant shall be deemed to be included in the

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 calculation of the capital investment made or acquired by the owner,
2 but only to the extent necessary to meet the owner's minimum capital
3 investment of \$50,000,000. Capital investments made by a tenant
4 and not allocated to meet the owner's minimum capital investment
5 threshold of \$50,000,000 shall be added to the amount of capital
6 investment represented by the tenant's leased area in the qualified
7 business facility.

8 (4) A business shall not be allowed tax credits under this section
9 if the business participates in a business employment incentive
10 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.), relating
11 to the same capital and employees that qualify the business for this
12 credit, or if the business receives assistance pursuant to P.L.1996,
13 c.25 (C.34:1B-112 et seq.). A business that is allowed a tax credit
14 under this section shall not be eligible for incentives authorized
15 pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A business shall
16 not qualify for a tax credit under this section, based upon its capital
17 investment and the employment of full-time employees, if that capital
18 investment or employment was the basis for which a grant was
19 provided to the business pursuant to the "InvestNJ Business Grant
20 Program Act," P.L.2008, c.112 (C.34:1B-237 et seq.).

21 (5) Full-time employment for an accounting or a privilege period
22 shall be determined as the average of the monthly full-time
23 employment for the period.

24 (6) The capital investment of the owner of a qualified business
25 facility is that percentage of the capital investment made or acquired
26 by the owner of the building that the percentage of net leasable area
27 of the qualified business facility not leased to tenants is of the total
28 net leasable area of the qualified business facility.

29 (7) A business shall be allowed a tax credit of 100 percent of its
30 capital investment, made after the effective date of P.L.2011, c.89
31 but prior to its submission of documentation pursuant to subsection
32 c. of this section, in a qualified business facility that is part of a mixed
33 use project, provided that (a) the qualified business facility represents
34 at least \$17,500,000 of the total capital investment in the mixed use
35 project, (b) the business employs not fewer than 250 full-time
36 employees in the qualified business facility, and (c) the total capital
37 investment in the mixed use project of which the qualified business
38 facility is a part is not less than \$50,000,000. The allowance of
39 credits under this paragraph shall be subject to the restrictions and
40 requirements, to the extent that those are not inconsistent with the
41 provisions of this paragraph, set forth in paragraphs (1) through (6)
42 of this subsection, including, but not limited to, the requirement that
43 the business shall demonstrate to the authority, at the time of
44 application, that the State's financial support of the proposed capital
45 investment in a qualified business facility will yield a net positive
46 benefit to both the State and the eligible municipality.

47 (8) In determining whether a proposed capital investment will
48 yield a net positive benefit, the authority shall not consider the

1 transfer of an existing job from one location in the State to another
2 location in the State as the creation of a new job, unless (a) the
3 business proposes to transfer existing jobs to a municipality in the
4 State as part of a consolidation of business operations from two or
5 more other locations that are not in the same municipality whether
6 in-State or out-of-State, or (b) the business's chief executive officer,
7 or equivalent officer, submits a certification to the authority
8 indicating that the existing jobs are at risk of leaving the State and
9 that the business's chief executive officer, or equivalent officer, has
10 reviewed the information submitted to the authority and that the
11 representations contained therein are accurate, and the business
12 intends to employ not fewer than 500 full-time employees in the
13 qualified business facility. In the event that this certification by the
14 business's chief executive officer, or equivalent officer, is found to
15 be willfully false, the authority may revoke any award of tax credits
16 in their entirety, which revocation shall be in addition to any other
17 criminal or civil penalties that the business and the officer may be
18 subject to. When considering an application involving intra-State job
19 transfers, the authority shall require the company to submit the
20 following information as part of its application: a full economic
21 analysis of all locations under consideration by the company; all
22 lease agreements, ownership documents, or substantially similar
23 documentation for the business's current in-State locations; and all
24 lease agreements, ownership documents, or substantially similar
25 documentation for the potential out-of-State location alternatives, to
26 the extent they exist. Based on this information, and any other
27 information deemed relevant by the authority, the authority shall
28 independently verify and confirm, by way of making a factual finding
29 by separate vote of the authority's board, the business's assertion that
30 the jobs are actually at risk of leaving the State, before a business
31 may be awarded any tax credits under this section.

32 b. (1) If applications under this section have been received by
33 the authority prior to the effective date of the "New Jersey Economic
34 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
35 then, to the extent that there remains sufficient financial authorization
36 for the award of a tax credit, the authority is authorized to consider
37 those applications and to make awards of tax credits to eligible
38 applicants, provided that the authority shall take final action on those
39 applications no later than December 31, 2013.

40 (2) A business shall apply for the credit under this section prior
41 to the effective date of the "New Jersey Economic Opportunity Act
42 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
43 its documentation for approval of its credit amount no later than
44 **【April 26, 2021】 December 31, 2023.**

45 (3) If a business has submitted an application under this section
46 and that application has not been approved for any reason, the lack
47 of approval shall not serve to prejudice in any way the consideration
48 of a new application as may be submitted for the qualified business

1 facility for the provision of incentives offered pursuant to the "New
2 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
3 (C.52:27D-489p et al.).

4 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
5 207 et seq.) for applications submitted to and approved by the
6 authority prior to the effective date of the "New Jersey Economic
7 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
8 shall be administered by the authority in the manner established prior
9 to that date.

10 (5) With respect to an application received by the authority prior
11 to the effective date of the "New Jersey Economic Opportunity Act
12 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
13 business facility that is located on or adjacent to the campus of an
14 acute care medical facility, (a) the minimum number of full-time
15 employees required for eligibility under the program may be
16 employed by any number of tenants or other occupants of the facility,
17 in the aggregate, and the initial satisfaction of the requirement
18 following completion of the project shall be deemed to satisfy the
19 employment requirements of the program in all respects, and (b) if
20 the capital investment in the facility exceeds \$100,000,000, the
21 determination of the net positive benefit yield shall be based on the
22 benefits generated during a period of up to 30 years following the
23 completion of the project, as determined by the authority.

24 c. (1) The amount of credit allowed shall, except as otherwise
25 provided, be equal to the capital investment made by the business, or
26 the capital investment represented by the business's leased area, or
27 area owned by the business as a condominium, and shall be taken
28 over a 10-year period, at the rate of one-tenth of the total amount of
29 the business's credit for each tax accounting or privilege period of the
30 business, beginning with the tax period in which the business is first
31 certified by the authority as having met the investment capital and
32 employment qualifications, subject to any reduction or
33 disqualification as provided by subsection d. of this section as
34 determined by annual review by the authority. In conducting its
35 annual review, the authority may require a business to submit any
36 information determined by the authority to be necessary and relevant
37 to its review.

38 The credit amount for any tax period ending after **July 28, 2021**
39 December 31, 2023 during which the documentation of a business's
40 credit amount remains uncertified shall be forfeited, although credit
41 amounts for the remainder of the years of the 10-year credit period
42 shall remain available to it.

43 The credit amount that may be taken for a tax period of the
44 business that exceeds the final liabilities of the business for the tax
45 period may be carried forward for use by the business in the next 20
46 successive tax periods, and shall expire thereafter, provided that the
47 value of all credits approved by the authority against tax liabilities

1 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
2 shall not exceed \$260,000,000.

3 The amount of credit allowed for a tax period to a business that is
4 a tenant in a qualified business facility shall not exceed the business's
5 total lease payments for occupancy of the qualified business facility
6 for the tax period.

7 (2) A business that is a partnership shall not be allowed a credit
8 under this section directly, but the amount of credit of an owner of a
9 business shall be determined by allocating to each owner of the
10 partnership that proportion of the credit of the business that is equal
11 to the owner of the partnership's share, whether or not distributed, of
12 the total distributive income or gain of the partnership for its tax
13 period ending within or at the end of the owner's tax period, or that
14 proportion that is allocated by an agreement, if any, among the
15 owners of the partnership that has been provided to the Director of
16 the Division of Taxation in the Department of the Treasury by the
17 time and accompanied by the additional information as the director
18 may require.

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

24 d. (1) If, in any tax period, fewer than 200 full-time employees
25 of the business at the qualified business facility are employed in new
26 full-time positions, the amount of the credit otherwise determined
27 pursuant to final calculation of the award of tax credits pursuant to
28 subsection c. of this section shall be reduced by 20 percent for that
29 tax period and each subsequent tax period until the first period for
30 which documentation demonstrating the restoration of the 200 full-
31 time employees employed in new full-time positions at the qualified
32 business facility has been reviewed and approved by the authority,
33 for which tax period and each subsequent tax period the full amount
34 of the credit shall be allowed; provided, however, that for businesses
35 applying before January 1, 2010, there shall be no reduction if a
36 business relocates to an urban transit hub from another location or
37 other locations in the same municipality. For the purposes of this
38 paragraph, a "new full-time position" means a position created by the
39 business at the qualified business facility that did not previously exist
40 in this State.

41 (2) If, in any tax period, the business reduces the total number of
42 full-time employees in its Statewide workforce by more than 20
43 percent from the number of full-time employees in its Statewide
44 workforce in the last tax accounting or privilege period prior to the
45 credit amount approval under subsection a. of this section, then the
46 business shall forfeit its credit amount for that tax period and each
47 subsequent tax period, until the first tax period for which
48 documentation demonstrating the restoration of the business's

1 Statewide workforce to the threshold levels required by this
2 paragraph has been reviewed and approved by the authority, for
3 which tax period and each subsequent tax period the full amount of
4 the credit shall be allowed.

5 (3) If, in any tax period, (a) the number of full-time employees
6 employed by the business at the qualified business facility located in
7 an urban transit hub within an eligible municipality drops below 250,
8 or (b) the number of full-time employees, who are not the subject of
9 intra-State job transfers, pursuant to paragraph (8) of subsection a. of
10 this section, employed by the business at any other business facility
11 in the State, whether or not located in an urban transit hub within an
12 eligible municipality, drops by more than 20 percent from the number
13 of full-time employees in its workforce in the last tax accounting or
14 privilege period prior to the credit amount approval under this
15 section, then the business shall forfeit its credit amount for that tax
16 period and each subsequent tax period, until the first tax period for
17 which documentation demonstrating the restoration of the number of
18 full-time employees employed by the business at the qualified
19 business facility to 250 or an increase above the 20 percent reduction
20 has been reviewed and approved by the authority, for which tax
21 period and each subsequent tax period the full amount of the credit
22 shall be allowed.

23 (4) (i) If the qualified business facility is sold in whole or in part
24 during the 10-year eligibility period, the new owner shall not acquire
25 the capital investment of the seller and the seller shall forfeit all
26 credits for the tax period in which the sale occurs and all subsequent
27 tax periods; provided, however, that any credits of tenants shall
28 remain unaffected.

29 (ii) If a tenant subleases its tenancy in whole or in part during the
30 10-year eligibility period, the new tenant shall not acquire the credit
31 of the sublessor, and the sublessor tenant shall forfeit all credits for
32 the tax period of its sublease and all subsequent tax periods.

33 e. (1) The Executive Director of the New Jersey Economic
34 Development Authority, in consultation with the Director of the
35 Division of Taxation in the Department of the Treasury, shall adopt
36 rules in accordance with the "Administrative Procedure Act,"
37 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
38 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
39 examples of and the determination of capital investment; the
40 enumeration of eligible municipalities; specific delineation of urban
41 transit hubs; the determination of the limits, if any, on the expense or
42 type of furnishings that may constitute capital improvements; the
43 promulgation of procedures and forms necessary to apply for a credit,
44 including the enumeration of the certification procedures and
45 allocation of tax credits for different phases of a qualified business
46 facility or mixed use project; and provisions for credit applicants to
47 be charged an initial application fee, and ongoing service fees, to
48 cover the administrative costs related to the credit.

1 (2) Through regulation, the authority shall establish standards
2 based on the green building manual prepared by the Commissioner
3 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
4 (C.52:27D-130.6), regarding the use of renewable energy, energy-
5 efficient technology, and non-renewable resources in order to reduce
6 environmental degradation and encourage long-term cost reduction.
7 (cf: P.L.2017, c.314, s.1)

8
9 2. Section 35 of P.L.2009, c.90 (C.34:1B-209.3) is amended to
10 read as follows:

11 35. a. (1) A developer, upon application to and approval from
12 the authority, shall be allowed a credit of up to 35 percent of its
13 capital investment, or up to 40 percent for a project located in a
14 Garden State Growth Zone, made after the effective date of P.L.2009,
15 c.90 (C.52:27D-489a et al.) but prior to its submission of
16 documentation pursuant to subsection c. of this section, in a qualified
17 residential project, pursuant to the restrictions and requirements of
18 this section. To be eligible for any tax credits authorized under this
19 section, a developer shall demonstrate to the authority, through a
20 project pro forma analysis at the time of application, that the qualified
21 residential project is likely to be realized with the provision of tax
22 credits at the level requested, but is not likely to be accomplished by
23 private enterprise without the tax credits. The value of all credits
24 approved by the authority pursuant to this section for qualified
25 residential projects may be up to \$150,000,000, except as may be
26 increased by the authority as set forth below and as set forth in
27 paragraph (5) of this subsection; provided; however, that the
28 combined value of all credits approved by the authority pursuant to
29 section 3 of P.L.2007, c.346 ~~[(C.34:1B-207)]~~ (C.34:1B-209) and this
30 section shall not exceed \$1,750,000,000, except as may be increased
31 by the authority as set forth in paragraph (5) of this subsection. The
32 authority shall monitor application and allocation activity under
33 P.L.2007, c.346 (C.34:1B-207 et seq.), and if sufficient credits are
34 available after taking into account allocation under P.L.2007, c.346
35 (C.34:1B-207 et seq.) to those qualified business facilities for which
36 applications have been filed or for which applications are reasonably
37 anticipated, and if the executive director judges certain qualified
38 residential projects to be meritorious, the aforementioned
39 \$150,000,000 cap may, in the discretion of the executive director,
40 from time to time, be exceeded for allocation to qualified residential
41 projects in amounts as the executive director deems reasonable,
42 justified, and appropriate. In allocating all credits to qualified
43 residential projects under this section, the executive director shall
44 take into account, together with other factors deemed relevant by the
45 executive director: input from the municipality in which the project
46 is to be located; whether the project contributes to the recovery of
47 areas affected by Hurricane Sandy; whether the project furthers
48 specific State or municipal planning and development objectives, or

1 both; and whether the project furthers a public purpose, such as
2 catalyzing urban development or maximizing the value of vacant,
3 dilapidated, outmoded, government-owned, or underutilized
4 property, or both.

5 (2) A developer shall make or acquire capital investments totaling
6 not less than \$50,000,000 in a qualified residential project to be
7 eligible for a credit under this section. A developer that acquires a
8 qualified residential project shall also be deemed to have acquired
9 the capital investment made or acquired by the seller.

10 (3) The capital investment requirement may be met by the
11 developer or by one or more of its affiliates.

12 (4) A developer of a mixed use project shall be allowed a credit
13 pursuant to subparagraph (a) or (b) of this paragraph, but not both.

14 (a) A developer shall be allowed a credit in accordance with this
15 section for a qualified residential project that includes a mixed use
16 project.

17 (b) A developer shall be allowed a credit of up to 35 percent of
18 its capital investment, or up to 40 percent for a project located in a
19 Garden State Growth Zone, made after the effective date of P.L.2011,
20 c.89, but prior to its submission of documentation pursuant to
21 subsection c. of this section, in a qualified residential project that is
22 part of a mixed use project, provided that:

23 (i) the capital investment in the qualified residential project
24 represents at least \$17,500,000 of the total capital investment in the
25 mixed use project; and

26 (ii) the total capital investment in the mixed use project of which
27 the qualified residential project is a part is not less than \$50,000,000.

28 The allowance of credits under this paragraph shall be subject to
29 the restrictions and requirements, to the extent that those are not
30 inconsistent with the provisions of this paragraph, set forth in
31 paragraphs (1) through (3) of this subsection, including, but not
32 limited to, the requirement prescribed in paragraph (1) of this
33 subsection that the developer shall demonstrate to the authority,
34 through a project pro forma analysis at the time of application, that
35 the qualified residential project is likely to be realized with the
36 provision of tax credits at the level requested but is not likely to be
37 accomplished by private enterprise without the tax credits.

38 As used in this subparagraph:

39 "Mixed use project" means a project comprising both a qualified
40 residential project and a qualified business facility.

41 (5) The authority may approve and allocate credits for qualified
42 residential projects in a value sufficient to meet the requirements of
43 all applications that were received by the authority between October
44 24, 2012 and December 21, 2012, without regard to the terms of any
45 competitive solicitation, except for the \$33,000,000 per project cap,
46 and without need for reapplication by any applicant. The authority
47 shall take final action on those applications prior to the 120th day

1 after the date of enactment of the "New Jersey Economic Opportunity
2 Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

3 b. (1) A developer shall apply for the credit under this section
4 on or prior to December 21, 2012 but may thereafter supplement an
5 application as may be requested by the authority. A developer shall
6 submit its documentation for approval of its credit amount no later
7 than **[April 26, 2021]** December 31, 2023.

8 (2) If a developer has submitted an application under this section
9 and the application has not been approved for any reason, the lack of
10 approval shall not serve to prejudice in any way the consideration of
11 a new application as may be submitted for the project for the
12 provision of incentives offered pursuant to the "New Jersey
13 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
14 489p et al.).

15 c. The credit shall be administered in accordance with the
16 provisions of subsections c. and e. of section 3 of P.L.2007, c.346
17 (C.34:1B-209), as amended by section 32 of P.L.2009, c.90, and
18 section 33 of P.L.2009, c.90 (C.34:1B-209.1), except that:

19 (1) all references therein to "business" and "qualified business
20 facility" shall be deemed to refer respectively to "developer" and
21 "qualified residential project," as those terms are defined in section
22 34 of P.L.2009, c.90 (C.34:1B-209.2); and

23 (2) all references therein to credits claimed by tenants and to
24 reductions or disqualifications in credits as determined by annual
25 review of the authority shall be disregarded.

26 For purposes of a "mixed use project" as that term is used and
27 defined pursuant to subparagraph (b) of paragraph (4) of subsection
28 a. of this section, "qualified business facility" means that term as
29 defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208).

30 (cf: P.L.2017, c.314, s.2)

31

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

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

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

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

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

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

8 The value of all credits approved by the authority pursuant to
9 paragraphs (2) and (3) of this subsection shall not exceed
10 \$823,000,000, of which:

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

25 (b) \$395,000,000 shall be restricted to the following categories of
26 projects: (i) qualified residential projects located in urban transit hubs
27 that are commuter rail in nature that otherwise do not qualify under
28 subparagraph (a) of this paragraph; (ii) qualified residential projects
29 located in Garden State Growth Zones that do not qualify under
30 subparagraph (a) of this paragraph; (iii) mixed use parking projects
31 located in urban transit hubs or Garden State Growth Zones that do
32 not qualify under subparagraph (a) of this paragraph, provided
33 however, an urban transit hub shall be allocated no more than
34 \$25,000,000 for mixed use parking projects; (iv) qualified residential
35 projects which are disaster recovery projects that otherwise do not
36 qualify under subparagraph (a) of this paragraph; (v) qualified
37 residential projects in SDA municipalities located in Hudson County
38 that were awarded State Aid in State Fiscal Year 2013 through the
39 Transitional Aid to Localities program and otherwise do not qualify
40 under subparagraph (a) of this paragraph; (vi) \$25,000,000 of credits
41 shall be restricted to mixed use parking projects in Garden State
42 Growth Zones which have a population in excess of 125,000 and do
43 not qualify under subparagraph (a) of this paragraph; (vii)
44 \$40,000,000 of credits shall be restricted to qualified residential
45 projects that include a theater venue for the performing arts and do
46 not qualify under subparagraph (a) of this paragraph, which projects
47 are located in a municipality with a population of less than 100,000
48 according to the latest federal decennial census, and within which

1 municipality is located an urban transit hub and a campus of a public
2 research university, as defined in section 1 of P.L.2009, c.308
3 (C.18A:3B-46); and (viii) \$105,000,000 of credits shall be restricted
4 to qualified residential projects and mixed use parking projects in
5 Garden State Growth Zones having a population in excess of 125,000
6 and do not qualify under subparagraph (a) of this paragraph;

7 (c) \$87,000,000 shall be restricted to the following categories of
8 projects: (i) qualified residential projects located in distressed
9 municipalities, deep poverty pockets, highlands development credit
10 receiving areas or redevelopment areas, otherwise not qualifying
11 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
12 use parking projects that do not qualify under subparagraph (a) or (b)
13 of this paragraph, and which are used by an independent institution
14 of higher education, a school of medicine, a nonprofit hospital
15 system, or any combination thereof; provided, however, that
16 \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
17 parking projects that do not qualify under subparagraph (a) or (b) of
18 this paragraph;

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

23 (ii) an additional \$50,000,000 shall be restricted to qualified
24 residential projects which, as of the effective date of P.L.2016, c.51,
25 are located in a city of the first class with a population in excess of
26 270,000, are subject to a Renewal Contract for a Section 8 Mark-Up-
27 To-Market Project from the United States Department of Housing
28 and Urban Development, and for which an application for the award
29 of tax credits under this subsection was submitted prior to January 1,
30 2016; and

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

33 (f) For subparagraphs (a) through (d) of this paragraph, not more
34 than \$40,000,000 of credits shall be awarded to any qualified
35 residential project in a deep poverty pocket or distressed municipality
36 and not more than \$20,000,000 of credits shall be awarded to any
37 other qualified residential project. The developer of a qualified
38 residential project seeking an award of credits towards the funding of
39 its incentive grant shall submit an incentive grant application prior to
40 July 1, 2016 and if approved after September 18, 2013, the effective
41 date of P.L.2013, c.161 (C.52:27D-489p et al.) shall submit a
42 temporary certificate of occupancy for the project no later than **July**
43 **28, 2021** December 31, 2023. The developer of a mixed use parking
44 project seeking an award of credits towards the funding of its
45 incentive grant pursuant to subparagraph (c) of this paragraph and if
46 approved after the effective date of P.L.2015, c.217, shall submit a
47 temporary certificate of occupancy for the project no later than **July**
48 **28, 2021** December 31, 2023. The developer of a qualified

1 residential project or a mixed use parking project seeking an award
2 of credits toward the funding of its incentive grant for a project
3 restricted under categories (vi) and (viii) of subparagraph (b) of this
4 paragraph shall submit an incentive grant application prior to July 1,
5 2019, and if approved after the effective date of P.L.2017, c.59, shall
6 submit a temporary certificate of occupancy for the project no later
7 than **[July 28, 2022]** December 31, 2023 provided that the
8 municipality in which the project is located shall have submitted to
9 the chief executive officer of the authority a letter of support
10 identifying up to six projects prior to July 1, 2018. The letter of
11 support is to contain a project scope for each of the projects and may
12 be supplemented from time to time until July 1, 2019. Applications
13 for tax credits pursuant to this subsection relating to an ancillary
14 infrastructure project or infrastructure improvement in the public
15 right-of-way, or both, shall be accompanied with a letter of support
16 relating to the project or improvement by the governing body or
17 agency in which the project is located. Credits awarded to a
18 developer pursuant to this subsection shall be subject to the same
19 financial and related analysis by the authority, the same term of the
20 grant, and the same mechanism for administering the credits, and
21 shall be utilized or transferred by the developer as if the credits had
22 been awarded to the developer pursuant to section 35 of P.L.2009,
23 c.90 (C.34:1B-209.3) for qualified residential projects thereunder.
24 No portion of the revenues pledged pursuant to the "New Jersey
25 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
26 489p et al.) shall be subject to withholding or retainage for
27 adjustment, in the event the developer or taxpayer waives its rights
28 to claim a refund thereof.

29 (4) A developer may apply to the Director of the Division of
30 Taxation in the Department of the Treasury and the chief executive
31 officer of the authority for a tax credit transfer certificate, if the
32 developer is awarded a tax credit pursuant to paragraph (2) or
33 paragraph (3) of this subsection, covering one or more years, in lieu
34 of the developer being allowed any amount of the credit against the
35 tax liability of the developer. The tax credit transfer certificate, upon
36 receipt thereof by the developer from the director and the chief
37 executive officer of the authority, may be sold or assigned, in full or
38 in part, to any other person who may have a tax liability pursuant to
39 section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of
40 P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of
41 P.L.1950, c.231 (C.17:32-15), or N.J.S.17B:23-5. The certificate
42 provided to the developer shall include a statement waiving the
43 developer's right to claim that amount of the credit against the taxes
44 that the developer has elected to sell or assign. The sale or
45 assignment of any amount of a tax credit transfer certificate allowed
46 under this paragraph shall not be exchanged for consideration
47 received by the developer of less than 75 percent of the transferred
48 credit amount before considering any further discounting to present

1 value that may be permitted. Any amount of a tax credit transfer
2 certificate used by a purchaser or assignee against a tax liability shall
3 be subject to the same limitations and conditions that apply to the use
4 of the credit by the developer who originally applied for and was
5 allowed the credit.

6 c. All administrative costs associated with the incentive grant
7 shall be assessed to the applicant and be retained by the State
8 Treasurer from the annual incentive grant payments.

9 d. The incremental revenue for the revenues listed in subsection
10 a. of this section shall be calculated as the difference between the
11 amount collected in any fiscal year from any eligible revenue source
12 included in the State redevelopment incentive grant agreement, less
13 the revenue increment base for that eligible revenue.

14 e. The municipality is authorized to collect any information
15 necessary to facilitate grants under this program and remit that
16 information in order to assist in the calculation of incremental
17 revenue.

18 (cf: P.L.2018, c.44, s.2)

19
20 4. This act shall take effect immediately.
21
22

23 STATEMENT
24

25 This bill extends for two years the document submission deadlines
26 applicable to a business or developer that is seeking to receive tax
27 credits under the Economic Redevelopment and Growth Grant
28 Program (ERGG) and the Urban Transit Hub Tax Credit Program
29 (UTHTC).

30 The deadline to submit the required documentation for approval
31 of tax documents for certain residential and commercial UTHTC
32 projects is extended from April 26, 2021 to December 31, 2023. The
33 bill also changes from July 28, 2021 to December 31, 2023 the date
34 when approved UTHTC projects will begin forfeiting annual tax
35 credit awards if the project has not been certified as having met its
36 investment capital and employment qualifications.

37 Finally, the bill extends, to December 31, 2023, the deadline by
38 which developers of certain qualified residential and mixed use
39 parking ERGG projects are required to submit temporary certificates
40 of occupancy.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3046

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3046.

This bill extends for two years the document submission deadlines applicable to a business or developer that is seeking to receive tax credits under the Economic Redevelopment and Growth Grant Program (ERGG) and the Urban Transit Hub Tax Credit Program (UTHTC).

The deadline to submit the required documentation for approval of tax documents for certain residential and commercial UTHTC projects is extended from April 26, 2021 to December 31, 2023. The bill also changes from July 28, 2021 to December 31, 2023 the date when approved UTHTC projects will begin forfeiting annual tax credit awards if the project has not been certified as having met its investment capital and employment qualifications.

The bill extends, to December 31, 2023, the deadline by which developers of certain qualified residential and mixed use parking ERGG projects are required to submit temporary certificates of occupancy.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose access to the tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded.

The OLS cannot quantify the exact amount of revenue that would be lost because of a lack of data on the specific projects that may be affected by the bill, the amount of tax credits they would receive, the number of businesses and developers that would have lost the tax credits as a result of the old deadline, and the number of businesses and developers that will receive credits with the new deadline. The OLS notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3046
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: OCTOBER 26, 2020

SUMMARY

Synopsis: Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

Type of Impact: Annual loss of State revenue.

Agencies Affected: Economic Development Authority

Annual Fiscal Impact	
State Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose access to the tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded.
- The OLS cannot quantify the exact amount of revenue that would be lost because of a lack of data on the specific projects that may be affected by the bill, the amount of tax credits they would receive, the number of businesses and developers that would have lost the tax credits as a result of the old deadline, and the number of businesses and developers that will receive credits with the new deadline. The OLS notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

BILL DESCRIPTION

This bill extends the document submission deadlines applicable to a business or developer that was seeking to receive tax credits under the Economic Redevelopment and Growth Grant Program (ERGG) and the Urban Transit Hub Tax Credit Program (UTHTC).

The original deadline for submitting the required documentation for approval of tax documents for certain residential and commercial UTHTC projects was April 26, 2021. This bill extends the deadline to December 31, 2023. The bill also changes the date when approved UTHTC projects

will begin forfeiting annual tax credit awards if the project has not been certified as having met investment capital and employment qualifications. The original deadline was July 28, 2021, and the bill extends it to December 31, 2023.

The bill also extends the deadline for when developers of certain qualified residential and mixed use parking ERGG projects are required to submit temporary certificates of occupancy to December 31, 2023.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the ERGG and UTHTC programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded. The OLS cannot quantify the exact amount of revenue that would be lost because the OLS does not have data on the specific projects that would qualify, the amount of tax credits they would receive, and the number of businesses and developers that would have lost the tax credits as a result of the old deadline. The OLS also cannot estimate how many businesses will gain tax credit awards as a result of the extension of the deadlines or how many developers will be able to submit the temporary certificates of occupancy by the new deadline. The OLS notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

Section: Revenue, Finance and Appropriations
Analyst: Parag Shende
Associate 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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3046 STATE OF NEW JERSEY 219th LEGISLATURE

DATED: NOVEMBER 30, 2020

SUMMARY

- Synopsis:** Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.
- Type of Impact:** Annual loss of State revenue
- Agencies Affected:** Economic Development Authority

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose access to the tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded.
- The OLS cannot quantify the exact amount of revenue that would be lost because of a lack of data on the specific projects that may be affected by the bill, the amount of tax credits they would receive, the number of businesses and developers that would have lost the tax credits as a result of the old deadline, and the number of businesses and developers that will receive credits with the new deadline. The OLS notes that the bill increases the amount of tax credits available for qualified residential projects and mixed use parking projects in Garden State Growth Zones by \$20 million, which will likely augment the State revenue loss.
- The OLS also notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

BILL DESCRIPTION

This bill extends the document submission deadlines applicable to a business or developer that was seeking to receive tax credits under the Economic Redevelopment and Growth Grant Program (ERGG) and the Urban Transit Hub Tax Credit Program (UTHTC). The bill also increases the amount of tax credits available for qualified residential projects and mixed use parking projects in Garden State Growth Zones by \$20 million

The original deadline for submitting the required documentation for approval of tax documents for certain residential and commercial UTHTC projects was April 26, 2021. This bill extends the deadline to December 31, 2023. The bill also changes the date when approved UTHTC projects will begin forfeiting annual tax credit awards if the project has not been certified as having met investment capital and employment qualifications. The original deadline was July 28, 2021, and the bill extends it to December 31, 2023.

The bill also extends the deadline for when developers of certain qualified residential and mixed use parking ERGG projects are required to submit temporary certificates of occupancy to December 31, 2023.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the ERGG and UTHTC programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded. The OLS cannot quantify the exact amount of revenue that would be lost because the OLS does not have data on the specific projects that would qualify, the amount of tax credits they would receive, and the number of businesses and developers that would have lost the tax credits as a result of the old deadline. The OLS cannot estimate how many businesses will gain tax credit awards as a result of the extension of the deadlines or how many developers will be able to submit the temporary certificates of occupancy by the new deadline. The OLS notes that the bill increases the amount of tax credits available for qualified residential projects and mixed use parking projects in Garden State Growth Zones by \$20 million, which will likely augment the State revenue loss. To the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

Section: Revenue, Finance, and Appropriations
Analyst: Parag Shende
Associate Fiscal Analyst
Approved: Thomas Koenig
Assistant 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. 4875

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 22, 2020

Sponsored by:

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

SYNOPSIS

Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/26/2020)

A4875 PINTOR MARIN, WIMBERLY

2

1 AN ACT extending certain document submission deadlines for
2 business tax credit programs, and amending P.L.2007, c.346 and
3 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.2007, c.346 (C.34:1B-209) is amended to
9 read as follows:

10 3. a. (1) A business, upon application to and approval from
11 the authority, shall be allowed a credit of 100 percent of its capital
12 investment, made after the effective date of P.L.2007, c.346
13 (C.34:1B-207 et seq.) but prior to its submission of documentation
14 pursuant to subsection c. of this section, in a qualified business
15 facility within an eligible municipality, pursuant to the restrictions
16 and requirements of this section. To be eligible for any tax credits
17 authorized under this section, a business shall demonstrate to the
18 authority, at the time of application, that the State's financial
19 support of the proposed capital investment in a qualified business
20 facility will yield a net positive benefit to both the State and the
21 eligible municipality. The value of all credits approved by the
22 authority pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) shall
23 not exceed \$1,750,000,000, except as may be increased by the
24 authority as set forth in paragraph (5) of subsection a. of section 35
25 of P.L.2009, c.90 (C.34:1B-209.3) and section 6 of P.L.2010, c.57
26 (C.34:1B-209.4).

27 (2) A business, other than a tenant eligible pursuant to
28 paragraph (3) of this subsection, shall make or acquire capital
29 investments totaling not less than \$50,000,000 in a qualified
30 business facility, at which the business shall employ not fewer than
31 250 full-time employees to be eligible for a credit under this
32 section. A business that acquires a qualified business facility shall
33 also be deemed to have acquired the capital investment made or
34 acquired by the seller.

35 (3) A business that is a tenant in a qualified business facility, the
36 owner of which has made or acquired capital investments in the
37 facility totaling not less than \$50,000,000, shall occupy a leased
38 area of the qualified business facility that represents at least
39 \$17,500,000 of the capital investment in the facility at which the
40 tenant business and up to two other tenants in the qualified business
41 facility shall employ not fewer than 250 full-time employees in the
42 aggregate to be eligible for a credit under this section. The amount
43 of capital investment in a facility that a leased area represents shall
44 be equal to that percentage of the owner's total capital investment in
45 the facility that the percentage of net leasable area leased by the

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 tenant is of the total net leasable area of the qualified business
2 facility. Capital investments made by a tenant shall be deemed to
3 be included in the calculation of the capital investment made or
4 acquired by the owner, but only to the extent necessary to meet the
5 owner's minimum capital investment of \$50,000,000. Capital
6 investments made by a tenant and not allocated to meet the owner's
7 minimum capital investment threshold of \$50,000,000 shall be
8 added to the amount of capital investment represented by the
9 tenant's leased area in the qualified business facility.

10 (4) A business shall not be allowed tax credits under this section
11 if the business participates in a business employment incentive
12 agreement, pursuant to P.L.1996, c.26 (C.34:1B-124 et seq.),
13 relating to the same capital and employees that qualify the business
14 for this credit, or if the business receives assistance pursuant to
15 P.L.1996, c.25 (C.34:1B-112 et seq.). A business that is allowed a
16 tax credit under this section shall not be eligible for incentives
17 authorized pursuant to P.L.2002, c.43 (C.52:27BBB-1 et al.). A
18 business shall not qualify for a tax credit under this section, based
19 upon its capital investment and the employment of full-time
20 employees, if that capital investment or employment was the basis
21 for which a grant was provided to the business pursuant to the
22 "InvestNJ Business Grant Program Act," P.L.2008, c.112 (C.34:1B-
23 237 et seq.).

24 (5) Full-time employment for an accounting or a privilege
25 period shall be determined as the average of the monthly full-time
26 employment for the period.

27 (6) The capital investment of the owner of a qualified business
28 facility is that percentage of the capital investment made or
29 acquired by the owner of the building that the percentage of net
30 leasable area of the qualified business facility not leased to tenants
31 is of the total net leasable area of the qualified business facility.

32 (7) A business shall be allowed a tax credit of 100 percent of its
33 capital investment, made after the effective date of P.L.2011, c.89
34 but prior to its submission of documentation pursuant to subsection
35 c. of this section, in a qualified business facility that is part of a
36 mixed use project, provided that (a) the qualified business facility
37 represents at least \$17,500,000 of the total capital investment in the
38 mixed use project, (b) the business employs not fewer than 250 full-
39 time employees in the qualified business facility, and (c) the total
40 capital investment in the mixed use project of which the qualified
41 business facility is a part is not less than \$50,000,000. The
42 allowance of credits under this paragraph shall be subject to the
43 restrictions and requirements, to the extent that those are not
44 inconsistent with the provisions of this paragraph, set forth in
45 paragraphs (1) through (6) of this subsection, including, but not
46 limited to, the requirement that the business shall demonstrate to the
47 authority, at the time of application, that the State's financial
48 support of the proposed capital investment in a qualified business

1 facility will yield a net positive benefit to both the State and the
2 eligible municipality.

3 (8) In determining whether a proposed capital investment will
4 yield a net positive benefit, the authority shall not consider the
5 transfer of an existing job from one location in the State to another
6 location in the State as the creation of a new job, unless (a) the
7 business proposes to transfer existing jobs to a municipality in the
8 State as part of a consolidation of business operations from two or
9 more other locations that are not in the same municipality whether
10 in-State or out-of-State, or (b) the business's chief executive officer,
11 or equivalent officer, submits a certification to the authority
12 indicating that the existing jobs are at risk of leaving the State and
13 that the business's chief executive officer, or equivalent officer, has
14 reviewed the information submitted to the authority and that the
15 representations contained therein are accurate, and the business
16 intends to employ not fewer than 500 full-time employees in the
17 qualified business facility. In the event that this certification by the
18 business's chief executive officer, or equivalent officer, is found to
19 be willfully false, the authority may revoke any award of tax credits
20 in their entirety, which revocation shall be in addition to any other
21 criminal or civil penalties that the business and the officer may be
22 subject to. When considering an application involving intra-State
23 job transfers, the authority shall require the company to submit the
24 following information as part of its application: a full economic
25 analysis of all locations under consideration by the company; all
26 lease agreements, ownership documents, or substantially similar
27 documentation for the business's current in-State locations; and all
28 lease agreements, ownership documents, or substantially similar
29 documentation for the potential out-of-State location alternatives, to
30 the extent they exist. Based on this information, and any other
31 information deemed relevant by the authority, the authority shall
32 independently verify and confirm, by way of making a factual
33 finding by separate vote of the authority's board, the business's
34 assertion that the jobs are actually at risk of leaving the State,
35 before a business may be awarded any tax credits under this section.

36 b. (1) If applications under this section have been received by
37 the authority prior to the effective date of the "New Jersey
38 Economic Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-
39 489p et al.), then, to the extent that there remains sufficient
40 financial authorization for the award of a tax credit, the authority is
41 authorized to consider those applications and to make awards of tax
42 credits to eligible applicants, provided that the authority shall take
43 final action on those applications no later than December 31, 2013.

44 (2) A business shall apply for the credit under this section prior
45 to the effective date of the "New Jersey Economic Opportunity Act
46 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.), and shall submit
47 its documentation for approval of its credit amount no later than
48 **【April 26, 2021】** December 31, 2023.

1 (3) If a business has submitted an application under this section
2 and that application has not been approved for any reason, the lack
3 of approval shall not serve to prejudice in any way the
4 consideration of a new application as may be submitted for the
5 qualified business facility for the provision of incentives offered
6 pursuant to the "New Jersey Economic Opportunity Act of 2013,"
7 P.L.2013, c.161 (C.52:27D-489p et al.).

8 (4) Tax credits awarded pursuant to P.L.2007, c.346 (C.34:1B-
9 207 et seq.) for applications submitted to and approved by the
10 authority prior to the effective date of the "New Jersey Economic
11 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.),
12 shall be administered by the authority in the manner established
13 prior to that date.

14 (5) With respect to an application received by the authority prior
15 to the effective date of the "New Jersey Economic Opportunity Act
16 of 2013," P.L.2013, c.161 (C.52:27D-489p et al.) for a qualified
17 business facility that is located on or adjacent to the campus of an
18 acute care medical facility, (a) the minimum number of full-time
19 employees required for eligibility under the program may be
20 employed by any number of tenants or other occupants of the
21 facility, in the aggregate, and the initial satisfaction of the
22 requirement following completion of the project shall be deemed to
23 satisfy the employment requirements of the program in all respects,
24 and (b) if the capital investment in the facility exceeds
25 \$100,000,000, the determination of the net positive benefit yield
26 shall be based on the benefits generated during a period of up to 30
27 years following the completion of the project, as determined by the
28 authority.

29 c. (1) The amount of credit allowed shall, except as otherwise
30 provided, be equal to the capital investment made by the business,
31 or the capital investment represented by the business's leased area,
32 or area owned by the business as a condominium, and shall be taken
33 over a 10-year period, at the rate of one-tenth of the total amount of
34 the business's credit for each tax accounting or privilege period of
35 the business, beginning with the tax period in which the business is
36 first certified by the authority as having met the investment capital
37 and employment qualifications, subject to any reduction or
38 disqualification as provided by subsection d. of this section as
39 determined by annual review by the authority. In conducting its
40 annual review, the authority may require a business to submit any
41 information determined by the authority to be necessary and
42 relevant to its review.

43 The credit amount for any tax period ending after **July 28,**
44 **2021** December 31, 2023 during which the documentation of a
45 business's credit amount remains uncertified shall be forfeited,
46 although credit amounts for the remainder of the years of the 10-
47 year credit period shall remain available to it.

1 The credit amount that may be taken for a tax period of the
2 business that exceeds the final liabilities of the business for the tax
3 period may be carried forward for use by the business in the next 20
4 successive tax periods, and shall expire thereafter, provided that the
5 value of all credits approved by the authority against tax liabilities
6 pursuant to P.L.2007, c.346 (C.34:1B-207 et seq.) in any fiscal year
7 shall not exceed \$260,000,000.

8 The amount of credit allowed for a tax period to a business that
9 is a tenant in a qualified business facility shall not exceed the
10 business's total lease payments for occupancy of the qualified
11 business facility for the tax period.

12 (2) A business that is a partnership shall not be allowed a credit
13 under this section directly, but the amount of credit of an owner of a
14 business shall be determined by allocating to each owner of the
15 partnership that proportion of the credit of the business that is equal
16 to the owner of the partnership's share, whether or not distributed,
17 of the total distributive income or gain of the partnership for its tax
18 period ending within or at the end of the owner's tax period, or that
19 proportion that is allocated by an agreement, if any, among the
20 owners of the partnership that has been provided to the Director of
21 the Division of Taxation in the Department of the Treasury by the
22 time and accompanied by the additional information as the director
23 may require.

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

29 d. (1) If, in any tax period, fewer than 200 full-time employees
30 of the business at the qualified business facility are employed in
31 new full-time positions, the amount of the credit otherwise
32 determined pursuant to final calculation of the award of tax credits
33 pursuant to subsection c. of this section shall be reduced by 20
34 percent for that tax period and each subsequent tax period until the
35 first period for which documentation demonstrating the restoration
36 of the 200 full-time employees employed in new full-time positions
37 at the qualified business facility has been reviewed and approved by
38 the authority, for which tax period and each subsequent tax period
39 the full amount of the credit shall be allowed; provided, however,
40 that for businesses applying before January 1, 2010, there shall be
41 no reduction if a business relocates to an urban transit hub from
42 another location or other locations in the same municipality. For
43 the purposes of this paragraph, a "new full-time position" means a
44 position created by the business at the qualified business facility
45 that did not previously exist in this State.

46 (2) If, in any tax period, the business reduces the total number
47 of full-time employees in its Statewide workforce by more than 20
48 percent from the number of full-time employees in its Statewide

1 workforce in the last tax accounting or privilege period prior to the
2 credit amount approval under subsection a. of this section, then the
3 business shall forfeit its credit amount for that tax period and each
4 subsequent tax period, until the first tax period for which
5 documentation demonstrating the restoration of the business's
6 Statewide workforce to the threshold levels required by this
7 paragraph has been reviewed and approved by the authority, for
8 which tax period and each subsequent tax period the full amount of
9 the credit shall be allowed.

10 (3) If, in any tax period, (a) the number of full-time employees
11 employed by the business at the qualified business facility located
12 in an urban transit hub within an eligible municipality drops below
13 250, or (b) the number of full-time employees, who are not the
14 subject of intra-State job transfers, pursuant to paragraph (8) of
15 subsection a. of this section, employed by the business at any other
16 business facility in the State, whether or not located in an urban
17 transit hub within an eligible municipality, drops by more than 20
18 percent from the number of full-time employees in its workforce in
19 the last tax accounting or privilege period prior to the credit amount
20 approval under this section, then the business shall forfeit its credit
21 amount for that tax period and each subsequent tax period, until the
22 first tax period for which documentation demonstrating the
23 restoration of the number of full-time employees employed by the
24 business at the qualified business facility to 250 or an increase
25 above the 20 percent reduction has been reviewed and approved by
26 the authority, for which tax period and each subsequent tax period
27 the full amount of the credit shall be allowed.

28 (4) (i) If the qualified business facility is sold in whole or in
29 part during the 10-year eligibility period, the new owner shall not
30 acquire the capital investment of the seller and the seller shall
31 forfeit all credits for the tax period in which the sale occurs and all
32 subsequent tax periods; provided, however, that any credits of
33 tenants shall remain unaffected.

34 (ii) If a tenant subleases its tenancy in whole or in part during
35 the 10-year eligibility period, the new tenant shall not acquire the
36 credit of the sublessor, and the sublessor tenant shall forfeit all
37 credits for the tax period of its sublease and all subsequent tax
38 periods.

39 e. (1) The Executive Director of the New Jersey Economic
40 Development Authority, in consultation with the Director of the
41 Division of Taxation in the Department of the Treasury, shall adopt
42 rules in accordance with the "Administrative Procedure Act,"
43 P.L.1968, c.410 (C.52:14B-1 et seq.) as are necessary to implement
44 P.L.2007, c.346 (C.34:1B-207 et seq.), including, but not limited to:
45 examples of and the determination of capital investment; the
46 enumeration of eligible municipalities; specific delineation of urban
47 transit hubs; the determination of the limits, if any, on the expense
48 or type of furnishings that may constitute capital improvements; the

1 promulgation of procedures and forms necessary to apply for a
2 credit, including the enumeration of the certification procedures and
3 allocation of tax credits for different phases of a qualified business
4 facility or mixed use project; and provisions for credit applicants to
5 be charged an initial application fee, and ongoing service fees, to
6 cover the administrative costs related to the credit.

7 (2) Through regulation, the authority shall establish standards
8 based on the green building manual prepared by the Commissioner
9 of Community Affairs, pursuant to section 1 of P.L.2007, c.132
10 (C.52:27D-130.6), regarding the use of renewable energy, energy-
11 efficient technology, and non-renewable resources in order to
12 reduce environmental degradation and encourage long-term cost
13 reduction.

14 (cf: P.L.2017, c.314, s.1)

15

16 2. Section 35 of P.L.2009, c.90 (C.34:1B-209.3) is amended to
17 read as follows:

18 35. a. (1) A developer, upon application to and approval from
19 the authority, shall be allowed a credit of up to 35 percent of its
20 capital investment, or up to 40 percent for a project located in a
21 Garden State Growth Zone, made after the effective date of
22 P.L.2009, c.90 (C.52:27D-489a et al.) but prior to its submission of
23 documentation pursuant to subsection c. of this section, in a
24 qualified residential project, pursuant to the restrictions and
25 requirements of this section. To be eligible for any tax credits
26 authorized under this section, a developer shall demonstrate to the
27 authority, through a project pro forma analysis at the time of
28 application, that the qualified residential project is likely to be
29 realized with the provision of tax credits at the level requested, but
30 is not likely to be accomplished by private enterprise without the
31 tax credits. The value of all credits approved by the authority
32 pursuant to this section for qualified residential projects may be up
33 to \$150,000,000, except as may be increased by the authority as set
34 forth below and as set forth in paragraph (5) of this subsection;
35 provided; however, that the combined value of all credits approved
36 by the authority pursuant to section 3 of P.L.2007, c.346 [(C.34:1B-
37 207)] (C.34:1B-209) and this section shall not exceed
38 \$1,750,000,000, except as may be increased by the authority as set
39 forth in paragraph (5) of this subsection. The authority shall
40 monitor application and allocation activity under P.L.2007, c.346
41 (C.34:1B-207 et seq.), and if sufficient credits are available after
42 taking into account allocation under P.L.2007, c.346 (C.34:1B-207
43 et seq.) to those qualified business facilities for which applications
44 have been filed or for which applications are reasonably anticipated,
45 and if the executive director judges certain qualified residential
46 projects to be meritorious, the aforementioned \$150,000,000 cap
47 may, in the discretion of the executive director, from time to time,
48 be exceeded for allocation to qualified residential projects in

1 amounts as the executive director deems reasonable, justified, and
2 appropriate. In allocating all credits to qualified residential projects
3 under this section, the executive director shall take into account,
4 together with other factors deemed relevant by the executive
5 director: input from the municipality in which the project is to be
6 located; whether the project contributes to the recovery of areas
7 affected by Hurricane Sandy; whether the project furthers specific
8 State or municipal planning and development objectives, or both;
9 and whether the project furthers a public purpose, such as
10 catalyzing urban development or maximizing the value of vacant,
11 dilapidated, outmoded, government-owned, or underutilized
12 property, or both.

13 (2) A developer shall make or acquire capital investments
14 totaling not less than \$50,000,000 in a qualified residential project
15 to be eligible for a credit under this section. A developer that
16 acquires a qualified residential project shall also be deemed to have
17 acquired the capital investment made or acquired by the seller.

18 (3) The capital investment requirement may be met by the
19 developer or by one or more of its affiliates.

20 (4) A developer of a mixed use project shall be allowed a credit
21 pursuant to subparagraph (a) or (b) of this paragraph, but not both.

22 (a) A developer shall be allowed a credit in accordance with this
23 section for a qualified residential project that includes a mixed use
24 project.

25 (b) A developer shall be allowed a credit of up to 35 percent of
26 its capital investment, or up to 40 percent for a project located in a
27 Garden State Growth Zone, made after the effective date of
28 P.L.2011, c.89, but prior to its submission of documentation
29 pursuant to subsection c. of this section, in a qualified residential
30 project that is part of a mixed use project, provided that:

31 (i) the capital investment in the qualified residential project
32 represents at least \$17,500,000 of the total capital investment in the
33 mixed use project; and

34 (ii) the total capital investment in the mixed use project of which
35 the qualified residential project is a part is not less than
36 \$50,000,000.

37 The allowance of credits under this paragraph shall be subject to
38 the restrictions and requirements, to the extent that those are not
39 inconsistent with the provisions of this paragraph, set forth in
40 paragraphs (1) through (3) of this subsection, including, but not
41 limited to, the requirement prescribed in paragraph (1) of this
42 subsection that the developer shall demonstrate to the authority,
43 through a project pro forma analysis at the time of application, that
44 the qualified residential project is likely to be realized with the
45 provision of tax credits at the level requested but is not likely to be
46 accomplished by private enterprise without the tax credits.

47 As used in this subparagraph:

1 "Mixed use project" means a project comprising both a qualified
2 residential project and a qualified business facility.

3 (5) The authority may approve and allocate credits for qualified
4 residential projects in a value sufficient to meet the requirements of
5 all applications that were received by the authority between October
6 24, 2012 and December 21, 2012, without regard to the terms of
7 any competitive solicitation, except for the \$33,000,000 per project
8 cap, and without need for reapplication by any applicant. The
9 authority shall take final action on those applications prior to the
10 120th day after the date of enactment of the "New Jersey Economic
11 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.).

12 b. (1) A developer shall apply for the credit under this section
13 on or prior to December 21, 2012 but may thereafter supplement an
14 application as may be requested by the authority. A developer shall
15 submit its documentation for approval of its credit amount no later
16 than **【April 26, 2021】** December 31, 2023.

17 (2) If a developer has submitted an application under this
18 section and the application has not been approved for any reason,
19 the lack of approval shall not serve to prejudice in any way the
20 consideration of a new application as may be submitted for the
21 project for the provision of incentives offered pursuant to the "New
22 Jersey Economic Opportunity Act of 2013," P.L.2013, c.161
23 (C.52:27D-489p et al.).

24 c. The credit shall be administered in accordance with the
25 provisions of subsections c. and e. of section 3 of P.L.2007, c.346
26 (C.34:1B-209), as amended by section 32 of P.L.2009, c.90, and
27 section 33 of P.L.2009, c.90 (C.34:1B-209.1), except that:

28 (1) all references therein to "business" and "qualified business
29 facility" shall be deemed to refer respectively to "developer" and
30 "qualified residential project," as those terms are defined in section
31 34 of P.L.2009, c.90 (C.34:1B-209.2); and

32 (2) all references therein to credits claimed by tenants and to
33 reductions or disqualifications in credits as determined by annual
34 review of the authority shall be disregarded.

35 For purposes of a "mixed use project" as that term is used and
36 defined pursuant to subparagraph (b) of paragraph (4) of subsection
37 a. of this section, "qualified business facility" means that term as
38 defined pursuant to section 2 of P.L.2007, c.346 (C.34:1B-208).

39 (cf: P.L.2017, c.314, s.2)

40

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

43 6. a. Up to the limits established in subsection b. of this
44 section and in accordance with a redevelopment incentive grant
45 agreement, beginning upon the receipt of occupancy permits for any
46 portion of the redevelopment project, or upon any other event
47 evidencing project completion as set forth in the incentive grant
48 agreement, the State Treasurer shall pay to the developer

1 incremental State revenues directly realized from businesses
2 operating at the site of the redevelopment project from the
3 following taxes: the Corporation Business Tax Act (1945),
4 P.L.1945, c.162 (C.54:10A-1 et seq.), the tax imposed on marine
5 insurance companies pursuant to R.S.54:16-1 et seq., the tax
6 imposed on insurers generally, pursuant to P.L.1945, c.132
7 (C.54:18A-1 et seq.), the public utility franchise tax, public utilities
8 gross receipts tax and public utility excise tax imposed on sewerage
9 and water corporations pursuant to P.L.1940, c.5 (C.54:30A-49 et
10 seq.), those tariffs and charges imposed by electric, natural gas,
11 telecommunications, water and sewage utilities, and cable television
12 companies under the jurisdiction of the New Jersey Board of Public
13 Utilities, or comparable entity, except for those tariffs, fees, or taxes
14 related to societal benefits charges assessed pursuant to section 12
15 of P.L.1999, c.23 (C.48:3-60), any charges paid for compliance
16 with the "Global Warming Response Act," P.L.2007, c.112
17 (C.26:2C-37 et seq.), transitional energy facility assessment unit
18 taxes paid pursuant to section 67 of P.L.1997, c.162 (C.48:2-21.34),
19 and the sales and use taxes on public utility and cable television
20 services and commodities, the tax derived from net profits from
21 business, a distributive share of partnership income, or a pro rata
22 share of S corporation income under the "New Jersey Gross Income
23 Tax Act," N.J.S.54A:1-1 et seq., the tax derived from a business at
24 the site of a redevelopment project that is required to collect the tax
25 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-
26 1 et seq.), the tax imposed pursuant to P.L.1966, c.30 (C.54:32B-1
27 et seq.) from the purchase of furniture, fixtures and equipment, or
28 materials for the remediation, the construction of new structures at
29 the site of a redevelopment project, the hotel and motel occupancy
30 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1),
31 or the portion of the fee imposed pursuant to section 3 of P.L.1968,
32 c.49 (C.46:15-7) derived from the sale of real property at the site of
33 the redevelopment project and paid to the State Treasurer for use by
34 the State, that is not credited to the "Shore Protection Fund" or the
35 "Neighborhood Preservation Nonlapsing Revolving Fund" ("New
36 Jersey Affordable Housing Trust Fund") pursuant to section 4 of
37 P.L.1968, c.49 (C.46:15-8). Any developer shall be allowed to
38 assign their ability to apply for the tax credit under this subsection
39 to a non-profit organization with a mission dedicated to attracting
40 investment and completing development and redevelopment
41 projects in a Garden State Growth Zone. The non-profit
42 organization may make an application on behalf of a developer
43 which meets the requirements for the tax credit, or a group of non-
44 qualifying developers, such that these will be considered a unified
45 project for the purposes of the incentives provided under this
46 section.

47 b. (1) Up to an average of 75 percent of the projected annual
48 incremental revenues or 85 percent of the projected annual

1 incremental revenues in a Garden State Growth Zone may be
2 pledged towards the State portion of an incentive grant.

3 (2) In the case of a qualified residential project or a project
4 involving university infrastructure, if the authority determines that
5 the estimated amount of incremental revenues pledged towards the
6 State portion of an incentive grant is inadequate to fully fund the
7 amount of the State portion of the incentive grant, then in lieu of an
8 incentive grant based on the incremental revenues, the developer
9 shall be awarded tax credits equal to the full amount of the
10 incentive grant.

11 (3) In the case of a mixed use parking project, if the authority
12 determines that the estimated amount of incremental revenues
13 pledged towards the State portion of an incentive grant is
14 inadequate to fully fund the amount of the State portion of the
15 incentive grant, then, in lieu of an incentive grant based on the
16 incremental revenues, the developer shall be awarded tax credits
17 equal to the full amount of the incentive grant.

18 The value of all credits approved by the authority pursuant to
19 paragraphs (2) and (3) of this subsection shall not exceed
20 \$823,000,000, of which:

21 (a) \$250,000,000 shall be restricted to qualified residential
22 projects within Atlantic, Burlington, Camden, Cape May,
23 Cumberland, Gloucester, Ocean, and Salem counties, of which
24 \$175,000,000 of the credits shall be restricted to the following
25 categories of projects: (i) qualified residential projects located in a
26 Garden State Growth Zone located within the aforementioned
27 counties; and (ii) mixed use parking projects located in a Garden
28 State Growth Zone or urban transit hub located within the
29 aforementioned counties; (iii) and \$75,000,000 of the credits shall
30 be restricted to qualified residential projects in municipalities with a
31 2007 Municipal Revitalization Index of 400 or higher as of the date
32 of enactment of the "New Jersey Economic Opportunity Act of
33 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and located within
34 the aforementioned counties;

35 (b) \$395,000,000 shall be restricted to the following categories
36 of projects: (i) qualified residential projects located in urban transit
37 hubs that are commuter rail in nature that otherwise do not qualify
38 under subparagraph (a) of this paragraph; (ii) qualified residential
39 projects located in Garden State Growth Zones that do not qualify
40 under subparagraph (a) of this paragraph; (iii) mixed use parking
41 projects located in urban transit hubs or Garden State Growth Zones
42 that do not qualify under subparagraph (a) of this paragraph,
43 provided however, an urban transit hub shall be allocated no more
44 than \$25,000,000 for mixed use parking projects; (iv) qualified
45 residential projects which are disaster recovery projects that
46 otherwise do not qualify under subparagraph (a) of this paragraph;
47 (v) qualified residential projects in SDA municipalities located in
48 Hudson County that were awarded State Aid in State Fiscal Year

1 2013 through the Transitional Aid to Localities program and
2 otherwise do not qualify under subparagraph (a) of this paragraph;
3 (vi) \$25,000,000 of credits shall be restricted to mixed use parking
4 projects in Garden State Growth Zones which have a population in
5 excess of 125,000 and do not qualify under subparagraph (a) of this
6 paragraph; (vii) \$40,000,000 of credits shall be restricted to
7 qualified residential projects that include a theater venue for the
8 performing arts and do not qualify under subparagraph (a) of this
9 paragraph, which projects are located in a municipality with a
10 population of less than 100,000 according to the latest federal
11 decennial census, and within which municipality is located an urban
12 transit hub and a campus of a public research university, as defined
13 in section 1 of P.L.2009, c.308 (C.18A:3B-46); and (viii)
14 \$105,000,000 of credits shall be restricted to qualified residential
15 projects and mixed use parking projects in Garden State Growth
16 Zones having a population in excess of 125,000 and do not qualify
17 under subparagraph (a) of this paragraph;

18 (c) \$87,000,000 shall be restricted to the following categories of
19 projects: (i) qualified residential projects located in distressed
20 municipalities, deep poverty pockets, highlands development credit
21 receiving areas or redevelopment areas, otherwise not qualifying
22 pursuant to subparagraph (a) or (b) of this paragraph; and (ii) mixed
23 use parking projects that do not qualify under subparagraph (a) or
24 (b) of this paragraph, and which are used by an independent
25 institution of higher education, a school of medicine, a nonprofit
26 hospital system, or any combination thereof; provided, however,
27 that \$20,000,000 of the \$87,000,000 shall be allocated to mixed use
28 parking projects that do not qualify under subparagraph (a) or (b) of
29 this paragraph;

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

34 (ii) an additional \$50,000,000 shall be restricted to qualified
35 residential projects which, as of the effective date of P.L.2016, c.51,
36 are located in a city of the first class with a population in excess of
37 270,000, are subject to a Renewal Contract for a Section 8 Mark-
38 Up-To-Market Project from the United States Department of
39 Housing and Urban Development, and for which an application for
40 the award of tax credits under this subsection was submitted prior to
41 January 1, 2016; and

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

44 (f) For subparagraphs (a) through (d) of this paragraph, not
45 more than \$40,000,000 of credits shall be awarded to any qualified
46 residential project in a deep poverty pocket or distressed
47 municipality and not more than \$20,000,000 of credits shall be
48 awarded to any other qualified residential project. The developer of

1 a qualified residential project seeking an award of credits towards
2 the funding of its incentive grant shall submit an incentive grant
3 application prior to July 1, 2016 and if approved after September
4 18, 2013, the effective date of P.L.2013, c.161 (C.52:27D-489p et
5 al.) shall submit a temporary certificate of occupancy for the project
6 no later than **July 28, 2021** December 31, 2023. The developer of
7 a mixed use parking project seeking an award of credits towards the
8 funding of its incentive grant pursuant to subparagraph (c) of this
9 paragraph and if approved after the effective date of P.L.2015,
10 c.217, shall submit a temporary certificate of occupancy for the
11 project no later than **July 28, 2021** December 31, 2023. The
12 developer of a qualified residential project or a mixed use parking
13 project seeking an award of credits toward the funding of its
14 incentive grant for a project restricted under categories (vi) and
15 (viii) of subparagraph (b) of this paragraph shall submit an
16 incentive grant application prior to July 1, 2019, and if approved
17 after the effective date of P.L.2017, c.59, shall submit a temporary
18 certificate of occupancy for the project no later than **July 28,**
19 **2022** December 31, 2023 provided that the municipality in which
20 the project is located shall have submitted to the chief executive
21 officer of the authority a letter of support identifying up to six
22 projects prior to July 1, 2018. The letter of support is to contain a
23 project scope for each of the projects and may be supplemented
24 from time to time until July 1, 2019. Applications for tax credits
25 pursuant to this subsection relating to an ancillary infrastructure
26 project or infrastructure improvement in the public right-of-way, or
27 both, shall be accompanied with a letter of support relating to the
28 project or improvement by the governing body or agency in which
29 the project is located. Credits awarded to a developer pursuant to
30 this subsection shall be subject to the same financial and related
31 analysis by the authority, the same term of the grant, and the same
32 mechanism for administering the credits, and shall be utilized or
33 transferred by the developer as if the credits had been awarded to
34 the developer pursuant to section 35 of P.L.2009, c.90 (C.34:1B-
35 209.3) for qualified residential projects thereunder. No portion of
36 the revenues pledged pursuant to the "New Jersey Economic
37 Opportunity Act of 2013," P.L.2013, c.161 (C.52:27D-489p et al.)
38 shall be subject to withholding or retainage for adjustment, in the
39 event the developer or taxpayer waives its rights to claim a refund
40 thereof.

41 (4) 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) or
45 paragraph (3) of this subsection, covering one or more years, in lieu
46 of the developer being allowed any amount of the credit against the
47 tax liability of the developer. The tax credit transfer certificate,
48 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 who may have a tax liability
3 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2
4 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1
5 of 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 information
28 necessary to facilitate grants under this program and remit that
29 information in order to assist in the calculation of incremental
30 revenue.

31 (cf: P.L.2018, c.44, s.2)

32

33 4. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill extends for two years the document submission
39 deadlines applicable to a business or developer that is seeking to
40 receive tax credits under the Economic Redevelopment and Growth
41 Grant Program (ERGG) and the Urban Transit Hub Tax Credit
42 Program (UTHTC).

43 The deadline to submit the required documentation for approval
44 of tax documents for certain residential and commercial UTHTC
45 projects is extended from April 26, 2021 to December 31, 2023.
46 The bill also changes from July 28, 2021 to December 31, 2023 the
47 date when approved UTHTC projects will begin forfeiting annual

1 tax credit awards if the project has not been certified as having met
2 its investment capital and employment qualifications.

3 Finally, the bill extends, to December 31, 2023, the deadline by
4 which developers of certain qualified residential and mixed use
5 parking ERGG projects are required to submit temporary
6 certificates of occupancy.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4875

STATE OF NEW JERSEY

DATED: OCTOBER 26, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4875.

This bill extends for two years the document submission deadlines applicable to a business or developer that is seeking to receive tax credits under the Economic Redevelopment and Growth Grant Program (ERGG) and the Urban Transit Hub Tax Credit Program (UTHTC).

The deadline to submit the required documentation for approval of tax documents for certain residential and commercial UTHTC projects is extended from April 26, 2021 to December 31, 2023. The bill also changes from July 28, 2021 to December 31, 2023 the date when approved UTHTC projects will begin forfeiting annual tax credit awards if the project has not been certified as having met its investment capital and employment qualifications.

Finally, the bill extends, to December 31, 2023, the deadline by which developers of certain qualified residential and mixed use parking ERGG projects are required to submit temporary certificates of occupancy.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the programs are likely to miss certain deadlines, due to the COVID-19 public health emergency, or other factors, and therefore lose access to the tax credits. As a result of this deadline extension, more businesses and developers could qualify for the tax credit awards and more tax credits could be awarded.

The OLS cannot quantify the exact amount of revenue that would be lost because of a lack of data on the specific projects that may be affected by the bill, the amount of tax credits they would receive, the number of businesses and developers that would have lost the tax credits as a result of the old deadline, and the number of businesses and developers that will receive credits with the new deadline. The OLS notes that to the extent that tax credit programs lead to increase economic activity, the State could realize additional indeterminate revenues.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4875
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: OCTOBER 28, 2020

SUMMARY

Synopsis: Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program.

Type of Impact: Annual loss of State revenue.

Agencies Affected: Economic Development Authority

Annual Fiscal Impact	
State Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose access to the tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded.
- The OLS cannot quantify the exact amount of revenue that would be lost because of a lack of data on the specific projects that may be affected by the bill, the amount of tax credits they would receive, the number of businesses and developers that would have lost the tax credits as a result of the old deadline, and the number of businesses and developers that will receive credits with the new deadline. The OLS notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

BILL DESCRIPTION

This bill extends the document submission deadlines applicable to a business or developer that was seeking to receive tax credits under the Economic Redevelopment and Growth Grant Program (ERGG) and the Urban Transit Hub Tax Credit Program (UTHTC).

The original deadline for submitting the required documentation for approval of tax documents for certain residential and commercial UTHTC projects was April 26, 2021. This bill extends the

deadline to December 31, 2023. The bill also changes the date when approved UTHTC projects will begin forfeiting annual tax credit awards if the project has not been certified as having met investment capital and employment qualifications. The original deadline was July 28, 2021, and the bill extends it to December 31, 2023.

The bill also extends the deadline for when developers of certain qualified residential and mixed use parking ERGG projects are required to submit temporary certificates of occupancy to December 31, 2023.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in an indeterminate annual loss of State revenue. The OLS assumes that some businesses wanting to participate in the ERGG and UTHTC programs are likely to miss certain deadlines, due to the Covid-19 public health emergency or other factors, and therefore lose tax credits. As a result of the deadline extension, more businesses and developers could qualify for the tax credits awards and more tax credits could be awarded. The OLS cannot quantify the exact amount of revenue that would be lost because the OLS does not have data on the specific projects that would qualify, the amount of tax credits they would receive, and the number of businesses and developers that would have lost the tax credits as a result of the old deadline. The OLS also cannot estimate how many businesses will gain tax credit awards as a result of the extension of the deadlines or how many developers will be able to submit the temporary certificates of occupancy by the new deadline. The OLS notes that to the extent the tax credit programs lead to increased economic activity, the State could realize additional indeterminate revenues.

Section: Revenue, Finance and Appropriations

*Analyst: Parag Shende
Associate 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.).

Governor Murphy Takes Action on Legislation

11/16/2020

TRENTON – Today, Governor Murphy conditionally vetoed the following bill:

S-3046/A-4875 (Ruiz, Pou/Pintor Marin, Wimberly, Sumter) – Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program

Copy of Statement

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November 16, 2020

SENATE BILL NO. 3046

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 3046 with my recommendations for reconsideration.

This bill extends certain document submission deadlines applicable to businesses and developers that are seeking to receive tax credits under the Urban Transit Hub Tax Credit ("UTHTC") and Economic Redevelopment and Growth Grant ("ERGG") programs. Specifically, the bill extends the deadline to submit the required documentation for approval of tax documents for residential and commercial UTHTC projects from April 26, 2021 to December 31, 2023. The bill also extends, from July 28, 2021 to December 31, 2023, the date on which approved UTHTC projects will begin forfeiting annual tax credit awards if the project has not been certified as having met its investment capital and employment qualifications. Finally, the bill extends, from July 28, 2021 and July 28, 2022 to December 31, 2023, the deadlines by which developers of certain qualified residential and mixed-use parking ERGG projects are required to submit temporary certificates of occupancy.

I ran for Governor and was elected on the promise to transform the State's incentive programs so that the programs work for all New Jerseyans. In the first year of my Administration, I recommended a suite of new tax incentive programs to refocus our State's economy to help create a stronger and fairer economy for the people of New Jersey. I remain optimistic that the State will soon have a new collection of business incentive programs that are innovative and focus on initiatives that value communities and corporations, programs that encourage new entrepreneurs, people of color, women, and veterans, and controls that safeguard taxpayer dollars.

While my partners in the Legislature and I continue to work on legislation to facilitate the next generation of economic development projects, this bill will extend certain deadlines under the existing programs in order to advance shovel-ready projects in communities that have been among the hardest hit by the Coronavirus disease 2019 ("COVID-19") pandemic. I commend the bill's sponsors for recognizing the need to give projects that have already submitted applications to the UTHTC and ERGG programs additional time to submit the documentation and obtain the certificates of occupancy necessary to receive the tax credits. The projects implicated in the bill, which were approved under the the prior tax incentive programs, will be particularly critical to our State's economic recovery.

However, while this legislation provides a lifeline to businesses and developers in need of additional time to satisfy project deadlines, it fails to assist others that may not have the financing necessary to bring their projects to completion. Accordingly, I am recommending changes that will make an additional \$20 million in tax credits available under the ERGG program. The additional credits will allow the New Jersey Economic Development Authority to act on new or existing applications under the ERGG program to help combat the pandemic's negative impacts on project development in the real estate market. The COVID-19 crisis has presented an unusual hardship for real estate developers who have struggled with a lack of project financing and liquidity in the capital markets caused by the financial uncertainty brought about by the pandemic. The changes I am recommending today will spur immediate economic activity, leverage private capital investments, and create jobs for State residents at this critical time.

Therefore, I herewith return Senate Bill No. 3046 and recommend that it be amended as follows:

Page 10, Line 31:

Insert new section:

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

5. a. The New Jersey Economic Development Authority, in consultation with the State Treasurer, shall establish an Economic Redevelopment and Growth Grant program for the purpose of encouraging redevelopment projects in qualifying economic redevelopment and growth grant incentive areas that do not qualify as such areas solely by virtue of being a transit village, through the provision of incentive grants to reimburse developers for certain project financing gap costs.

b. (1) A developer shall submit an application for a State incentive grant prior to July 1, 2019; provided, however, a developer of a qualified residential project or a mixed use parking project seeking an award of credits toward the funding of its incentive grant for a project restricted under part (viii) of subparagraph (b) of paragraph (3) of subsection b. of section 6 of P.L.2009, c.90 (C.52:27D-489f) shall submit an incentive grant application prior to December 31, 2021. A developer that submits an application for a State incentive grant shall indicate on the application whether it is also applying for a local incentive grant.

(2) When an applicant indicates it is also applying for a local incentive grant, the authority shall forward a copy of the application to the municipality wherein the redevelopment project is to be located for approval by municipal ordinance.

c. An application for a State incentive grant shall be reviewed and approved by the authority. The authority shall not approve an

application for a State incentive grant unless the application was submitted prior to July 1, 2019; provided, however, the authority shall not approve an application for a State incentive grant by a developer of a qualified residential project or a mixed use parking project seeking an award of credits toward the funding of its incentive grant for a project restricted under part (viii) of subparagraph (b) of paragraph (3) of subsection b. of section 6 of P.L.2009, c.90 (C.52:27D-489f) unless the application was submitted prior to December 31, 2021.

d. A developer shall not be required to purchase pinelands development credits under the "Pinelands Protection Act," P.L.1979, c.111 (C.13:18A-1 et seq.), the pinelands comprehensive management plan, or any other rule or regulation adopted pursuant to that act in connection with any approval or relief obtained related to a redevelopment project located in an aviation district on or after the effective date of P.L.2018, c.120, except if seeking to develop in permanently protected open space pursuant to the Pinelands Protection Act. The provisions of this subsection shall not apply to a developer of a qualified residential project.

(cf: P.L.2018, c.120, s.6)"

Page 10, Section 3, Line 32:

Delete "3." and insert "4."

Page 12, Section 3, Line 10:

Delete "\$823,000,000" and insert "\$843,000,000"

Page 13, Section 3, Line 3:

Delete "\$105,000,000" and insert "\$125,000,000"

Page 14, Section 3, Line 5:

After "2019" insert "or, in the case of a project restricted under part (viii) of subparagraph (b) of this paragraph, December 31, 2021"

Page 14, Section 3, Line 12:

After "supplemented" insert "or amended"

Page 14, Section 3, Line 12:

After "2019" insert "or, in the case of a project restricted under part (viii) of

subparagraph (b) of this paragraph, December 31, 2021"

Page 15, Section 4, Line 20:

Delete "4." and insert "5."

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

12/23/2020

TRENTON – Today, Governor Murphy signed the following bills into law:

S-3046 wGR/A-4875 (Ruiz, Pou/Pintor Marin, Wimberly, Sumter) – Extends certain document submission deadlines for Urban Transit Hub Tax Credit program and Economic Redevelopment and Growth Grant Program

S-3225/A-5081 (Sweeney, Oroho/Freiman, Reynolds-Jackson, Taliaferro) – Appropriates \$11.5 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for municipal planning incentive grants for farmland preservation purposes

S-3226/A-5077 (Addiego, Bateman/Armato, Jasey, Houghtaling) – Appropriates \$29,886,172 to State Agriculture Development Committee for farmland preservation purposes

S-3228/A-5079 (Gopal/Taliaferro, Murphy, Houghtaling) – Appropriates \$12 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for county planning incentive grants for farmland preservation purposes

ACS for A-4907/SCS for S-3089 (Wimberly, Reynolds-Jackson, Tucker, Giblin/Cryan, Turner, Sweeney) – Makes supplemental appropriation of \$58,000,000 for NJ Statewide Body Worn Camera Program

A-4975/S-3187 (Chiaravalloti, Caputo/Pou, Turner) – Provides for postponement of New Jersey Quality Single Accountability Continuum review for certain school districts

A-5080/S-3227 (Zwicker, Verrelli, Downey/Bateman, Codey) – Appropriates \$3,763,625 from constitutionally dedicated CBT revenues to State Agriculture Development Committee for grants to certain nonprofit organizations for farmland preservation purposes

A-5119/S-3218 (McKeon, Downey, Clifton, Wimberly/Pou, Sarlo, Sweeney) – Provides for reorganization of health service corporation