





P.L. 2024, CHAPTER 25, *approved June 28, 2024*  
Senate, No. 3519

1 **AN ACT** concerning the purchase of certain properties owned by the  
2 New Jersey Transmit Corporation, amending P.L.1992, c.16,  
3 supplementing Title 34 of the Revised Statutes, and making an  
4 appropriation.

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

8  
9 1. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to  
10 read as follows:

11 4. The authority may use the moneys in the fund to pay  
12 principal of, premium, if any, and interest on bonds or notes, which  
13 shall be entitled "Economic Recovery Fund Bonds or Notes," as  
14 appropriate, the proceeds, or net proceeds, of which shall be  
15 deposited into the fund, or used for purposes of the fund, and  
16 moneys in the fund, including money received from the sale of  
17 bonds shall, in such manner as is determined by the authority, and  
18 pursuant to subsections d., e., and f. of this section, be used for the  
19 financing of projects as set forth in section 3 of P.L.1974, c.80  
20 (C.34:1B-3) and to establish:

21 a. an economic growth account for programs and initiatives,  
22 which will support and invest in small and medium-size businesses  
23 and other entities engaged in economic, community, and workforce  
24 development that have the greatest potential for creating jobs and  
25 stimulating economic growth through such elements including, but  
26 not limited to:

27 (1) a Statewide lending pool and guarantee pool for small  
28 business, whether directly or through a community development  
29 financial institution;

30 (2) a business composite bond guarantee;

31 (3) a fund to further supplement the export finance program of  
32 the authority to provide direct loans and working capital necessary  
33 for New Jersey businesses to compete in the global market, real  
34 estate partnerships;

35 (4) a Statewide composite bond pool to assist municipalities in  
36 acquiring needed financing for capital expenditures;

37 (5) financial assistance to assist municipalities, municipal  
38 entities, counties, county entities, regional entities, State

**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 instrumentalities, and not-for-profit local economic and community  
2 development entities to execute programs and initiatives to  
3 stimulate community and economic development;

4 (6) a venture, seed, or angel capital fund for start-up costs for  
5 businesses developing new concepts and inventions;

6 (7) a fund to assist businesses, either directly or through a not-  
7 for-profit or for-profit entity with expansion or transition to a new  
8 business model in such areas including, but not limited to,  
9 manufacturing retooling to improve quality, to reduce production  
10 costs and to train employees to apply the latest technology;

11 (8) a "Main Street Business Assistance Program" to provide  
12 guarantees and loans to small and mid-size businesses and not-for-  
13 profit entities to stimulate the economy;

14 (9) in consultation with the Department of Labor and Workforce  
15 Development and the Office of the Secretary of Higher Education, a  
16 fund to support and invest in innovative workforce development  
17 approaches and programs, including those that could benefit  
18 individuals directly, either undertaken directly by the authority or  
19 through a governmental, not-for-profit, or for-profit entity, that  
20 align with targeted industries as defined by the authority's board or  
21 support a high-demand occupation;

22 (10) a fund to provide grants, financing, or equity to  
23 collaborations between large corporations, small-to-medium sized  
24 businesses, academic institutions, government entities, or not-for-  
25 profit entities, where one of the purposes of the collaboration is to  
26 stimulate community or economic development;

27 (11) a fund to provide grants, financing, or equity in innovation  
28 centers, research centers, incubators, and accelerators, and other  
29 similar innovation-oriented entities, which are focused on the  
30 targeted industries as defined by the authority's board or support  
31 increasing diversity and inclusion within the State's entrepreneurial  
32 economy; the fund may also be used to pay for membership fees, or  
33 other similar arrangements, for the authority to join or participate in  
34 such innovation-oriented entities;

35 (12) a fund to provide grants or competition prizes to fund  
36 initiative-based activities which stimulate growth in targeted  
37 industries as defined by the authority's board or supports increasing  
38 diversity and inclusion within the State's entrepreneurial economy;  
39 this fund may also support not-for-profit industry, trade, and labor  
40 organization initiatives; **[and]**

41 (13) a fund to provide grants or competition prizes, either  
42 directly or through a not-for-profit entity, that is consistent with  
43 economic development priorities as defined by the authority's  
44 board, where funds have been specifically allocated to the economic  
45 recovery fund for this purpose, including but not limited to an  
46 appropriation or transfer from another government entity;

47 (14) a fund for real estate partnerships to construct, reconstruct,  
48 rehabilitate, improve, alter, equip, maintain, repair, or provide for

1 the construction, reconstruction, improvement, alteration,  
2 equipping, maintenance, or repair of any property, and to award and  
3 enter into construction contracts, purchase orders, and other  
4 contracts with respect thereto, upon such terms and conditions as  
5 the authority shall determine to be reasonable. The authority shall  
6 use no less than \$35,000,000 from the economic growth account to  
7 effectuate the provisions of section 2 of P.L. , c. (C. )  
8 (pending before the Legislature as this bill); and

9 (15) a fund for the planning, designing, acquiring, constructing,  
10 reconstructing, improving, equipping, and furnishing by small and  
11 medium-size businesses and not-for-profit corporations of a project  
12 as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including,  
13 but not limited to, grants for working capital and meeting payroll  
14 requirements, upon such terms and conditions as the authority shall  
15 deem reasonable.

16 The authority may promulgate rules and regulations for the  
17 effective implementation of the "Main Street Business Assistance  
18 Program." Notwithstanding any provision of the "Administrative  
19 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
20 contrary, the authority may adopt, immediately upon filing with the  
21 Office of Administrative Law, such regulations as are necessary to  
22 implement the provisions of this act, which shall be effective for a  
23 period not to exceed 12 months following enactment, and may  
24 thereafter be amended, adopted, or readopted by the authority in  
25 accordance with the requirements of the "Administrative Procedure  
26 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). **【The authority may use**  
27 **the economic growth account for the planning, designing, acquiring,**  
28 **constructing, reconstructing, improving, equipping, and furnishing**  
29 **by small and medium-size businesses and not-for-profit**  
30 **corporations of a project as defined in section 3 of P.L.1974, c. 80**  
31 **(C.34:1B-3), including, but not limited to, grants for working**  
32 **capital and meeting payroll requirements, upon such terms and**  
33 **conditions as the authority shall deem reasonable】;**

34 b. an economic development infrastructure program account,  
35 which shall provide for the financing and development of  
36 infrastructure and transportation projects, including but not limited  
37 to ports, terminal and transit facilities, roads and airports, parking  
38 facilities used in connection with transit facilities, and related  
39 facilities, including public-private partnerships, that are integral to  
40 economic growth;

41 c. an account for a cultural, recreational, fine and performing  
42 arts, military and veterans memorial, historic preservation project  
43 and tourism facilities and improvements program, which shall  
44 provide for the financing and development of cultural, recreational,  
45 fine and performing arts, military and veterans memorial, historic  
46 preservation and tourism projects, including partnerships with  
47 public, private and nonprofit entities;

1 d. an account, into which shall be deposited an amount not less  
2 than \$45,000,000, out of the total amounts deposited or credited to  
3 the fund from the proceeds of the sale of Economic Recovery Fund  
4 Bonds or Notes, for the financing of capital facilities for primary  
5 and secondary schools in the State for the purpose of the  
6 renovation, repair or alteration of existing school buildings, the  
7 construction of new school buildings or the conversion of existing  
8 school buildings to other instructional purposes.

9 (1) Of the amount deposited in the account, not less than  
10 \$25,000,000 shall be deposited in the "Public School Facilities  
11 Code Compliance Loan Fund" established pursuant to section 4 of  
12 P.L.1993, c.102 (C.34:1B-7.23).

13 (2) Of the amount deposited in the account, not less than  
14 \$20,000,000 shall be deposited in the "Public School Facilities  
15 Loan Assistance Fund" established pursuant to section 5 of  
16 P.L.1993, c.102 (C.34:1B-7.24);

17 e. an environmental cleanup assistance account, into which  
18 shall be deposited an amount not less than \$10,000,000, out of the  
19 total amounts deposited or credited to the fund from the proceeds of  
20 the sale of Economic Recovery Fund Bonds or Notes, to provide  
21 financial assistance to the persons and other entities entitled to  
22 apply for financial assistance pursuant to P.L.1993, c.139; and

23 f. an account, into which shall be deposited an amount not less  
24 than \$15,000,000, out of the total amounts deposited or credited to  
25 the fund from the proceeds of the sale of Economic Recovery Fund  
26 Bonds or Notes, for the financing of shore restoration, maintenance,  
27 monitoring, protection and preservation projects pursuant to the  
28 shore protection master plan prepared by the Department of  
29 Environmental Protection pursuant to P.L.1978, c.157.

30 (cf: P.L.2020, c.156, s.116)

31  
32 2. (New section) a. The money made available to the authority  
33 by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by  
34 section 1 of P.L. , c. (pending before the Legislature as this bill)  
35 and appropriated pursuant to section 3 of P.L. , c. (pending  
36 before the Legislature as this bill) shall be used by the New Jersey  
37 Economic Development Authority for the purpose of purchasing  
38 certain properties from the New Jersey Transit Corporation  
39 identified by the New Jersey Economic Development Authority to  
40 maximize the development potential of such properties, including,  
41 but not limited to, performing site preparation for, developing,  
42 redeveloping, constructing, reconstructing, rehabilitating,  
43 renovating, selling, leasing, subleasing, or contributing as an  
44 investment to a public or private entity such property, and which  
45 development may include a project consisting solely of residential  
46 units.

47 b. (1) In accordance with the process set forth in this  
48 subsection, the New Jersey Economic Development Authority shall

1 purchase the properties identified pursuant to subsection a. of this  
2 section from the New Jersey Transit Corporation for a purchase  
3 price based on appraisals obtained by the New Jersey Economic  
4 Development Authority of the highest and best use value of the  
5 properties.

6 (2) Prior to the purchase of New Jersey Transit Corporation  
7 properties by the New Jersey Economic Development Authority  
8 using the funds made available for such purpose pursuant to the  
9 provisions of P.L. , c. (C. ) (pending before the Legislature  
10 as this bill), the authority shall notify the Joint Budget Oversight  
11 Committee that the authority has identified properties owned by the  
12 New Jersey Transit Corporation for purchase. Following  
13 notification made by the authority, the Joint Budget Oversight  
14 Committee shall hold a meeting within 10 State working days from  
15 the date of notification for the purpose of receiving a joint  
16 presentation from the New Jersey Transit Corporation and the New  
17 Jersey Economic Development Authority at which the corporation  
18 and the authority shall describe the terms and conditions for the  
19 conveyance of the identified properties. In the event that the Joint  
20 Budget Oversight Committee fails to meet within the time  
21 prescribed by this paragraph, the conveyance shall proceed in  
22 accordance with the terms and conditions agreed to by the  
23 corporation and the authority.

24 (3) The process set forth in this subsection shall apply only to  
25 the conveyance of properties from the New Jersey Transit  
26 Corporation to the New Jersey Economic Development Authority  
27 using the funds appropriated for such purpose pursuant to section 3  
28 of P.L. , c. (pending before the Legislature as this bill) and the  
29 funds required from the economic growth account for such purpose  
30 pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended  
31 by section 1 of P.L. , c. (C. ) (pending before the  
32 Legislature as this bill).

33 c. The New Jersey Transit Corporation shall maintain a  
34 participation interest in the properties sold to the authority, which  
35 participation interest shall be determined through an agreement  
36 entered into between the New Jersey Transit Corporation and the  
37 New Jersey Economic Development Authority. An agreement  
38 entered into pursuant to this subsection shall be subject to the  
39 following conditions: (1) if a property is sold by the New Jersey  
40 Economic Development Authority to a public or private entity, the  
41 New Jersey Transit Corporation shall receive no less than 33  
42 percent of the proceeds from such sale above the appraised value of  
43 the property at the time of its purchase from the New Jersey Transit  
44 Corporation by the New Jersey Economic Development Authority;  
45 and (2) if a property is leased by the New Jersey Economic  
46 Development Authority to a public or private entity, the New Jersey  
47 Transit Corporation shall receive no less than 33 percent of the  
48 proceeds from such lease.

1 d. Prior to the New Jersey Economic Development Authority  
2 developing, redeveloping, constructing, reconstructing,  
3 rehabilitating, renovating, selling, leasing, subleasing, or  
4 contributing as an investment the properties acquired from the New  
5 Jersey Transit Corporation pursuant to P.L. , c. (C. )  
6 (pending before the Legislature as this bill), the authority shall  
7 notify the Joint Budget Oversight Committee that the authority  
8 intends to develop, redevelop, construct, reconstruct, rehabilitate,  
9 renovate, sell, lease, sublease, or contribute as an investment such  
10 properties. Following notification made by the New Jersey  
11 Economic Development Authority, the Joint Budget Oversight  
12 Committee shall hold a meeting within 10 State working days from  
13 the date of notification for the purpose of receiving a presentation  
14 from the New Jersey Economic Development Authority at which  
15 the authority shall describe the intended actions to be taken with  
16 respect to the properties. In the event that the Joint Budget  
17 Oversight Committee fails to meet within the time prescribed by  
18 this subsection, the authority may proceed with its plans to develop,  
19 redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease,  
20 sublease, or contribute as an investment such properties. The  
21 process set forth in this subsection shall apply only to the properties  
22 acquired by the New Jersey Economic Development Authority from  
23 the New Jersey Transit Corporation using the funds appropriated for  
24 such purpose pursuant to section 3 of P.L. , c. (pending before  
25 the Legislature as this bill) and the funds required from the  
26 economic growth account for such purpose pursuant to section 4 of  
27 P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L. ,  
28 c. (pending before the Legislature as this bill).

29  
30 3. There is appropriated from the General Fund to the New  
31 Jersey Economic Development Authority an amount not to exceed  
32 \$65,000,000 to effectuate the provisions of section 2 of P.L. ,  
33 c. (C. ) (pending before the Legislature as this bill), subject to  
34 the approval of the Director of the Division of Budget and  
35 Accounting.

36  
37 4. This act shall take effect immediately.

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#### STATEMENT

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42 This bill provides the New Jersey Economic Development  
43 Authority (EDA) with monies to be used to purchase properties  
44 from the New Jersey Transit Corporation (NJT) that the EDA  
45 identifies as suitable for, among other purposes, development,  
46 rehabilitation, and leasing opportunities that maximize the  
47 development potential of the properties.

1 Under the bill, the EDA would be permitted to access funds from  
2 the EDA's economic growth account in an amount not less than  
3 \$35,000,000. Purposes for which these funds may be used under  
4 the bill would include construction, reconstruction, rehabilitation,  
5 improvements, alterations, equipping, maintenance, and repairs of  
6 certain properties that are identified as suitable to economic growth  
7 potential. The EDA would also be permitted to award and enter  
8 into construction contracts, purchase orders, and other contracts  
9 with respect to such properties.

10 Additionally, the bill appropriates an amount not to exceed \$65  
11 million from the General Fund to the EDA for the purpose of  
12 purchasing properties from NJT that are identified by the EDA to  
13 maximize the development potential of such properties.

14 Under the bill, the EDA would be required to purchase the  
15 properties at a price based on appraisals obtained by the EDA of the  
16 highest and best use value of the properties, and NJT would be  
17 required to maintain a participation interest in each property. The  
18 bill also provides that if the EDA sells or leases any of these  
19 properties to a public or private entity, the EDA would be required  
20 to pay no less than 33 percent of the proceeds of the sale or lease, as  
21 applicable, to NJT.

22 The bill requires the EDA to notify the Joint Budget Oversight  
23 Committee (JBOC) that properties have been identified, but before  
24 the purchase of any land, in order for the EDA and NJT to provide  
25 JBOC with a joint presentation regarding details of the proposed  
26 conveyance. The bill further requires the EDA to notify JBOC  
27 before developing, redeveloping, constructing, reconstructing,  
28 rehabilitating, renovating, selling, leasing, subleasing, or  
29 contributing as an investment the properties acquired from NJT.  
30 This EDA presentation would detail the intended actions to be taken  
31 with respect to the properties.

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36 Provides monies for EDA to purchase certain properties from  
37 NJT to maximize development potential; appropriates \$65 million.

## CHAPTER 25

**AN ACT** concerning the purchase of certain properties owned by the New Jersey Transmit Corporation, amending P.L.1992, c.16, supplementing Title 34 of the Revised Statutes, and making an appropriation.

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

1. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to read as follows:

C.34:1B-7.13 Use of moneys in fund.

4. The authority may use the moneys in the fund to pay principal of, premium, if any, and interest on bonds or notes, which shall be entitled "Economic Recovery Fund Bonds or Notes," as appropriate, the proceeds, or net proceeds, of which shall be deposited into the fund, or used for purposes of the fund, and moneys in the fund, including money received from the sale of bonds shall, in such manner as is determined by the authority, and pursuant to subsections d., e., and f. of this section, be used for the financing of projects as set forth in section 3 of P.L.1974, c.80 (C.34:1B-3) and to establish:

a. an economic growth account for programs and initiatives, which will support and invest in small and medium-size businesses and other entities engaged in economic, community, and workforce development that have the greatest potential for creating jobs and stimulating economic growth through such elements including, but not limited to:

(1) a Statewide lending pool and guarantee pool for small business, whether directly or through a community development financial institution;

(2) a business composite bond guarantee;

(3) a fund to further supplement the export finance program of the authority to provide direct loans and working capital necessary for New Jersey businesses to compete in the global market, real estate partnerships;

(4) a Statewide composite bond pool to assist municipalities in acquiring needed financing for capital expenditures;

(5) financial assistance to assist municipalities, municipal entities, counties, county entities, regional entities, State instrumentalities, and not-for-profit local economic and community development entities to execute programs and initiatives to stimulate community and economic development;

(6) a venture, seed, or angel capital fund for start-up costs for businesses developing new concepts and inventions;

(7) a fund to assist businesses, either directly or through a not-for-profit or for-profit entity with expansion or transition to a new business model in such areas including, but not limited to, manufacturing retooling to improve quality, to reduce production costs and to train employees to apply the latest technology;

(8) a "Main Street Business Assistance Program" to provide guarantees and loans to small and mid-size businesses and not-for-profit entities to stimulate the economy;

(9) in consultation with the Department of Labor and Workforce Development and the Office of the Secretary of Higher Education, a fund to support and invest in innovative workforce development approaches and programs, including those that could benefit individuals directly, either undertaken directly by the authority or through a governmental, not-for-profit, or for-profit entity, that align with targeted industries as defined by the authority's board or support a high-demand occupation;

(10) a fund to provide grants, financing, or equity to collaborations between large corporations, small-to-medium sized businesses, academic institutions, government entities,

or not-for-profit entities, where one of the purposes of the collaboration is to stimulate community or economic development;

(11) a fund to provide grants, financing, or equity in innovation centers, research centers, incubators, and accelerators, and other similar innovation-oriented entities, which are focused on the targeted industries as defined by the authority's board or support increasing diversity and inclusion within the State's entrepreneurial economy; the fund may also be used to pay for membership fees, or other similar arrangements, for the authority to join or participate in such innovation-oriented entities;

(12) a fund to provide grants or competition prizes to fund initiative-based activities which stimulate growth in targeted industries as defined by the authority's board or supports increasing diversity and inclusion within the State's entrepreneurial economy; this fund may also support not-for-profit industry, trade, and labor organization initiatives;

(13) a fund to provide grants or competition prizes, either directly or through a not-for-profit entity, that is consistent with economic development priorities as defined by the authority's board, where funds have been specifically allocated to the economic recovery fund for this purpose, including but not limited to an appropriation or transfer from another government entity;

(14) a fund for real estate partnerships to construct, reconstruct, rehabilitate, improve, alter, equip, maintain, repair, or provide for the construction, reconstruction, improvement, alteration, equipping, maintenance, or repair of any property, and to award and enter into construction contracts, purchase orders, and other contracts with respect thereto, upon such terms and conditions as the authority shall determine to be reasonable. The authority shall use no less than \$35,000,000 from the economic growth account to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a); and

(15) a fund for the planning, designing, acquiring, constructing, reconstructing, improving, equipping, and furnishing by small and medium-size businesses and not-for-profit corporations of a project as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including, but not limited to, grants for working capital and meeting payroll requirements, upon such terms and conditions as the authority shall deem reasonable.

The authority may promulgate rules and regulations for the effective implementation of the "Main Street Business Assistance Program." Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the authority may adopt, immediately upon filing with the Office of Administrative Law, such regulations as are necessary to implement the provisions of this act, which shall be effective for a period not to exceed 12 months following enactment, and may thereafter be amended, adopted, or readopted by the authority in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

b. an economic development infrastructure program account, which shall provide for the financing and development of infrastructure and transportation projects, including but not limited to ports, terminal and transit facilities, roads and airports, parking facilities used in connection with transit facilities, and related facilities, including public-private partnerships, that are integral to economic growth;

c. an account for a cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation project and tourism facilities and improvements program, which shall provide for the financing and development of cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation and tourism projects, including partnerships with public, private and nonprofit entities;

d. an account, into which shall be deposited an amount not less than \$45,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of capital facilities for primary and secondary schools in the State for the purpose of the renovation, repair or alteration of existing school buildings, the construction of new school buildings or the conversion of existing school buildings to other instructional purposes.

(1) Of the amount deposited in the account, not less than \$25,000,000 shall be deposited in the "Public School Facilities Code Compliance Loan Fund" established pursuant to section 4 of P.L.1993, c.102 (C.34:1B-7.23).

(2) Of the amount deposited in the account, not less than \$20,000,000 shall be deposited in the "Public School Facilities Loan Assistance Fund" established pursuant to section 5 of P.L.1993, c.102 (C.34:1B-7.24);

e. an environmental cleanup assistance account, into which shall be deposited an amount not less than \$10,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, to provide financial assistance to the persons and other entities entitled to apply for financial assistance pursuant to P.L.1993, c.139; and

f. an account, into which shall be deposited an amount not less than \$15,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of shore restoration, maintenance, monitoring, protection and preservation projects pursuant to the shore protection master plan prepared by the Department of Environmental Protection pursuant to P.L.1978, c.157.

C.34:1B-7.13a Purchasing properties, certain, maximize development potential.

2. a. The money made available to the authority by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by section 1 of P.L.2024, c.25 and appropriated pursuant to section 3 of P.L.2024, c.25 shall be used by the New Jersey Economic Development Authority for the purpose of purchasing certain properties from the New Jersey Transit Corporation identified by the New Jersey Economic Development Authority to maximize the development potential of such properties, including, but not limited to, performing site preparation for, developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment to a public or private entity such property, and which development may include a project consisting solely of residential units.

b. (1) In accordance with the process set forth in this subsection, the New Jersey Economic Development Authority shall purchase the properties identified pursuant to subsection a. of this section from the New Jersey Transit Corporation for a purchase price based on appraisals obtained by the New Jersey Economic Development Authority of the highest and best use value of the properties.

(2) Prior to the purchase of New Jersey Transit Corporation properties by the New Jersey Economic Development Authority using the funds made available for such purpose pursuant to the provisions of P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority has identified properties owned by the New Jersey Transit Corporation for purchase. Following notification made by the authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a joint presentation from the New Jersey Transit Corporation and the New Jersey Economic Development Authority at which the corporation and the authority shall describe the terms and conditions for the conveyance of the identified properties. In the event that the Joint Budget Oversight Committee fails to meet

within the time prescribed by this paragraph, the conveyance shall proceed in accordance with the terms and conditions agreed to by the corporation and the authority.

(3) The process set forth in this subsection shall apply only to the conveyance of properties from the New Jersey Transit Corporation to the New Jersey Economic Development Authority using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25 (C.34:1B-7.13).

c. The New Jersey Transit Corporation shall maintain a participation interest in the properties sold to the authority, which participation interest shall be determined through an agreement entered into between the New Jersey Transit Corporation and the New Jersey Economic Development Authority. An agreement entered into pursuant to this subsection shall be subject to the following conditions: (1) if a property is sold by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such sale above the appraised value of the property at the time of its purchase from the New Jersey Transit Corporation by the New Jersey Economic Development Authority; and (2) if a property is leased by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such lease.

d. Prior to the New Jersey Economic Development Authority developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment the properties acquired from the New Jersey Transit Corporation pursuant to P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority intends to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. Following notification made by the New Jersey Economic Development Authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a presentation from the New Jersey Economic Development Authority at which the authority shall describe the intended actions to be taken with respect to the properties. In the event that the Joint Budget Oversight Committee fails to meet within the time prescribed by this subsection, the authority may proceed with its plans to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. The process set forth in this subsection shall apply only to the properties acquired by the New Jersey Economic Development Authority from the New Jersey Transit Corporation using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25.

3. There is appropriated from the General Fund to the New Jersey Economic Development Authority an amount not to exceed \$65,000,000 to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a), subject to the approval of the Director of the Division of Budget and Accounting.

4. This act shall take effect immediately.

Approved June 28, 2024.

**SENATE, No. 3519**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED JUNE 26, 2024

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblywoman ELLEN J. PARK**

**District 37 (Bergen)**

**Co-Sponsored by:**

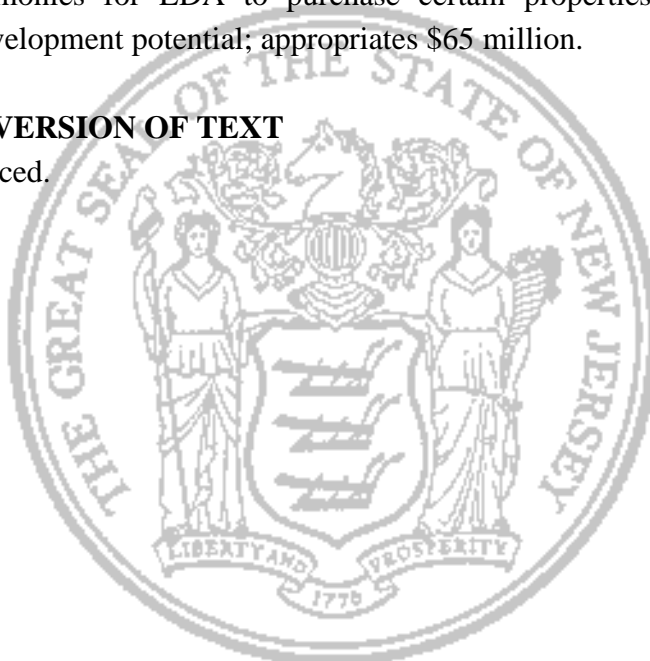
**Assemblywomen Reynolds-Jackson and Murphy**

**SYNOPSIS**

Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/28/2024)**

1 AN ACT concerning the purchase of certain properties owned by the  
2 New Jersey Transmit Corporation, amending P.L.1992, c.16,  
3 supplementing Title 34 of the Revised Statutes, and making an  
4 appropriation.

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

8  
9 1. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to  
10 read as follows:

11 4. The authority may use the moneys in the fund to pay  
12 principal of, premium, if any, and interest on bonds or notes, which  
13 shall be entitled "Economic Recovery Fund Bonds or Notes," as  
14 appropriate, the proceeds, or net proceeds, of which shall be  
15 deposited into the fund, or used for purposes of the fund, and  
16 moneys in the fund, including money received from the sale of  
17 bonds shall, in such manner as is determined by the authority, and  
18 pursuant to subsections d., e., and f. of this section, be used for the  
19 financing of projects as set forth in section 3 of P.L.1974, c.80  
20 (C.34:1B-3) and to establish:

21 a. an economic growth account for programs and initiatives,  
22 which will support and invest in small and medium-size businesses  
23 and other entities engaged in economic, community, and workforce  
24 development that have the greatest potential for creating jobs and  
25 stimulating economic growth through such elements including, but  
26 not limited to:

27 (1) a Statewide lending pool and guarantee pool for small  
28 business, whether directly or through a community development  
29 financial institution;

30 (2) a business composite bond guarantee;

31 (3) a fund to further supplement the export finance program of  
32 the authority to provide direct loans and working capital necessary  
33 for New Jersey businesses to compete in the global market, real  
34 estate partnerships;

35 (4) a Statewide composite bond pool to assist municipalities in  
36 acquiring needed financing for capital expenditures;

37 (5) financial assistance to assist municipalities, municipal  
38 entities, counties, county entities, regional entities, State  
39 instrumentalities, and not-for-profit local economic and community  
40 development entities to execute programs and initiatives to  
41 stimulate community and economic development;

42 (6) a venture, seed, or angel capital fund for start-up costs for  
43 businesses developing new concepts and inventions;

44 (7) a fund to assist businesses, either directly or through a not-  
45 for-profit or for-profit entity with expansion or transition to a new

**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 business model in such areas including, but not limited to,  
2 manufacturing retooling to improve quality, to reduce production  
3 costs and to train employees to apply the latest technology;

4 (8) a "Main Street Business Assistance Program" to provide  
5 guarantees and loans to small and mid-size businesses and not-for-  
6 profit entities to stimulate the economy;

7 (9) in consultation with the Department of Labor and Workforce  
8 Development and the Office of the Secretary of Higher Education, a  
9 fund to support and invest in innovative workforce development  
10 approaches and programs, including those that could benefit  
11 individuals directly, either undertaken directly by the authority or  
12 through a governmental, not-for-profit, or for-profit entity, that  
13 align with targeted industries as defined by the authority's board or  
14 support a high-demand occupation;

15 (10) a fund to provide grants, financing, or equity to  
16 collaborations between large corporations, small-to-medium sized  
17 businesses, academic institutions, government entities, or not-for-  
18 profit entities, where one of the purposes of the collaboration is to  
19 stimulate community or economic development;

20 (11) a fund to provide grants, financing, or equity in innovation  
21 centers, research centers, incubators, and accelerators, and other  
22 similar innovation-oriented entities, which are focused on the  
23 targeted industries as defined by the authority's board or support  
24 increasing diversity and inclusion within the State's entrepreneurial  
25 economy; the fund may also be used to pay for membership fees, or  
26 other similar arrangements, for the authority to join or participate in  
27 such innovation-oriented entities;

28 (12) a fund to provide grants or competition prizes to fund  
29 initiative-based activities which stimulate growth in targeted  
30 industries as defined by the authority's board or supports increasing  
31 diversity and inclusion within the State's entrepreneurial economy;  
32 this fund may also support not-for-profit industry, trade, and labor  
33 organization initiatives; **[and]**

34 (13) a fund to provide grants or competition prizes, either  
35 directly or through a not-for-profit entity, that is consistent with  
36 economic development priorities as defined by the authority's  
37 board, where funds have been specifically allocated to the economic  
38 recovery fund for this purpose, including but not limited to an  
39 appropriation or transfer from another government entity;

40 (14) a fund for real estate partnerships to construct, reconstruct,  
41 rehabilitate, improve, alter, equip, maintain, repair, or provide for  
42 the construction, reconstruction, improvement, alteration,  
43 equipping, maintenance, or repair of any property, and to award and  
44 enter into construction contracts, purchase orders, and other  
45 contracts with respect thereto, upon such terms and conditions as  
46 the authority shall determine to be reasonable. The authority shall  
47 use no less than \$35,000,000 from the economic growth account to

1 effectuate the provisions of section 2 of P.L. , c. (C. )  
2 (pending before the Legislature as this bill); and

3 (15) a fund for the planning, designing, acquiring, constructing,  
4 reconstructing, improving, equipping, and furnishing by small and  
5 medium-size businesses and not-for-profit corporations of a project  
6 as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including,  
7 but not limited to, grants for working capital and meeting payroll  
8 requirements, upon such terms and conditions as the authority shall  
9 deem reasonable.

10 The authority may promulgate rules and regulations for the  
11 effective implementation of the "Main Street Business Assistance  
12 Program." Notwithstanding any provision of the "Administrative  
13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
14 contrary, the authority may adopt, immediately upon filing with the  
15 Office of Administrative Law, such regulations as are necessary to  
16 implement the provisions of this act, which shall be effective for a  
17 period not to exceed 12 months following enactment, and may  
18 thereafter be amended, adopted, or readopted by the authority in  
19 accordance with the requirements of the "Administrative Procedure  
20 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). **【The authority may use**  
21 **the economic growth account for the planning, designing, acquiring,**  
22 **constructing, reconstructing, improving, equipping, and furnishing**  
23 **by small and medium-size businesses and not-for-profit**  
24 **corporations of a project as defined in section 3 of P.L.1974, c. 80**  
25 **(C.34:1B-3), including, but not limited to, grants for working**  
26 **capital and meeting payroll requirements, upon such terms and**  
27 **conditions as the authority shall deem reasonable】;**

28 b. an economic development infrastructure program account,  
29 which shall provide for the financing and development of  
30 infrastructure and transportation projects, including but not limited  
31 to ports, terminal and transit facilities, roads and airports, parking  
32 facilities used in connection with transit facilities, and related  
33 facilities, including public-private partnerships, that are integral to  
34 economic growth;

35 c. an account for a cultural, recreational, fine and performing  
36 arts, military and veterans memorial, historic preservation project  
37 and tourism facilities and improvements program, which shall  
38 provide for the financing and development of cultural, recreational,  
39 fine and performing arts, military and veterans memorial, historic  
40 preservation and tourism projects, including partnerships with  
41 public, private and nonprofit entities;

42 d. an account, into which shall be deposited an amount not less  
43 than \$45,000,000, out of the total amounts deposited or credited to  
44 the fund from the proceeds of the sale of Economic Recovery Fund  
45 Bonds or Notes, for the financing of capital facilities for primary  
46 and secondary schools in the State for the purpose of the  
47 renovation, repair or alteration of existing school buildings, the

1 construction of new school buildings or the conversion of existing  
2 school buildings to other instructional purposes.

3 (1) Of the amount deposited in the account, not less than  
4 \$25,000,000 shall be deposited in the "Public School Facilities  
5 Code Compliance Loan Fund" established pursuant to section 4 of  
6 P.L.1993, c.102 (C.34:1B-7.23).

7 (2) Of the amount deposited in the account, not less than  
8 \$20,000,000 shall be deposited in the "Public School Facilities  
9 Loan Assistance Fund" established pursuant to section 5 of  
10 P.L.1993, c.102 (C.34:1B-7.24);

11 e. an environmental cleanup assistance account, into which  
12 shall be deposited an amount not less than \$10,000,000, out of the  
13 total amounts deposited or credited to the fund from the proceeds of  
14 the sale of Economic Recovery Fund Bonds or Notes, to provide  
15 financial assistance to the persons and other entities entitled to  
16 apply for financial assistance pursuant to P.L.1993, c.139; and

17 f. an account, into which shall be deposited an amount not less  
18 than \$15,000,000, out of the total amounts deposited or credited to  
19 the fund from the proceeds of the sale of Economic Recovery Fund  
20 Bonds or Notes, for the financing of shore restoration, maintenance,  
21 monitoring, protection and preservation projects pursuant to the  
22 shore protection master plan prepared by the Department of  
23 Environmental Protection pursuant to P.L.1978, c.157.

24 (cf: P.L.2020, c.156, s.116)

25

26 2. (New section) a. The money made available to the authority  
27 by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by  
28 section 1 of P.L. , c. (pending before the Legislature as this bill)  
29 and appropriated pursuant to section 3 of P.L. , c. (pending  
30 before the Legislature as this bill) shall be used by the New Jersey  
31 Economic Development Authority for the purpose of purchasing  
32 certain properties from the New Jersey Transit Corporation  
33 identified by the New Jersey Economic Development Authority to  
34 maximize the development potential of such properties, including,  
35 but not limited to, performing site preparation for, developing,  
36 redeveloping, constructing, reconstructing, rehabilitating,  
37 renovating, selling, leasing, subleasing, or contributing as an  
38 investment to a public or private entity such property, and which  
39 development may include a project consisting solely of residential  
40 units.

41 b. (1) In accordance with the process set forth in this  
42 subsection, the New Jersey Economic Development Authority shall  
43 purchase the properties identified pursuant to subsection a. of this  
44 section from the New Jersey Transit Corporation for a purchase  
45 price based on appraisals obtained by the New Jersey Economic  
46 Development Authority of the highest and best use value of the  
47 properties.

1 (2) Prior to the purchase of New Jersey Transit Corporation  
2 properties by the New Jersey Economic Development Authority  
3 using the funds made available for such purpose pursuant to the  
4 provisions of P.L. , c. (C. ) (pending before the Legislature  
5 as this bill), the authority shall notify the Joint Budget Oversight  
6 Committee that the authority has identified properties owned by the  
7 New Jersey Transit Corporation for purchase. Following  
8 notification made by the authority, the Joint Budget Oversight  
9 Committee shall hold a meeting within 10 State working days from  
10 the date of notification for the purpose of receiving a joint  
11 presentation from the New Jersey Transit Corporation and the New  
12 Jersey Economic Development Authority at which the corporation  
13 and the authority shall describe the terms and conditions for the  
14 conveyance of the identified properties. In the event that the Joint  
15 Budget Oversight Committee fails to meet within the time  
16 prescribed by this paragraph, the conveyance shall proceed in  
17 accordance with the terms and conditions agreed to by the  
18 corporation and the authority.

19 (3) The process set forth in this subsection shall apply only to  
20 the conveyance of properties from the New Jersey Transit  
21 Corporation to the New Jersey Economic Development Authority  
22 using the funds appropriated for such purpose pursuant to section 3  
23 of P.L. , c. (pending before the Legislature as this bill) and the  
24 funds required from the economic growth account for such purpose  
25 pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended  
26 by section 1 of P.L. , c. (C. ) (pending before the  
27 Legislature as this bill).

28 c. The New Jersey Transit Corporation shall maintain a  
29 participation interest in the properties sold to the authority, which  
30 participation interest shall be determined through an agreement  
31 entered into between the New Jersey Transit Corporation and the  
32 New Jersey Economic Development Authority. An agreement  
33 entered into pursuant to this subsection shall be subject to the  
34 following conditions: (1) if a property is sold by the New Jersey  
35 Economic Development Authority to a public or private entity, the  
36 New Jersey Transit Corporation shall receive no less than 33  
37 percent of the proceeds from such sale above the appraised value of  
38 the property at the time of its purchase from the New Jersey Transit  
39 Corporation by the New Jersey Economic Development Authority;  
40 and (2) if a property is leased by the New Jersey Economic  
41 Development Authority to a public or private entity, the New Jersey  
42 Transit Corporation shall receive no less than 33 percent of the  
43 proceeds from such lease.

44 d. Prior to the New Jersey Economic Development Authority  
45 developing, redeveloping, constructing, reconstructing,  
46 rehabilitating, renovating, selling, leasing, subleasing, or  
47 contributing as an investment the properties acquired from the New  
48 Jersey Transit Corporation pursuant to P.L. , c. (C. )

1 (pending before the Legislature as this bill), the authority shall  
2 notify the Joint Budget Oversight Committee that the authority  
3 intends to develop, redevelop, construct, reconstruct, rehabilitate,  
4 renovate, sell, lease, sublease, or contribute as an investment such  
5 properties. Following notification made by the New Jersey  
6 Economic Development Authority, the Joint Budget Oversight  
7 Committee shall hold a meeting within 10 State working days from  
8 the date of notification for the purpose of receiving a presentation  
9 from the New Jersey Economic Development Authority at which  
10 the authority shall describe the intended actions to be taken with  
11 respect to the properties. In the event that the Joint Budget  
12 Oversight Committee fails to meet within the time prescribed by  
13 this subsection, the authority may proceed with its plans to develop,  
14 redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease,  
15 sublease, or contribute as an investment such properties. The  
16 process set forth in this subsection shall apply only to the properties  
17 acquired by the New Jersey Economic Development Authority from  
18 the New Jersey Transit Corporation using the funds appropriated for  
19 such purpose pursuant to section 3 of P.L. , c. (pending before  
20 the Legislature as this bill) and the funds required from the  
21 economic growth account for such purpose pursuant to section 4 of  
22 P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L. ,  
23 c. (pending before the Legislature as this bill).

24  
25 3. There is appropriated from the General Fund to the New  
26 Jersey Economic Development Authority an amount not to exceed  
27 \$65,000,000 to effectuate the provisions of section 2 of P.L. ,  
28 c. (C. ) (pending before the Legislature as this bill), subject to  
29 the approval of the Director of the Division of Budget and  
30 Accounting.

31  
32 4. This act shall take effect immediately.

33

34

35

#### STATEMENT

36

37 This bill provides the New Jersey Economic Development  
38 Authority (EDA) with monies to be used to purchase properties  
39 from the New Jersey Transit Corporation (NJTC) that the EDA  
40 identifies as suitable for, among other purposes, development,  
41 rehabilitation, and leasing opportunities that maximize the  
42 development potential of the properties.

43 Under the bill, the EDA would be permitted to access funds from  
44 the EDA's economic growth account in an amount not less than  
45 \$35,000,000. Purposes for which these funds may be used under  
46 the bill would include construction, reconstruction, rehabilitation,  
47 improvements, alterations, equipping, maintenance, and repairs of  
48 certain properties that are identified as suitable to economic growth

1 potential. The EDA would also be permitted to award and enter  
2 into construction contracts, purchase orders, and other contracts  
3 with respect to such properties.

4 Additionally, the bill appropriates an amount not to exceed \$65  
5 million from the General Fund to the EDA for the purpose of  
6 purchasing properties from NJT that are identified by the EDA to  
7 maximize the development potential of such properties.

8 Under the bill, the EDA would be required to purchase the  
9 properties at a price based on appraisals obtained by the EDA of the  
10 highest and best use value of the properties, and NJT would be  
11 required to maintain a participation interest in each property. The  
12 bill also provides that if the EDA sells or leases any of these  
13 properties to a public or private entity, the EDA would be required  
14 to pay no less than 33 percent of the proceeds of the sale or lease, as  
15 applicable, to NJT.

16 The bill requires the EDA to notify the Joint Budget Oversight  
17 Committee (JBOC) that properties have been identified, but before  
18 the purchase of any land, in order for the EDA and NJT to provide  
19 JBOC with a joint presentation regarding details of the proposed  
20 conveyance. The bill further requires the EDA to notify JBOC  
21 before developing, redeveloping, constructing, reconstructing,  
22 rehabilitating, renovating, selling, leasing, subleasing, or  
23 contributing as an investment the properties acquired from NJT.  
24 This EDA presentation would detail the intended actions to be taken  
25 with respect to the properties.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 3519

# STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3519.

This bill provides the New Jersey Economic Development Authority (EDA) with monies to be used to purchase properties from the New Jersey Transit Corporation (NJT) that the EDA identifies as suitable for, among other purposes, development, rehabilitation, and leasing opportunities that maximize the development potential of the properties.

Under the bill, the EDA would be permitted to access funds from the EDA's economic growth account in an amount not less than \$35,000,000. Purposes for which these funds may be used under the bill would include construction, reconstruction, rehabilitation, improvements, alterations, equipping, maintenance, and repairs of certain properties that are identified as suitable to economic growth potential. The EDA would also be permitted to award and enter into construction contracts, purchase orders, and other contracts with respect to such properties.

Additionally, the bill appropriates an amount not to exceed \$65 million from the General Fund to the EDA for the purpose of purchasing properties from NJT that are identified by the EDA to maximize the development potential of such properties.

Under the bill, the EDA would be required to purchase the properties at a price based on appraisals obtained by the EDA of the highest and best use value of the properties, and NJT would be required to maintain a participation interest in each property. The bill also provides that if the EDA sells or leases any of these properties to a public or private entity, the EDA would be required to pay no less than 33 percent of the proceeds of the sale or lease, as applicable, to NJT.

The bill requires the EDA to notify the Joint Budget Oversight Committee (JBOC) that properties have been identified, but before the purchase of any land, in order for the EDA and NJT to provide JBOC with a joint presentation regarding details of the proposed conveyance. The bill further requires the EDA to notify JBOC before developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment the properties acquired from NJT. This EDA presentation would detail the intended actions to be taken with respect to the properties.

#### FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 3519**  
**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

DATED: JULY 3, 2024

**SUMMARY**

**Synopsis:** Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million.

**Type of Impact:** One-time State expenditure increase.

**Agencies Affected:** New Jersey Economic Development Authority, New Jersey Transit Corporation, Department of the Treasury.

<b>Fiscal Impact</b>	
<b>One-Time State Expenditure Increase</b>	\$100 million

- The Office of Legislative Services (OLS) finds that the bill would result in a one-time State expenditure increase of \$100 million for the Economic Development Authority to purchase and develop certain New Jersey Transit Corporation properties. Funding is provided from a General Fund appropriation not to exceed \$65 million and at least \$35 million from the authority's economic growth account.
- The bill may result in indeterminate future State and local revenue impacts, depending on the development and use of the acquired properties.

**BILL DESCRIPTION**

This bill provides funding for the New Jersey Economic Development Authority to purchase properties from the New Jersey Transit Corporation that the authority identifies as suitable for development, rehabilitation, and leasing opportunities to maximize their development potential. The bill requires the authority to use at least \$35 million from its economic growth account for purchasing and developing New Jersey Transit properties and appropriates an amount not to exceed \$65 million from the General Fund to the authority for purchasing New Jersey Transit properties. It requires the authority to purchase properties based on appraisals of their highest and best use value and mandates that New Jersey Transit maintain a participation interest in sold properties, receiving at least 33% of proceeds above the appraised value if a property is sold, or at least 33% of lease proceeds if a property is leased. The bill also establishes a notification and

presentation process involving the Joint Budget Oversight Committee before property purchases and development actions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS finds that the bill would result in a one-time State expenditure increase of \$100 million for the Economic Development Authority to purchase and develop certain New Jersey Transit properties. Funding is provided from a General Fund appropriation not to exceed \$65 million and at least \$35 million from the authority's economic growth account. The full \$100 million may not be expended if suitable properties are not identified or if their purchase prices are lower than anticipated and the full \$65 million appropriation is not required.

The bill may result in indeterminate future State and local revenue impacts, including potential revenue gains from the authority's development, sale, or lease of acquired properties, possible increased tax revenues if properties are developed for commercial or residential use, and potential opportunity costs from alternative uses of the funds or properties. The magnitude and timing of these impacts would depend on the specific properties acquired, their development plans, and market conditions.

The authority and New Jersey Transit may incur some additional administrative costs to implement the property identification, appraisal, and transfer processes outlined in the bill. These costs are likely to be absorbed within existing resources.

*Section: Revenue, Finance, and Appropriations*

*Analyst: Patrick Walsh  
Assistant Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

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

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

# ASSEMBLY, No. 4709

## STATE OF NEW JERSEY 221st LEGISLATURE

INTRODUCED JUNE 26, 2024

**Sponsored by:**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblywoman ELLEN J. PARK**

**District 37 (Bergen)**

**Co-Sponsored by:**

**Assemblywomen Reynolds-Jackson and Murphy**

**SYNOPSIS**

Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/28/2024)**

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2 New Jersey Transmit Corporation, amending P.L.1992, c.16,  
3 supplementing Title 34 of the Revised Statutes, and making an  
4 appropriation.

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

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10 read as follows:

11 4. The authority may use the moneys in the fund to pay  
12 principal of, premium, if any, and interest on bonds or notes, which  
13 shall be entitled "Economic Recovery Fund Bonds or Notes," as  
14 appropriate, the proceeds, or net proceeds, of which shall be  
15 deposited into the fund, or used for purposes of the fund, and  
16 moneys in the fund, including money received from the sale of  
17 bonds shall, in such manner as is determined by the authority, and  
18 pursuant to subsections d., e., and f. of this section, be used for the  
19 financing of projects as set forth in section 3 of P.L.1974, c.80  
20 (C.34:1B-3) and to establish:

21 a. an economic growth account for programs and initiatives,  
22 which will support and invest in small and medium-size businesses  
23 and other entities engaged in economic, community, and workforce  
24 development that have the greatest potential for creating jobs and  
25 stimulating economic growth through such elements including, but  
26 not limited to:

27 (1) a Statewide lending pool and guarantee pool for small  
28 business, whether directly or through a community development  
29 financial institution;

30 (2) a business composite bond guarantee;

31 (3) a fund to further supplement the export finance program of  
32 the authority to provide direct loans and working capital necessary  
33 for New Jersey businesses to compete in the global market, real  
34 estate partnerships;

35 (4) a Statewide composite bond pool to assist municipalities in  
36 acquiring needed financing for capital expenditures;

37 (5) financial assistance to assist municipalities, municipal  
38 entities, counties, county entities, regional entities, State  
39 instrumentalities, and not-for-profit local economic and community  
40 development entities to execute programs and initiatives to  
41 stimulate community and economic development;

42 (6) a venture, seed, or angel capital fund for start-up costs for  
43 businesses developing new concepts and inventions;

44 (7) a fund to assist businesses, either directly or through a not-  
45 for-profit or for-profit entity with expansion or transition to a new

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**Matter underlined thus is new matter.**

1 business model in such areas including, but not limited to,  
2 manufacturing retooling to improve quality, to reduce production  
3 costs and to train employees to apply the latest technology;

4 (8) a "Main Street Business Assistance Program" to provide  
5 guarantees and loans to small and mid-size businesses and not-for-  
6 profit entities to stimulate the economy;

7 (9) in consultation with the Department of Labor and Workforce  
8 Development and the Office of the Secretary of Higher Education, a  
9 fund to support and invest in innovative workforce development  
10 approaches and programs, including those that could benefit  
11 individuals directly, either undertaken directly by the authority or  
12 through a governmental, not-for-profit, or for-profit entity, that  
13 align with targeted industries as defined by the authority's board or  
14 support a high-demand occupation;

15 (10)a fund to provide grants, financing, or equity to  
16 collaborations between large corporations, small-to-medium sized  
17 businesses, academic institutions, government entities, or not-for-  
18 profit entities, where one of the purposes of the collaboration is to  
19 stimulate community or economic development;

20 (11) a fund to provide grants, financing, or equity in innovation  
21 centers, research centers, incubators, and accelerators, and other  
22 similar innovation-oriented entities, which are focused on the  
23 targeted industries as defined by the authority's board or support  
24 increasing diversity and inclusion within the State's entrepreneurial  
25 economy; the fund may also be used to pay for membership fees, or  
26 other similar arrangements, for the authority to join or participate in  
27 such innovation-oriented entities;

28 (12) a fund to provide grants or competition prizes to fund  
29 initiative-based activities which stimulate growth in targeted  
30 industries as defined by the authority's board or supports increasing  
31 diversity and inclusion within the State's entrepreneurial economy;  
32 this fund may also support not-for-profit industry, trade, and labor  
33 organization initiatives; **[and]**

34 (13) a fund to provide grants or competition prizes, either  
35 directly or through a not-for-profit entity, that is consistent with  
36 economic development priorities as defined by the authority's  
37 board, where funds have been specifically allocated to the economic  
38 recovery fund for this purpose, including but not limited to an  
39 appropriation or transfer from another government entity;

40 (14) a fund for real estate partnerships to construct, reconstruct,  
41 rehabilitate, improve, alter, equip, maintain, repair, or provide for  
42 the construction, reconstruction, improvement, alteration,  
43 equipping, maintenance, or repair of any property, and to award and  
44 enter into construction contracts, purchase orders, and other  
45 contracts with respect thereto, upon such terms and conditions as  
46 the authority shall determine to be reasonable. The authority shall  
47 use no less than \$35,000,000 from the economic growth account to

1 effectuate the provisions of section 2 of P.L. , c. (C. )  
2 (pending before the Legislature as this bill); and

3 (15) a fund for the planning, designing, acquiring, constructing,  
4 reconstructing, improving, equipping, and furnishing by small and  
5 medium-size businesses and not-for-profit corporations of a project  
6 as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including,  
7 but not limited to, grants for working capital and meeting payroll  
8 requirements, upon such terms and conditions as the authority shall  
9 deem reasonable.

10 The authority may promulgate rules and regulations for the  
11 effective implementation of the "Main Street Business Assistance  
12 Program." Notwithstanding any provision of the "Administrative  
13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the  
14 contrary, the authority may adopt, immediately upon filing with the  
15 Office of Administrative Law, such regulations as are necessary to  
16 implement the provisions of this act, which shall be effective for a  
17 period not to exceed 12 months following enactment, and may  
18 thereafter be amended, adopted, or readopted by the authority in  
19 accordance with the requirements of the "Administrative Procedure  
20 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). **【The authority may use**  
21 **the economic growth account for the planning, designing, acquiring,**  
22 **constructing, reconstructing, improving, equipping, and furnishing**  
23 **by small and medium-size businesses and not-for-profit**  
24 **corporations of a project as defined in section 3 of P.L.1974, c. 80**  
25 **(C.34:1B-3), including, but not limited to, grants for working**  
26 **capital and meeting payroll requirements, upon such terms and**  
27 **conditions as the authority shall deem reasonable】;**

28 b. an economic development infrastructure program account,  
29 which shall provide for the financing and development of  
30 infrastructure and transportation projects, including but not limited  
31 to ports, terminal and transit facilities, roads and airports, parking  
32 facilities used in connection with transit facilities, and related  
33 facilities, including public-private partnerships, that are integral to  
34 economic growth;

35 c. an account for a cultural, recreational, fine and performing  
36 arts, military and veterans memorial, historic preservation project  
37 and tourism facilities and improvements program, which shall  
38 provide for the financing and development of cultural, recreational,  
39 fine and performing arts, military and veterans memorial, historic  
40 preservation and tourism projects, including partnerships with  
41 public, private and nonprofit entities;

42 d. an account, into which shall be deposited an amount not less  
43 than \$45,000,000, out of the total amounts deposited or credited to  
44 the fund from the proceeds of the sale of Economic Recovery Fund  
45 Bonds or Notes, for the financing of capital facilities for primary  
46 and secondary schools in the State for the purpose of the  
47 renovation, repair or alteration of existing school buildings, the

1 construction of new school buildings or the conversion of existing  
2 school buildings to other instructional purposes.

3 (1) Of the amount deposited in the account, not less than  
4 \$25,000,000 shall be deposited in the "Public School Facilities  
5 Code Compliance Loan Fund" established pursuant to section 4 of  
6 P.L.1993, c.102 (C.34:1B-7.23).

7 (2) Of the amount deposited in the account, not less than  
8 \$20,000,000 shall be deposited in the "Public School Facilities  
9 Loan Assistance Fund" established pursuant to section 5 of  
10 P.L.1993, c.102 (C.34:1B-7.24);

11 e. an environmental cleanup assistance account, into which  
12 shall be deposited an amount not less than \$10,000,000, out of the  
13 total amounts deposited or credited to the fund from the proceeds of  
14 the sale of Economic Recovery Fund Bonds or Notes, to provide  
15 financial assistance to the persons and other entities entitled to  
16 apply for financial assistance pursuant to P.L.1993, c.139; and

17 f. an account, into which shall be deposited an amount not less  
18 than \$15,000,000, out of the total amounts deposited or credited to  
19 the fund from the proceeds of the sale of Economic Recovery Fund  
20 Bonds or Notes, for the financing of shore restoration, maintenance,  
21 monitoring, protection and preservation projects pursuant to the  
22 shore protection master plan prepared by the Department of  
23 Environmental Protection pursuant to P.L.1978, c.157.

24 (cf: P.L.2020, c.156, s.116)

25

26 2. (New section) a. The money made available to the authority  
27 by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by  
28 section 1 of P.L. , c. (pending before the Legislature as this bill)  
29 and appropriated pursuant to section 3 of P.L. , c. (pending  
30 before the Legislature as this bill) shall be used by the New Jersey  
31 Economic Development Authority for the purpose of purchasing  
32 certain properties from the New Jersey Transit Corporation  
33 identified by the New Jersey Economic Development Authority to  
34 maximize the development potential of such properties, including,  
35 but not limited to, performing site preparation for, developing,  
36 redeveloping, constructing, reconstructing, rehabilitating,  
37 renovating, selling, leasing, subleasing, or contributing as an  
38 investment to a public or private entity such property, and which  
39 development may include a project consisting solely of residential  
40 units.

41 b. (1) In accordance with the process set forth in this  
42 subsection, the New Jersey Economic Development Authority shall  
43 purchase the properties identified pursuant to subsection a. of this  
44 section from the New Jersey Transit Corporation for a purchase  
45 price based on appraisals obtained by the New Jersey Economic  
46 Development Authority of the highest and best use value of the  
47 properties.

1 (2) Prior to the purchase of New Jersey Transit Corporation  
2 properties by the New Jersey Economic Development Authority  
3 using the funds made available for such purpose pursuant to the  
4 provisions of P.L. , c. (C. ) (pending before the Legislature  
5 as this bill), the authority shall notify the Joint Budget Oversight  
6 Committee that the authority has identified properties owned by the  
7 New Jersey Transit Corporation for purchase. Following  
8 notification made by the authority, the Joint Budget Oversight  
9 Committee shall hold a meeting within 10 State working days from  
10 the date of notification for the purpose of receiving a joint  
11 presentation from the New Jersey Transit Corporation and the New  
12 Jersey Economic Development Authority at which the corporation  
13 and the authority shall describe the terms and conditions for the  
14 conveyance of the identified properties. In the event that the Joint  
15 Budget Oversight Committee fails to meet within the time  
16 prescribed by this paragraph, the conveyance shall proceed in  
17 accordance with the terms and conditions agreed to by the  
18 corporation and the authority.

19 (3) The process set forth in this subsection shall apply only to  
20 the conveyance of properties from the New Jersey Transit  
21 Corporation to the New Jersey Economic Development Authority  
22 using the funds appropriated for such purpose pursuant to section 3  
23 of P.L. , c. (pending before the Legislature as this bill) and the  
24 funds required from the economic growth account for such purpose  
25 pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended  
26 by section 1 of P.L. , c. (C. ) (pending before the  
27 Legislature as this bill).

28 c. The New Jersey Transit Corporation shall maintain a  
29 participation interest in the properties sold to the authority, which  
30 participation interest shall be determined through an agreement  
31 entered into between the New Jersey Transit Corporation and the  
32 New Jersey Economic Development Authority. An agreement  
33 entered into pursuant to this subsection shall be subject to the  
34 following conditions: (1) if a property is sold by the New Jersey  
35 Economic Development Authority to a public or private entity, the  
36 New Jersey Transit Corporation shall receive no less than 33  
37 percent of the proceeds from such sale above the appraised value of  
38 the property at the time of its purchase from the New Jersey Transit  
39 Corporation by the New Jersey Economic Development Authority;  
40 and (2) if a property is leased by the New Jersey Economic  
41 Development Authority to a public or private entity, the New Jersey  
42 Transit Corporation shall receive no less than 33 percent of the  
43 proceeds from such lease.

44 d. Prior to the New Jersey Economic Development Authority  
45 developing, redeveloping, constructing, reconstructing,  
46 rehabilitating, renovating, selling, leasing, subleasing, or  
47 contributing as an investment the properties acquired from the New  
48 Jersey Transit Corporation pursuant to P.L. , c. (C. )

1 (pending before the Legislature as this bill), the authority shall  
2 notify the Joint Budget Oversight Committee that the authority  
3 intends to develop, redevelop, construct, reconstruct, rehabilitate,  
4 renovate, sell, lease, sublease, or contribute as an investment such  
5 properties. Following notification made by the New Jersey  
6 Economic Development Authority, the Joint Budget Oversight  
7 Committee shall hold a meeting within 10 State working days from  
8 the date of notification for the purpose of receiving a presentation  
9 from the New Jersey Economic Development Authority at which  
10 the authority shall describe the intended actions to be taken with  
11 respect to the properties. In the event that the Joint Budget  
12 Oversight Committee fails to meet within the time prescribed by  
13 this subsection, the authority may proceed with its plans to develop,  
14 redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease,  
15 sublease, or contribute as an investment such properties. The  
16 process set forth in this subsection shall apply only to the properties  
17 acquired by the New Jersey Economic Development Authority from  
18 the New Jersey Transit Corporation using the funds appropriated for  
19 such purpose pursuant to section 3 of P.L. , c. (pending before  
20 the Legislature as this bill) and the funds required from the  
21 economic growth account for such purpose pursuant to section 4 of  
22 P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of  
23 P.L. , c. (pending before the Legislature as this bill).

24  
25 3. There is appropriated from the General Fund to the New  
26 Jersey Economic Development Authority an amount not to exceed  
27 \$65,000,000 to effectuate the provisions of section 2 of  
28 P.L. , c. (C. ) (pending before the Legislature as this bill),  
29 subject to the approval of the Director of the Division of Budget  
30 and Accounting.

31  
32 4. This act shall take effect immediately.

33

34

35

STATEMENT

36

37 This bill provides the New Jersey Economic Development  
38 Authority (EDA) with monies to be used to purchase properties  
39 from the New Jersey Transit Corporation (NJT) that the EDA  
40 identifies as suitable for, among other purposes, development,  
41 rehabilitation, and leasing opportunities that maximize the  
42 development potential of the properties.

43 Under the bill, the EDA would be permitted to access funds from  
44 the EDA's economic growth account in an amount not less than  
45 \$35,000,000. Purposes for which these funds may be used under  
46 the bill would include construction, reconstruction, rehabilitation,  
47 improvements, alterations, equipping, maintenance, and repairs of  
48 certain properties that are identified as suitable to economic growth

1 potential. The EDA would also be permitted to award and enter  
2 into construction contracts, purchase orders, and other contracts  
3 with respect to such properties.

4 Additionally, the bill appropriates an amount not to exceed \$65  
5 million from the General Fund to the EDA for the purpose of  
6 purchasing properties from NJT that are identified by the EDA to  
7 maximize the development potential of such properties.

8 Under the bill, the EDA would be required to purchase the  
9 properties at a price based on appraisals obtained by the EDA of the  
10 highest and best use value of the properties, and NJT would be  
11 required to maintain a participation interest in each property. The  
12 bill also provides that if the EDA sells or leases any of these  
13 properties to a public or private entity, the EDA would be required  
14 to pay no less than 33 percent of the proceeds of the sale or lease, as  
15 applicable, to NJT.

16 The bill requires the EDA to notify the Joint Budget Oversight  
17 Committee (JBOC) that properties have been identified, but before  
18 the purchase of any land, in order for the EDA and NJT to provide  
19 JBOC with a joint presentation regarding details of the proposed  
20 conveyance. The bill further requires the EDA to notify JBOC  
21 before developing, redeveloping, constructing, reconstructing,  
22 rehabilitating, renovating, selling, leasing, subleasing, or  
23 contributing as an investment the properties acquired from NJT.  
24 This EDA presentation would detail the intended actions to be taken  
25 with respect to the properties.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4709

# STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably Assembly Bill No. 4709.

This bill provides the New Jersey Economic Development Authority (EDA) with monies to be used to purchase properties from the New Jersey Transit Corporation (NJT) that the EDA identifies as suitable for, among other purposes, development, rehabilitation, and leasing opportunities that maximize the development potential of the properties.

Under the bill, the EDA would be permitted to access funds from the EDA's economic growth account in an amount not less than \$35,000,000. Purposes for which these funds may be used under the bill would include construction, reconstruction, rehabilitation, improvements, alterations, equipping, maintenance, and repairs of certain properties that are identified as suitable to economic growth potential. The EDA would also be permitted to award and enter into construction contracts, purchase orders, and other contracts with respect to such properties.

Additionally, the bill appropriates an amount not to exceed \$65 million from the General Fund to the EDA for the purpose of purchasing properties from NJT that are identified by the EDA to maximize the development potential of such properties.

Under the bill, the EDA would be required to purchase the properties at a price based on appraisals obtained by the EDA of the highest and best use value of the properties, and NJT would be required to maintain a participation interest in each property. The bill also provides that if the EDA sells or leases any of these properties to a public or private entity, the EDA would be required to pay no less than 33 percent of the proceeds of the sale or lease, as applicable, to NJT.

The bill requires the EDA to notify the Joint Budget Oversight Committee (JBOC) that properties have been identified, but before the purchase of any land, in order for the EDA and NJT to provide JBOC with a joint presentation regarding details of the proposed conveyance. The bill further requires the EDA to notify JBOC before developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment the properties acquired from NJT. This EDA presentation would detail the intended actions to be taken with respect to the properties.

#### FISCAL IMPACT:

Fiscal information for this bill is unavailable.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4709**  
**STATE OF NEW JERSEY**  
**221st LEGISLATURE**

DATED: JULY 3, 2024

**SUMMARY**

**Synopsis:** Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million.

**Type of Impact:** One-time State expenditure increase.

**Agencies Affected:** New Jersey Economic Development Authority, New Jersey Transit Corporation, Department of the Treasury.

<b>Fiscal Impact</b>	
<b>One-Time State Expenditure Increase</b>	\$100 million

- The Office of Legislative Services (OLS) finds that the bill would result in a one-time State expenditure increase of \$100 million for the Economic Development Authority to purchase and develop certain New Jersey Transit Corporation properties. Funding is provided from a General Fund appropriation not to exceed \$65 million and at least \$35 million from the authority's economic growth account.
- The bill may result in indeterminate future State and local revenue impacts, depending on the development and use of the acquired properties.

**BILL DESCRIPTION**

This bill provides funding for the New Jersey Economic Development Authority to purchase properties from the New Jersey Transit Corporation that the authority identifies as suitable for development, rehabilitation, and leasing opportunities to maximize their development potential. The bill requires the authority to use at least \$35 million from its economic growth account for purchasing and developing New Jersey Transit properties and appropriates an amount not to exceed \$65 million from the General Fund to the authority for purchasing New Jersey Transit properties. It requires the authority to purchase properties based on appraisals of their highest and best use value and mandates that New Jersey Transit maintain a participation interest in sold properties, receiving at least 33% of proceeds above the appraised value if a property is sold, or at

least 33% of lease proceeds if a property is leased. The bill also establishes a notification and presentation process involving the Joint Budget Oversight Committee before property purchases and development actions.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS finds that the bill would result in a one-time State expenditure increase of \$100 million for the Economic Development Authority to purchase and develop certain New Jersey Transit properties. Funding is provided from a General Fund appropriation not to exceed \$65 million and at least \$35 million from the authority's economic growth account. The full \$100 million may not be expended if suitable properties are not identified or if their purchase prices are lower than anticipated and the full \$65 million appropriation is not required.

The bill may result in indeterminate future State and local revenue impacts, including potential revenue gains from the authority's development, sale, or lease of acquired properties, possible increased tax revenues if properties are developed for commercial or residential use, and potential opportunity costs from alternative uses of the funds or properties. The magnitude and timing of these impacts would depend on the specific properties acquired, their development plans, and market conditions.

The authority and New Jersey Transit may incur some additional administrative costs to implement the property identification, appraisal, and transfer processes outlined in the bill. These costs are likely to be absorbed within existing resources.

*Section: Revenue, Finance, and Appropriations*

*Analyst: Patrick Walsh  
Assistant Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

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

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

# Governor Murphy Signs Fiscal Year 2025 Budget into Law

06/28/2024

*Budget Provides Significant Property Tax Relief, the Highest Level of School Funding in History, A Fourth Consecutive Full Pension Payment, and a New Dedicated Funding Stream for NJ TRANSIT*

*\$6.1 Billion Surplus to Help Weather Future Financial Challenges*

**TRENTON** – Governor Phil Murphy today signed the Fiscal Year 2025 Appropriations Act into law, building on the Administration’s commitment to making New Jersey the best place to raise a family by increasing affordability, creating new economic opportunities, promoting fiscal responsibility, and investing in a more equitable future for all New Jerseyans.

The \$56.7 billion Fiscal Year 2025 (FY2025) budget, approved by the Legislature earlier in the day, provides significant direct property tax relief for homeowners and renters, yields the highest level of school funding in history, delivers a fourth consecutive full pension payment, and creates a new, dedicated funding stream – the Corporate Transit Fee – to support NJ TRANSIT, among other investments that improve the health, safety, and economic well-being of New Jersey’s residents. In addition, the budget provides a \$6.1 billion surplus to help the State weather future financial challenges.

“With this budget, we are going to make life more affordable for more families. We are going to create new economic opportunities for our workers and local businesses. And we are going to invest in the potential of every one of our neighbors – from our students to our senior citizens,” **said Governor Phil Murphy**. “But above all, this is a budget that will put the needs of our families ahead of special interests, starting by providing yet another round of record-high tax relief to our state’s working- and middle-class families. In fact, nearly half of this entire budget – more than \$27 billion – will be dedicated toward providing direct and indirect property tax relief.”

“This budget is a recommitment to our administration’s promise to make New Jersey the best state in the nation to live, work, raise a family, and retire. With a focus on our state’s most essential needs – affordability, education, mass transit infrastructure, and more – we are continuing to prioritize everyday New Jerseyans,” **said Lt. Governor Tahesha Way**. “I commend Governor Murphy, Treasurer Muoio, legislative leadership, and all of those involved in getting this critical budget over the finish line for the advancement of our state.”

“This budget makes historic investments in schools, sustained property tax relief, health care, and transportation, all while maintaining our commitment to fiscal responsibility with a healthy surplus,” **said Assembly Speaker Craig J. Coughlin**. “After decades of neglect, we have fully funded aid to local school districts to benefit students, teachers, and communities and will make a full pension payment for the fourth year in a row, ensuring a secure retirement for hundreds of thousands of New Jerseyans. ANCHOR is in its third year, now a benefit that homeowners and renters can count on annually to ease their burdens and make our state more affordable. This budget also delivers more support for Stay NJ so that next year, almost every senior homeowner in our state will be able to use a single, streamlined application for property tax relief to see their bills cut in half. New Jersey will be the best place in the country to find a

job, a home, and a vibrant future for a family, from pre-school to retirement.”

“This year's budget is a holistic plan that puts the well-being of our children and families first. We are making huge investments in education for our youngest and oldest students by continuing on the path toward universal pre-K, fully financing the school funding formula, launching a student literacy initiative, and investing in higher education,” **said Senate Majority Leader M. Teresa Ruiz**. “We are putting money towards vital mental and physical health programs that save lives. Expanding the Universal Newborn Home Nurse Visitation Program will give thousands more new mothers an invaluable resource that will help improve maternal and infant health outcomes. Funding for mental health services for children and adolescents will put us in the best position to combat one of the biggest health crises we face. The budget signed today makes lasting, equitable investments in our communities and I look forward to seeing its impact.”

“This fiscally responsible budget has something for everyone - from prioritizing expanded healthcare coverage for our children and cementing the protection of women’s reproductive rights to ensuring property tax relief remains fully funded while still increasing our investments in education to ensure future minds are equipped for success,” **said Majority Leader Louis D. Greenwald**. “In this budget, we’ve made prudent choices, reduced unnecessary spending and maintained a responsible surplus. By making smart decisions, we are able to lay the foundation for historic things in New Jersey.”

“This budget builds upon our record of fiscal responsibility,” **said Senator Paul Sarlo, Senate Budget Committee Chairman**. “It includes a substantial surplus to protect against a downturn in the economy, a debt reduction fund, a full pension payment to help stabilize state financing, a fully funded school aid formula to aid local taxpayers and record amounts of direct property tax relief. It also makes strategic investments that expand economic opportunities and make the lives of New Jerseyans more affordable. This is a budget that will serve the best interests of the State of New Jersey.”

“The state spending plan for the year ahead showcases our unwavering commitment to making the lives of New Jersey families more affordable through investments in the Anchor program and education while supporting our local economies,” **said Assemblywoman Eliana Pintor Marin, Assembly Budget Committee Chair**. “The most significant reductions in state spending in at least a decade has allowed us to invest in key areas such as school funding, higher education, healthcare, and property tax relief which are all so important to our constituents. This budget is not just about balancing books; it's about balancing the scales of opportunity and equity for all New Jerseyans.”

“This budget invests in New Jerseyans at every stage of life, from record school funding for our children, to significant property tax relief for both homeowners and renters, to a historic contribution to the public pension system,” **said State Treasurer Elizabeth Maher Muoio**. “I would like to thank my staff at the Department of the Treasury, particularly the hardworking teams at the Office of Management and Budget and the Office of Revenue and Economic Analysis, for their tireless efforts behind the scenes to help deliver the State Budget to the people of New Jersey.”

### **Increasing Affordability**

Building on efforts to make the Garden State more affordable for residents and families, the FY2025 budget includes more than \$3.6 billion for direct property tax relief. This includes the third year of the historic ANCHOR Property Tax Relief Program, which provided more than \$2.2 billion to nearly two million residents in the most recent filing season. In total, the ANCHOR program has provided more than \$4 billion in direct tax relief in the past two years.

With a focus on providing relief for seniors, the budget maintains the popular Senior Freeze property tax relief

program, which was expanded last year to include 58,000 new households.

Additionally, the budget provides over \$200 million to pre-fund the Stay NJ property tax relief program that is expected to launch in FY2026. Once fully implemented, Stay NJ is intended to cut property taxes in half for many eligible New Jersey seniors by providing a direct credit of up to \$6,500 on property tax bills.

With the goal to ease the burden on working and middle-class families, this budget maintains recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit, which was doubled last year to enable families with young children to receive up to \$1,000 per child.

Beyond tax relief, this budget maintains a strong commitment to making life more affordable for New Jerseyans at all stages of life.

The budget includes \$82.5 million to maintain expanded eligibility for the popular Pharmaceutical Assistance for the Aged and Disabled (PAAD) and Senior Gold programs to further cut costs for life-enhancing – and life-saving – prescription drugs.

For working New Jerseyans striving to save for the future, the budget provides funding for the RetireReady NJ program (formerly known as the Secure Choice Savings Program). Following a successful pilot program this spring, RetireReady NJ will launch fully this summer to provide a new option for retirement savings for private sector employees.

Aiming to increase homeownership opportunities, this budget includes more than \$50 million for a multi-faceted investment to boost New Jersey's housing supply and make homeownership more affordable. The FY2025 budget will also support P.L.2024, c.2, which was landmark legislation that the Governor signed in March to help towns meet their affordable housing obligations.

### **Prioritizing Affordable Education and Protecting Our Youth**

The FY2025 budget makes significant investments in the next generation, starting with maintaining New Jersey's status as the best-in-the-nation public school system. It completes the seven-year phase-in of the school aid formula by providing more than \$900 million in direct K-12 aid for public schools, for a total of almost \$12 billion. With this budget, the State has increased overall K-12 support to New Jersey's public schools by more than \$3.5 billion over seven years, a more than 40 percent increase, all of which helps offset local property taxes.

For New Jersey's youngest students, the budget includes an additional \$124 million for pre-K education, of which \$20 million will be used to expand into new districts to create over 1,000 new seats. Since FY2018, pre-K funding has increased by over \$427 million and the State has added over 14,600 seats, pushing the state closer to achieving universal pre-K for all New Jersey families.

Continuing the work to make access to higher education more affordable, the budget includes over \$290 million in aid to community colleges, including over \$169 million in formulaic operating aid. The appropriation for community college operating aid during the final year of the Christie Administration was \$134 million. Additionally, the budget includes more than \$982 million for senior public institution operating support and the outcomes-based allocation. Compared to FY2018, this is a \$290 million increase.

To ensure New Jersey is able to attract, train, and retain the workforce necessary to continue providing a top-quality

education to our students, the budget allocates over \$15 million to teacher training programs. This includes \$10 million for student-teacher stipends to help future educators meet the costs of living while working and studying for their credentials, and \$5 million to fund the Teachers Loan Redemption Program.

In addition to record school funding and initiatives to train teachers, the FY2025 budget allocates more than \$100 million of growth to support Cover All Kids, which provides health coverage for children.

The budget also includes an additional \$30 million to provide free school meals. In addition, New Jersey has joined 37 other states to take part in the Summer EBT program, which will combat child hunger during the summer and bring in over \$60 million in federal funds. More than 550,000 children in New Jersey are already receiving benefits this summer, with more than \$66 million in federal benefits expected to be distributed.

### **Promoting Fiscal Responsibility**

The FY2025 budget makes a record full pension payment of \$7.162 billion, including contributions from the State Lottery, bringing the total contribution to the pension fund under Governor Murphy to \$39.9 billion, or more than triple the total contributions – \$12.2 billion – made by the previous six administrations combined. This budget marks the fourth year in a row funding a full pension payment, making Governor Murphy the first governor in a generation to make payments equal to or greater than 100 percent of the Actuarially Determined Contribution (ADC) four years in a row.

With a commitment to strong fiscal governance, the budget includes a surplus of \$6.1 billion, nearly ten times larger than the average surplus under the previous administration.

Because of the shared concern with addressing the State's structural budget issues, the Governor and legislative leadership have agreed that most of the new spending added to the final FY2025 Appropriations Act will be one-time, non-recurring additions.

Continuing the State's focus on reducing debt, the budget utilizes the Debt Defeasance and Prevention Fund to provide \$120 million to finish the State Police Training Center and \$70 million to support State parks. These funds will be used to revitalize Liberty State Park and break ground on the Garden State Greenway.

Another \$21 million is allocated to convert veterans' homes to single occupancy, while almost \$2 million from the State Fiscal Recovery Fund will be used to provide new beds and medical equipment at all three veterans' homes as part of the Administration's continued effort to provide veterans with the care they deserve.

### **Investing in NJ TRANSIT**

The Murphy Administration inherited an agency in deep crisis after years of underfunding and disinvestment. However, over the past six years, NJ TRANSIT has overcome many operational challenges, with nearly every major metric – reliability, on-time performance, safety, and customer satisfaction – making notable improvement. As evidenced this summer, the agency still faces challenges, and remains in need of an additional dedicated funding source.

The new Corporate Transit Fee included in this budget will create another dedicated funding stream for NJ TRANSIT that will provide fiscal support for the next five years. This funding will ensure service is maintained as ridership continues to recover from the pandemic while building upon major operational improvements.

The fee will affect NJ's wealthiest corporations with net taxable income greater than \$10 million. Small and medium-sized businesses would not be impacted – in fact, nearly 2,500 companies will see their taxes decrease from last year.

The fee will sunset in FY2029.

### **Investing in Economic Opportunity and Community Growth**

New Jersey has become a major player in the innovation, clean energy, and entertainment industries, earlier this year securing the opportunity to host the FIFA World Cup 26<sup>TM</sup> Final and seven other matches. The FY2025 budget builds upon these accomplishments by combining ambitious investments with important support for local communities.

Furthering the goal of positioning New Jersey atop the innovation economy, the budget includes a suite of initiatives to advance the Governor's AI Moonshot and augment the AI Hub being created at Princeton University. The funding includes \$4 million to establish an innovation challenge to reward innovators for solving public-facing problems with State data; \$400,000 to fund the AI focused Global Entrepreneurs-in-Residence pilot program to help international students at New Jersey universities launch cutting-edge businesses; \$1.5 million to fund AI education in K-12 classrooms and develop new Career and Technical Education programs targeted to AI; and \$2 million to help budding entrepreneurs build out start-ups related to general artificial intelligence and connect with the AI innovation hub.

As New Jersey continues to lead in enacting climate change reforms, this budget includes \$40 million to provide the State match for a federal electric grid modernization program to upgrade our infrastructure to meet our climate goals.

The FY2025 budget also supports small businesses with continued funding for the Main Street Recovery Program, a successful program providing multiple financial assistance products targeted to the growth and success of small businesses in New Jersey. Additionally, the budget also continues support for Manufacturing Initiatives and Strategic Innovation Centers, bringing the total investment in all three to over half a billion dollars over the past five years.

Building on investments in New Jersey's job and small business growth, the budget provides several programs to expand workforce development, including \$5 million to launch a Nursing Workforce Initiative, a suite of workforce programs designed to ensure future nurses have experienced faculty and the resources they need to complete their training; and increasing the Behavioral Healthcare Loan Redemption Program by \$2 million.

Additionally, the FY2025 budget provides over \$30 million in funding for a two-year initiative to end veteran's homelessness through services and interventions to help place over 1,000 homeless veterans in New Jersey into stable housing.

Recognizing the emergent needs residents sometimes face, the budget increases rates for emergency hotel and motel placements to help families in need of emergency housing.

The budget also builds on the successful ARRIVE Together program, which brings police and mental health professionals together to respond to crises, with an additional \$10 million to nearly double last year's investment – to expand the initiative to new municipalities while boosting hours of availability.

This budget also includes new investments in the parole system and the Office of the Public Defender to protect civil

rights and maintain New Jersey's exceptionally low recidivism rate.

The budget builds on the significant youth mental health investments made by Governor Murphy. It includes over \$40 million for the NJ Statewide Student Support Services (NJ4S) network, which stood up its first regional hubs in September. It also includes over \$50 million for cost-of-living increases in the Children's System of Care and new Mental Health Initiatives.

The budget also invests in the State's family and maternal health care programs. This includes a more than \$23 million investment to expand New Jersey's groundbreaking universal home visitation program for new mothers from 2,200 families this year to 16,700 families in the next year; operating funding for the Maternal and Infant Health Innovation Authority; and continued investments in family planning services and reproductive health programs, for a total of over \$216 million since the start of the Murphy Administration, after being completely defunded by the previous administration.

An additional one-page policy summary on the central commitments of the FY2025 budget can be found online [here](#).

Governor Murphy signed the Appropriations Act into law today:

**A-4700/S-2025 (Pintor Marin, Wimberly/Sarlo, Greenstein) – w/LINE ITEM** - Appropriates \$56,635,803,000 in State funds and \$27,501,993,844 in federal funds for the State budget for fiscal year 2025

[Line Item Veto Message](#)

[Line Item Veto Summary](#)

[Revenue Certification](#)

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

**S-2024/A-4701 (Sarlo, Greenstein/Pintor Marin, Wimberly)** - Makes FY2024 supplemental appropriations of \$37,430,000; de-appropriates \$24,000,000 in existing FY2024 appropriations; adds and modifies various FY2024 language provisions

**S-3511/A-4703 (Sarlo/DeAngelo, Pintor Marin)** – Appropriates \$393,480,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects

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**A-4702/S-3514 (Pintor Marin, Wimberly/Sarlo)** - Phases out sales and use tax exemption on zero emission vehicles; repeals annual sales tax holiday for certain school supplies and sport or recreational equipment

**A-4704/S-3513 (Haider/Scutari)** - Imposes 2.5 percent corporate transit fee on taxpayers with allocated taxable net income in excess of \$10 million under CBT

**A-4705/S-3512 (Murphy, Venezia/Scutari)** - Increases annual assessment on net written premiums of HMOs from five percent to six percent

**S-3519/A-4709 (Sarlo, Johnson/Wimberly, Schaer, Park)** - Provides monies for EDA to purchase certain properties from NJT to maximize development potential; appropriates \$65 million

**A-1669/S-1287 (Lampitt, Lopez, Bagolie/Beach, Turner)** – Removes obstacles to teacher certification for certain teachers; repeals law establishing alternative certificate of eligibility

The Governor also conditionally vetoed the following bills earlier today and signed them later in the day upon concurrence by the Legislature:

**S-1446wGR/A-2824 (Ruiz, Singleton/Greenwald, Moen, McCoy)** -Modifies down payment assistance program for benefit of first-generation and first-time homebuyers

[Copy of Statement](#)

**A-4708wGR/S-3515 (Greenwald, Pintor Marin, Wimberly/Scutari)** - Appropriates \$5 million to the Department of State for Cultural Projects

[Copy of Statement](#)