

Title 34.
Chapter 1B.
Part IX. (New)
Business Retention
and Relocation
Assistance
C.34:1B-185 to
34:1B-188
(P.L.2004, c.65,
ss.19-22) and
C.34:1B-189
(P.L.2004, c.139,
s.3)
Part XVII. (New)
New Jersey
Innovation Fellows
Program Act
C.34:1B-370
to 34:1B-373
(P.L.2021, c.160,
s.65-88)
Part XVIII. (New)
Commercial Property
Assessed Clean
Energy Program
C.34:1B-374
to 34:1B-382
(P.L.2021, c.201,
ss.1-9)
Part XIX. (New)
Cultural Arts
Incentives
Program Act
§§1-11
C.34:1B-383
to 34:1B-393

P.L. 2023, CHAPTER 197, *approved December 21, 2023*
Senate, No. 4011 (*Second Reprint*)

1 AN ACT concerning the ²**[New Jersey Community-Anchored**
2 **Development Program]** development and rehabilitation of cultural
3 arts institution facilities², and amending ²and supplementing²
4 P.L.2020, c.156.

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

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
¹Senate SBA committee amendments adopted June 27, 2023.
²Senate amendments adopted in accordance with Governor's
recommendations December 11, 2023.

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

3
4 ²**[**1. Section 45 of P.L.2020, c.156 (C.34:1B-313) is amended to
5 read as follows:

6 45. As used in sections 43 through 53 of P.L.2020, c.156
7 (C.34:1B-311 through C.34:1B-321):

8 "Affiliate" means an entity that directly or indirectly controls, is
9 under common control with, or is controlled by an anchor
10 institution ¹**[**partner anchor institution,**]**¹ or a partner business.
11 Control exists in all cases in which the entity is a member of a
12 controlled group of corporations as defined pursuant to section 1563
13 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
14 entity is an organization in a group of organizations under common
15 control that is subject to the regulations applicable to organizations
16 pursuant to subsection (b) or (c) of section 414 of the federal
17 Internal Revenue Code (26 U.S.C. s.414). A taxpayer may establish
18 by clear and convincing evidence, as determined by the Director of
19 the Division of Taxation in the Department of the Treasury, that
20 control exists in situations involving lesser percentages of
21 ownership than required by the above referenced federal statutes.

22 "Anchor institution" means a governmental entity, a cultural arts
23 institution, or experienced nonprofit or governmental economic or
24 community development entity incorporated pursuant to Title 15 of
25 the Revised Statutes or Title 15A of the New Jersey Statutes,
26 undertaking a project having a primary mission and specific policy
27 goals **[**that align with those of the authority under the program and
28 that is a comprehensive health care system, a public research
29 university, a private research university, a major cultural scientific,
30 research, or philanthropic institution, or a public college which is
31 separate from public research universities, or an experienced
32 nonprofit or governmental economic or community development
33 entity certified as an anchor institution by the board pursuant to
34 subsection a. of section 46 of P.L.2020, c.156 (C.34:1B-314)**]** in
35 the fields of arts, culture, comprehensive healthcare services, or life
36 science research and innovation.

37 "Authority" means the New Jersey Economic Development
38 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

39 "Board" means the board of the New Jersey Economic
40 Development Authority, established by section 4 of P.L.1974, c.80
41 (C.34:1B-4).

42 "Commitment period" means the period of time, which shall be
43 not less than 10 years and no greater than twice the eligibility
44 period that is granted to an anchor institution **[**or, if applicable, a
45 partner anchor institution**]**, to distribute to the authority the agreed
46 upon returns on investment for the award of tax credits pursuant to

1 the program; provided, however, at the election of the authority or
2 upon the request of an anchor institution **【or, if applicable, a partner**
3 **anchor institution】** in order to benefit the community-anchored
4 project, and as determined in the sole discretion of the authority, the
5 authority may grant up to two consecutive five-year extensions of
6 the commitment period. ¹**【The commitment period for a grant shall**
7 **be not less than 10 years and shall be reflected in the grant**
8 **agreement.】**¹

9 "Community-anchored project" means a capital project that is
10 located in an incentive area **【that is designated as a New Jersey**
11 **State opportunity zone, an area of the State designated pursuant to**
12 **the "State Planning Act," P.L.1985, c.398 (C.52:18A-196 et seq.),**
13 **as Planning Area 1 (Metropolitan), or a municipality with a**
14 **Municipal Revitalization Index distress score of at least 50 and】** for
15 which an anchor institution **【and, if applicable, any partner anchor**
16 **institution】** is to be awarded ¹**【a grant by the authority pursuant to a**
17 **grant agreement, or】**¹ tax credits by the authority pursuant to a tax
18 credit agreement **【which】** that establishes the award of tax credits
19 as an investment by the authority in the project, provided that the
20 project for which the ¹**【grant or】**¹ tax credits are awarded will result
21 in a capital investment of at least **【\$10,000,000】** \$2,000,000 in a
22 New Jersey State opportunity zone or in any other area of the State,
23 but a project that is not located in a New Jersey State opportunity
24 zone is to be primarily designed to result in the economic expansion
25 of a targeted industry in this State.

26 **【**"Comprehensive health care system" means an entity in this
27 State with the primary purpose of offering comprehensive health
28 care services.**】**

29 "Comprehensive health care services" means the basic health
30 care services provided under a health benefits plan, including
31 medical and surgical services provided by licensed health care
32 providers who may include, but are not limited to, family
33 physicians, internists, cardiologists, psychiatrists, rheumatologists,
34 dermatologists, orthopedists, obstetricians, gynecologists,
35 neurologists, endocrinologists, radiologists, nephrologists,
36 emergency services physicians, ophthalmologists, pediatricians,
37 pathologists, general surgeons, osteopathic physicians, physical
38 therapists and chiropractors. Basic benefits may also include
39 inpatient or outpatient services rendered at a licensed hospital,
40 covered services performed at an ambulatory surgical facility, and
41 ambulance services. "Comprehensive health care services" shall
42 include only services provided by licensed health care providers.

43 ¹**"Cultural arts institution" means an entity within this State that**
44 **engages in the cultural, educational, or artistic enrichment of the**
45 **people of this State.**¹

1 "Cultural arts institution 'facility' " means an existing or
2 proposed facility within this State 'that engages in the cultural,
3 educational, or artistic enrichment of the people of this State
4 through the operation of a venue' , operated and maintained by a
5 cultural arts institution,' that has a primary purpose of hosting live
6 performances, a museum, or any related educational facilities.

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

9 "Eligibility period" means the period in which an anchor
10 institution [or, if applicable, a partner anchor institution] may
11 claim, sell, transfer, or otherwise use a tax credit under the New
12 Jersey Community-Anchored Development Program, beginning
13 with the tax period in which the authority accepts certification of
14 the business that it has met the capital investment requirements of
15 the program and extending thereafter for a term of not more than 10
16 years.

17 "Eligible position" means a full-time position in a business in
18 this State which the business has filled with a full-time employee.
19 An eligible position shall not include an independent contractor or a
20 consultant.

21 "Experienced nonprofit or governmental economic or community
22 development entity" means a nonprofit entity incorporated pursuant
23 to Title 15 of the Revised Statutes or Title 15A of the New Jersey
24 Statutes with a substantial number of years of experience that has a
25 core mission and a community track record of advancing economic
26 or community development in at least one area of the State, that the
27 senior management has undertaken multiple successful partnerships
28 with government entities, educational institutions, and the private
29 sector in carrying out development projects, that has successfully
30 developed multiple types of mixed-use projects, and that has
31 appropriate prior experience in successfully developing mixed-use
32 projects of comparable or greater size, value and complexity to that
33 being proposed, structuring, securing, and utilizing complex
34 financing in the development of projects of comparable or greater
35 size, value, and complexity to that being proposed, as determined
36 by the board. An experienced nonprofit or governmental economic
37 or community development entity shall not be eligible to participate
38 in the program in connection with a project that is primarily
39 residential or retail.

40 ¹["Grant agreement" means an agreement entered into between
41 the authority and a cultural arts institution.]"

42 ["Major cultural institution" means a public or nonsectarian
43 nonprofit institution within this State that engages in the cultural,
44 intellectual, scientific, environmental, educational, or artistic
45 enrichment of the people of this State, and which is designated by
46 the board as a major cultural institution.]"

1 "Incentive area" means any location eligible for an incentive
2 award under the "New Jersey Aspire Program Act," sections 54
3 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335).

4 "New full-time job" means an eligible position created by an
5 anchor institution**【**, partner anchor institution**】** or a partner business
6 at the community-anchored project that did not previously exist in
7 this State. For the purposes of determining a number of new full-
8 time jobs, the eligible positions of an affiliate shall be considered
9 eligible positions of the business.

10 "New Jersey State opportunity zone" means a federal population
11 census tract in this State that was eligible to be designated as a
12 qualified opportunity zone pursuant to 26 U.S.C. s.1400Z-1.

13 **【**"Partner anchor institution" means an anchor institution that
14 partners with one or more anchor institutions to make an equity
15 investment in or to provide a loan or other financial support for a
16 community-anchored project.**】**

17 "Partner business" means a corporation, partnership, firm,
18 enterprise, franchise, association, trust, sole proprietorship, or other
19 legal entity, but shall not include a public entity that enters into an
20 agreement with an anchor institution **【**or, if applicable, a partner
21 anchor institution**】** to rent and occupy commercial space within a
22 community-anchored project. Under the program a partner business,
23 subject to agreement with the anchor institution **【**or, if applicable, a
24 partner anchor institution**】**, may lease one or more portions of the
25 partner business's space in the community-anchored project to one
26 or more other persons or entities.

27 "Private research university" means Princeton University and any
28 other institution of higher education in this State designated by the
29 board as a private research university, based on criteria and metrics
30 established by the board.

31 "Program" means the New Jersey Community-Anchored
32 Development Program established pursuant to section 46 of
33 P.L.2020, c.156 (C.34:1B-314).

34 "Public research university" means Rutgers, The State University
35 of New Jersey, Rowan University, the New Jersey Institute of
36 Technology, and Montclair State University.

37 "Qualified business accelerator or incubator facility" means a
38 commercial space that contains office, laboratory, or industrial
39 space and which is located near, and presents opportunities for
40 collaboration with, a public research university, a private research
41 university, teaching hospital, college, or university, and within
42 which at least 50 percent of the gross leasable area is restricted for
43 use by one or more targeted industry start-up companies during the
44 commitment period.

45 "Targeted industry" means any industry identified from time to
46 time by the authority which shall initially include advanced

1 transportation and logistics, advanced manufacturing, aviation,
2 autonomous vehicle and zero-emission vehicle research or
3 development, clean energy, life sciences, hemp processing,
4 information and high technology, finance and insurance,
5 professional services, film and digital media, non-retail food and
6 beverage businesses including food innovation, and other
7 innovative industries that disrupt current technologies or business
8 models.

9 "Tax credit agreement" means a tax credit agreement entered into
10 pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318) between
11 the authority and an anchor institution **【**or, if applicable, a partner
12 anchor institution**】**.

13 "Work First New Jersey program" means the Work First New
14 Jersey program established pursuant to P.L.1997, c. 38 (C.44:10-55
15 et seq.).

16 (cf: P.L.2021, c.160, s.18)**】**²

17
18 ²**【**2. Section 46 of P.L.2020, c.156 (C.34:1B-314) is amended to
19 read as follows:

20 46. a. The New Jersey Community-Anchored Development
21 Program is established as a program under the jurisdiction of the
22 New Jersey Economic Development Authority. The authority shall
23 administer the program **【**to invest in and incentivize the expansion
24 of targeted industries in the State and the continued development of
25 certain areas of the State through the provision of tax credits to an
26 anchor institution and, if applicable, partner anchor institutions. The
27 board shall certify a qualified anchor institution and, if applicable,
28 qualified partner anchor institutions based on the requirements of
29 sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
30 C.34:1B-321), and may approve the award of a tax credit to an
31 anchor institution pursuant to section 49 of P.L.2020, c.156
32 (C.34:1B-317). The value of all tax credits approved by the
33 authority to an anchor institution and, if applicable, partner anchor
34 institutions under the program shall be subject to the limitations set
35 forth in section 98 of P.L.2020, c.156 (C.34:1B-362)**】**. ¹Any tax
36 credit awarded under the program may be utilized by the applicant
37 for the same project in conjunction with a tax credit award made
38 pursuant to the "New Jersey Aspire Program Act," sections 54
39 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335);
40 provided, however, that any tax credit awarded under the program
41 shall not be considered to be developer contributed capital for the
42 purposes of calculating the project financing gap for an incentive
43 award under the "New Jersey Aspire Program Act," sections 54
44 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-
45 335).¹

1 b. (1) (a) The authority shall administer the program to **invest**
2 in, and**】** incentivize the establishment of **【,】** community-anchored
3 projects by an anchor institution **【and, if applicable, partner anchor**
4 institutions,**】** independently or in collaboration with one or more
5 partner businesses or governmental entities. **【The authority's**
6 investment in community-anchored projects shall be in the form of
7 the award of tax credits to an anchor institution and, if applicable,
8 partner anchor institutions.**】** For a community-anchored project
9 involving the development or rehabilitation of a ¹【structure utilized
10 by a】¹ cultural arts institution ¹facility¹ , the authority's
11 contribution to the project shall be in the form of ¹【small, medium,
12 and large grants. funded by the proceeds of an auction pursuant to
13 subsection e. of this section. For a project with a total cost of less
14 than \$10,000,000, the authority's contribution to the project shall be
15 in the form of a small grant, the amount of which shall not exceed
16 \$10,000,000. For a project with a total cost greater than
17 \$10,000,000 but equal to or less than \$90,000,000, the authority's
18 contribution to the project shall be in the form of a medium grant,
19 the amount of which shall not exceed \$40,000,000. For a project
20 with a total cost that exceeds \$90,000,000, the authority's
21 contribution to the project shall be in the form of a large grant, the
22 amount of which shall not exceed \$75,000,000】 a tax credit award
23 in an amount equal to 100 percent of eligible project costs or \$75
24 million, whichever is less¹ .

25 (b) To be eligible for a ¹【grant】 tax credit award¹ pursuant to
26 this paragraph, an applicant shall demonstrate to the authority the
27 following: the applicant's need for funding to complete the project;
28 and all other sources of funding obtained by the applicant for the
29 completion of the project.

30 (2) (a) The authority may award a tax credit to an anchor
31 institution **【and, if applicable, one or more partner anchor**
32 institutions under the program**】**, which the anchor institution **【and,**
33 if applicable, each partner anchor institution**】** shall **【convert into】**
34 consider an investment by the authority in a community-anchored
35 project, subject to the condition that the anchor institution **【and, if**
36 applicable, each partner anchor institution either**】** sell and transfer
37 the tax credits, or adopt a plan to use the tax credits in order to
38 finance the completion of the community-anchored project, which
39 condition shall be included in the tax credit agreement entered into
40 pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318). An anchor
41 institution **【and, if applicable, each partner anchor institution】**
42 receiving tax credits under the program shall use the proceeds
43 derived from the sale or financing of the tax credits to make an
44 equity investment in or to provide a loan or other financial support
45 for the community-anchored project that will permit the anchor

1 institution~~], and, if applicable, a partner business, a partner anchor~~
2 institution, or both~~]~~ to develop the community-anchored project and
3 to attract tenants, owners, investors, lenders, partners, collaborators,
4 and other beneficial parties to the community-anchored project. A
5 tax credit agreement, entered into pursuant to section 50 of
6 P.L.2020, c.156 (C.34:1B-318) shall detail the terms by which an
7 anchor institution ~~[and, if applicable, each partner anchor~~
8 institution~~]~~ will convert the award of tax credits into an investment
9 by the authority into the community-anchored project, subject to
10 potential returns on investment to the authority based on an agreed-
11 upon formula for the distribution of returns, including upon the sale
12 of a community-anchored project or at the end of the commitment
13 period. For community-anchored projects ~~[financed solely by~~
14 governmental and nonprofit entity investments~~]~~, the authority shall
15 negotiate an agreed upon formula which shall include, but not be
16 limited to, the potential recapture of the value of the tax credits
17 awarded based upon the financial success of the project. ~~[For~~
18 community-anchored projects that are not financed solely by
19 governmental and nonprofit entity investments, the authority shall
20 negotiate an agreed upon formula which shall include, but not be
21 limited to, the potential recapture of the value of the tax credits
22 awarded and additional returns on investment.~~]~~ ¹For community-
23 anchored projects the tax credit agreement shall include a provision
24 for the recapture of the value of the tax credits if the project is not
25 completed or the project fails to meet the requirements of the tax
26 credit agreement or the program.¹ The tax credit agreement shall,
27 however, specify that the authority's interest in the community-
28 anchored project shall be subordinate to the investments made by an
29 anchor institution ~~[and, if applicable, each partner anchor~~
30 institution~~]~~ and partner businesses. References to investments and
31 returns in sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311
32 through C.34:1B-321) shall also include loans and other financial
33 support and their corresponding returns.

34 (b) Consistent with an applicable tax credit agreement, a tax
35 credit awarded to an anchor institution ~~[and, if applicable, each~~
36 partner anchor institution for conversion into an authority
37 investment, as provided pursuant to subparagraph (a) of this
38 paragraph~~]~~, may be applied against tax liability otherwise due
39 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), pursuant to
40 sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3),
41 pursuant to section 1 of P.L.1950, c.231 (C.17:32-15), ~~[or]~~ ¹or¹
42 pursuant to N.J.S.17B:23-5 ¹[, or pursuant to the “New Jersey
43 Gross Income Tax Act,” N.J.S.54A:1-1 et seq]¹.

44 (3) The authority shall develop protocols for assumptions testing
45 relating to projected and actual returns on investment under the

1 program and regularly analyze the returns on investment received
2 by the authority under the program, and shall evaluate future
3 applications and projections considering the results of the
4 assumptions testing and analysis.

5 c. The authority shall engage in program evaluation and
6 assumptions testing to ensure that the authority at least recaptures
7 the value of the tax credits awarded to all anchor institutions [and,
8 if applicable, partner anchor institutions] and realizes additional
9 returns on investment under the program; provided, however, that
10 for community-anchored projects financed solely by governmental
11 and nonprofit entity investments, the authority may negotiate a
12 potential return on investment, the calculation of which would
13 include, but not be limited to, recapture of the value of the tax
14 credits awarded for those community-anchored projects financed
15 solely by governmental and nonprofit entities.

16 d. Any funds distributed to the authority as a return on
17 investment pursuant to the program shall be deposited into the
18 General Fund of the State.

19 e. An incentive award to a ¹cultural arts institution for a¹
20 community-anchored project involving the development or
21 rehabilitation of ¹[structure utilized by]¹ a cultural arts institution
22 ¹facility¹ shall be in the form of a ¹[grant] tax credit¹ not to exceed
23 \$75,000,000 per project. In support of the ¹[grant] tax credit¹
24 program, the authority ¹[shall auction] may award¹ :
25 ¹[\$150,000,000] \$100,000,000¹ in tax credits in the fiscal year
26 ending June 30, 2024; ¹[\$150,000,000] \$100,000,000¹ in tax
27 credits in the fiscal year ending June 30, 2025; ¹[and
28 \$100,000,000] \$50,000,000¹ in tax credits in the fiscal year ending
29 June 30, 2026 ¹; and \$50,000,000 in tax credits in the fiscal year
30 ending June 30, 2027¹. The ¹[\$400,000,000] \$300,000,000¹ in tax
31 credits ¹[auctioned] awarded¹ over this period shall be derived
32 from the tax credits authorized for the New Jersey Community-
33 Anchored Development Program that were unused in the fiscal
34 years ending June 30, 2021, June 30, 2022, and June 30, 2023.
35 ¹The authority may, in its discretion, utilize tax credits for this
36 program up to a total of \$200,000,000 in a single year, with the
37 remainder of the credits distributed evenly for the remaining years
38 of the program.¹

39 ¹[The authority shall determine the form and manner in which
40 potential purchasers may bid for tax credits auctioned pursuant to
41 this subsection. To be awarded a tax credit auctioned pursuant to
42 this subsection, a potential purchaser shall:

43 (1) specify the amount the potential purchaser will pay in
44 exchange for the requested amount of tax credits, which shall not be

1 less than 75 percent of the requested dollar amount of tax credits;
 2 and

3 (2) provide any other information that the chief executive
 4 officer of the authority determines is necessary.】¹

5 A tax credit ¹【auctioned】 awarded¹ pursuant to this subsection
 6 may be applied against tax liability otherwise due pursuant to
 7 section 5 of P.L.1945, c.162 (C.54:10A-5), pursuant to sections 2
 8 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), pursuant to
 9 section 1 of P.L.1950, c.231 (C.17:32-15), ¹or¹ pursuant to
 10 N.J.S.17B:23-5 ¹【, or pursuant to the “New Jersey Gross Income
 11 Tax Act,” N.J.S.54A:1-1 et seq】¹.

12 ¹【f. The authority shall establish and maintain a dedicated fund
 13 to be known as the "New Jersey Cultural Institution Fund.” The
 14 authority shall use the money in the fund to carry out the purposes
 15 of the grant portion of the New Jersey Community-Anchored
 16 Development Program. The authority shall credit the fund with the
 17 proceeds of the auction authorized pursuant to subsection e. of this
 18 section.】¹

19 (cf: P.L.2020, c.156, s.46)】²

20

21 ²【3. Section 47 of P.L.2020, c.156 (C.34:1B-315) is amended to
 22 read as follows:

23 47. a. An anchor institution 【and, if applicable, each partner
 24 anchor institution】 shall be eligible to receive a tax credit under the
 25 program only if the anchor institution 【and, if applicable, each
 26 partner anchor institution】 submits a program application to the
 27 authority that results in completion of a community-anchored
 28 project through a capital investment in 【a New Jersey State
 29 opportunity zone or, if the community-anchored project is primarily
 30 designed to result in the economic expansion of a targeted industry
 31 in this State, in an area of the State designated pursuant to the "State
 32 Planning Act," P.L.1985, c.398 (C.52:18A-196 et seq.), as Planning
 33 Area 1 (Metropolitan) or in a municipality with a Municipal
 34 Revitalization Index distress score of at least 50】 an incentive area.

35 b. At the time of application, an anchor institution 【and, if
 36 applicable, each partner anchor institution】 seeking tax credits
 37 pursuant to the program shall demonstrate to the authority:

38 (1) that the proposed community-anchored project will result in
 39 a capital investment in 【a New Jersey State opportunity zone or, if
 40 the project is primarily designed to result in the economic
 41 expansion of a targeted industry in this State, in an area of the State
 42 designated pursuant to the "State Planning Act," P.L.1985, c.398
 43 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan) or in a
 44 municipality with a Municipal Revitalization Index distress score of
 45 at least 50】 an incentive area;

1 (2) the structure and terms of the financial, corporate, and real
2 estate instruments to be utilized to successfully complete and then
3 operate the community-anchored project, including, but not limited
4 to, the proposed economic and business relationship between the
5 anchor institution and, if applicable, each [partner anchor
6 institution and any] partner business;

7 (3) [that the anchor institution and, if applicable, each partner
8 anchor institution, along with any partner business and each partner
9 institution participating in a community-anchored project,]
10 construction has not commenced [any construction] at the site of
11 the community-anchored project prior to submitting an application,
12 unless the authority determines that the community-anchored
13 project would not be completed otherwise or, in the event the
14 community-anchored project is to be undertaken in phases, the
15 requested tax credit covers only phases for which construction has
16 not yet commenced;

17 (4) the value of the tax credit that is necessary in each year of
18 the eligibility period, in order for the anchor institution [and, if
19 applicable, each partner anchor institution] to finance the
20 establishment of the community-anchored project;

21 (5) the total aggregate value of the tax credit for the entire
22 eligibility period that is necessary in order for the anchor institution
23 [and, if applicable, each partner anchor institution] to finance the
24 establishment of the community-anchored project;

25 (6) that the award of tax credits under the program will be
26 [converted into] considered an investment by the authority into the
27 community-anchored project, and demonstrate to the authority the
28 anticipated current and deferred returns, as applicable, on that
29 investment;

30 (7) that the community-anchored project shall comply with the
31 standards established by the authority through regulation based on
32 the green building manual prepared by the Commissioner of
33 Community Affairs pursuant to section 1 of P.L.2007, c.132
34 (C.52:27D-130.6), regarding the use of renewable energy, energy-
35 efficient technology, and non-renewable resources in order to
36 reduce environmental degradation and encourage long-term cost
37 reduction;

38 (8) that the community-anchored project shall comply with the
39 authority's affirmative action requirements, adopted pursuant to
40 section 4 of P.L.1979, c.303 (C.34:1B-5.4);

41 (9) a description of the significant economic, social, planning,
42 employment, environmental, fiscal, and other benefits that would
43 accrue to the State, county, or municipality from the community-
44 anchored project;

45 (10)that during the eligibility period, each worker employed to
46 perform construction work and building services work at the

1 community-anchored project shall be paid not less than the
2 prevailing wage rate for the worker's craft or trade, as determined
3 by the Commissioner of Labor and Workforce Development
4 pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005,
5 c.379 (C.34:11-56.58 et seq.). In the event the community-anchored
6 project constitutes a lease of more than 55 percent of a single
7 facility, these requirements shall apply to construction work and
8 building services work at the entire facility. In the event the
9 community-anchored project constitutes a lease of more than 35
10 percent of a single facility, these requirements shall apply to
11 construction work at the entire facility;

12 (11)that during the eligibility period, the anchor institution **【and,**
13 if applicable, each partner anchor institution**】** shall partner with one
14 or more local community organizations that provide support and
15 services to Work First New Jersey program recipients, in order to
16 provide work activity opportunities and other appropriate services
17 to Work First New Jersey program recipients, which activities and
18 services may include, but shall not be limited to: work-study
19 programs, internships, sector-based contextualized literacy training,
20 skills-based training in growth industries in the State, and job
21 retention and advancement services;

22 (12)the extent to which the community-anchored development
23 will result in the expansion of a targeted industry in this State;

24 (13)that the timing of the award and investment of tax credits
25 under the program shall allow for the successful completion and
26 operation of the community-anchored project; and

27 (14)that the community-anchored project is viable and that the
28 anchor institution **【and, if applicable, each partner anchor**
29 institution**】** is a credible partner for completing the community-
30 anchored project and providing the agreed-upon potential returns to
31 the authority, as detailed in the tax credit agreement entered into
32 pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318).

33 c. Prior to the board considering an application submitted by an
34 anchor institution **【and, if applicable, each partner anchor**
35 institution**】**, the authority shall confirm with the Department of
36 Labor and Workforce Development, the Department of
37 Environmental Protection, and the Department of the Treasury
38 whether the anchor institution and, if applicable, each **【partner**
39 anchor institution and any**】** partner business is in substantial good
40 standing with the respective department, or has entered into an
41 agreement with the respective department that includes a practical
42 corrective action plan. The anchor institution shall certify that any
43 contractors or subcontractors that will perform work at the
44 community-anchored project: (1) are registered as required by "The
45 Public Works Contractor Registration Act," P.L.1999, c.238
46 (C.34:11-56.48 et seq.); (2) have not been debarred by the

1 Department of Labor and Workforce Development from engaging
2 in or bidding on Public Works Contracts in the State; and (3)
3 possess a tax clearance certificate issued by the Division of
4 Taxation in the Department of the Treasury. The authority may also
5 contract with an independent third party to perform a background
6 check on an anchor institution and, if applicable, each [partner
7 anchor institution and any] partner business.

8 d. In order to facilitate the creation of new partnerships with
9 anchor institutions [and, if applicable, partner anchor institutions],
10 the authority shall publish on the authority's website a list of names
11 and contact information for each anchor institution that has
12 submitted an application pursuant to this section.

13 e. At the time of application, an anchor institution seeking a
14 '[grant] tax credit award' pursuant to the program for the
15 development or rehabilitation of a '[structure utilized by a]'
16 cultural arts institution 'facility' shall demonstrate to the authority
17 the following:

18 (1) that the proposed community-anchored project will result in
19 a capital investment in an incentive area;

20 (2) the structure and terms of the financial, corporate, and real
21 estate instruments to be utilized to successfully complete and then
22 operate the community-anchored project;

23 (3) that construction has not commenced at the site of the
24 community-anchored project prior to submitting an application or,
25 if the community-anchored project is to be undertaken in phases,
26 that the requested '[grant] tax credit award' will cover only phases
27 for which construction has not yet commenced;

28 (4) the value of the '[grant] tax credit award' that is necessary
29 to finance the development or rehabilitation of a '[structure utilized
30 by a]' cultural arts institution 'facility' ;

31 (5) the total aggregate value of the '[grant] tax credit award'
32 for the entire eligibility period that is necessary in order for the
33 anchor institution to finance the establishment of the community-
34 anchored project;

35 (6) that the community-anchored project shall comply with the
36 standards established by the authority through regulation based on
37 the green building manual prepared by the Commissioner of
38 Community Affairs pursuant to section 1 of P.L.2007, c.132
39 (C.52:27D-130.6), regarding the use of renewable energy, energy-
40 efficient technology, and non-renewable resources in order to
41 reduce environmental degradation and encourage long-term cost
42 reduction;

43 (7) that the community-anchored project shall comply with the
44 authority's affirmative action requirements adopted pursuant to
45 section 4 of P.L.1979, c.303 (C.34:1B-5.4);

(8) a description of the significant economic, artistic, cultural, social, planning, employment, environmental, fiscal, and other benefits that would accrue to the State, county, or municipality from the community-anchored project;

(9) that during the eligibility period, each worker employed to perform construction work and building services work at the community-anchored project shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.). In the event the community-anchored project constitutes a lease of more than 55 percent of a single facility, these requirements shall apply to construction work and building services work at the entire facility. In the event the community-anchored project constitutes a lease of more than 35 percent of a single facility, these requirements shall apply to construction work at the entire facility;

(10) the extent to which the community-anchored development will result in the expansion of a targeted industry in this State;
'and'

(11) that the timing of the 'award and investment of a grant' tax credit award to a cultural arts institution' under the program shall allow for the successful completion and operation of the community-anchored project '; and

(12) that the community-anchored project is viable and that the anchor institution is a credible partner for completing the community-anchored project and providing the agreed-upon potential returns to the authority, as detailed in the 'grant' agreement'.

(cf: P.L.2021, c.160, s.19)]²

²[4. Section 48 of P.L.2020, c.156 (C.34:1B-316) is amended to read as follows:

48. a. Prior to March 1, 2027, an anchor institution [and, if applicable, each partner anchor institution] seeking a tax credit 'or grant]' pursuant to the program shall submit an application to the authority in a form and manner prescribed in regulations adopted by the authority pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The authority shall accept and certify applications for tax credits '[and grants]' during the award rounds established pursuant to section 49 of P.L.2020, c.156 (C.34:1B-317).

b. The authority shall not consider an application for a community-anchored project unless the anchor institution [and, if applicable, each partner anchor institution] submits, with the

1 application, a letter evidencing support for the community-anchored
2 project from the governing body of the municipality in which the
3 community-anchored project is located.

4 c. The authority shall review the project costs for a proposed
5 community-anchored project and evaluate and validate the underlying
6 financial structure proposed by the anchor institution **【and, if**
7 **applicable, each partner anchor institution】**. The authority shall
8 conduct a State fiscal impact analysis to ensure that the overall value
9 of tax credits provided to the community-anchored project is projected
10 to result in net benefits to the State, taking into account the current and
11 deferred returns to the authority. If a project for which a tax credit is
12 awarded yields an annual return to the authority in an amount equal to
13 at least one percent of the authority's investment in the project, and the
14 applicant is contractually obligated the return of the principal
15 investment to the authority at the time a facility is sold or refinanced,
16 the authority shall determine the project results in net benefits to the
17 State. ¹**【Cultural arts institutions eligible for a grant under the**
18 **program】** Community-anchored projects involving the development
19 or rehabilitation of a cultural arts institution facility¹ are inherently
20 beneficial to the State because they provide vital contributions to the
21 communities in which they are located, and together ¹**【built a**
22 **Statewide】** the¹ arts community ¹**【benefitting every resident in】**
23 provides incalculable economic and cultural benefits to¹ the State.
24 Accordingly, any community-anchored project that involves the
25 development or rehabilitation of a structure utilized by a cultural arts
26 institution shall not be subject to further net benefits analysis by the
27 authority beyond a determination of program eligibility. The authority
28 shall assess the cost of these reviews to the applicant. An anchor
29 institution **【and, if applicable, each partner anchor institution】** shall
30 pay to the authority the full amount of the direct costs of an analysis
31 concerning the anchor institution's **【and, if applicable, each partner**
32 **anchor institution's】** application for tax credits that a third party
33 retained by the authority performs, if the authority deems such
34 retention to be necessary.

35 d. If at any time during the eligibility period the authority
36 determines that an anchor institution **【or a partner anchor institution】**
37 made a material misrepresentation on the program application, the
38 anchor institution **【or partner anchor institution】** shall forfeit or repay
39 to the authority the value of tax credits ¹**【or grant】¹** associated with
40 that application.
41 (cf: P.L.2020, c.156, s.48)**】²**

42
43 ²**【5. Section 49 of P.L.2020, c.156 (C.34:1B-317) is amended to**
44 **read as follows:**

1 49. a. The authority shall award tax credits ¹**and grants**¹ under
2 the program through a competitive application process consisting of
3 up to two award rounds each year. The authority shall provide
4 notice to the public of the opening and closing dates for submission
5 of program applications on the authority's Internet website.

6 b. (1) The authority shall review applications for tax credits
7 ¹**and grants**¹ submitted to the authority by the deadline date of the
8 award round and shall evaluate each application as if it were
9 received on the deadline date, without providing any preference for
10 early submissions. To determine priority for an award of a tax
11 credit ¹**or grant**¹, all applications for community-anchored
12 projects that satisfy the criteria set forth in sections 47 and 48 of
13 P.L.2020, c.156 (C.34:1B-315 and C.34:1B-316) in a given award
14 round shall be ranked on the basis of a scoring system developed by
15 the authority through regulations adopted pursuant to the provisions
16 of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
17 1 et seq.). Prior to the commencement of an award round, the
18 authority shall determine the minimum score for the award round
19 that **[an anchor institution or, if applicable, each partner anchor**
20 **institution]** each applicant is required to attain to be eligible for a
21 tax credit.

22 (2) The authority may establish different criteria for community-
23 anchored projects that are located in a New Jersey State opportunity
24 zone and community-anchored projects that are primarily designed
25 to result in the economic expansion of a targeted industry in this
26 State.

27 c. The scoring system developed by the authority pursuant to
28 subsection b. of this section shall assess applications for tax credits
29 based on the following competitive criteria, which shall include, but
30 shall not be limited to:

31 (1) the amount of tax credit requested by the anchor institution
32 **[and, if applicable, each partner anchor institution]** compared to the
33 overall investments required for the completion of the community-
34 anchored project, along with the amount of the potential return on
35 the authority's investment of tax credits to the State by the end of
36 the commitment period, the amount of the tax credit, if any, that is
37 unlikely to be realized as a return on investment to the State, and
38 the proposed terms and structure for the authority's investment in
39 the project, including applicable current and deferred returns;

40 (2) the financial benefit of the community-anchored project to
41 the community in which the community-anchored project will be
42 located;

43 (3) apprenticeships or workforce programs to be offered because
44 of the community-anchored project;

- 1 (4) the ability of the community-anchored project to absorb and
2 adapt to changing environmental conditions and deliver its
3 objectives;
- 4 (5) how the community-anchored project will advance State,
5 regional, and local development and planning strategies;
- 6 (6) the relationship of the community-anchored project to a
7 comprehensive local development strategy, including its relation to
8 other development and redevelopment projects in the municipality;
- 9 (7) the degree to which the community-anchored project
10 enhances and promotes job creation and economic development;
- 11 (8) the extent of economic and related social distress in the
12 municipality and the immediate area surrounding the community-
13 anchored project;
- 14 (9) the extent to which the community-anchored project
15 provides for the development of housing for individuals with
16 special needs;
- 17 (10) the extent to which the community-anchored project
18 constitutes the expansion of the anchor institution **【and, if**
19 **applicable, each partner anchor institution】** to different areas of the
20 State;
- 21 (11) the extent to which the community-anchored project
22 provides for infrastructure, parking, retail, green space, or other
23 public amenities creating a mixed-use community-anchored project;
- 24 (12) the inclusion of a qualified business accelerator or
25 incubator facility as a part of the community-anchored project;
- 26 (13) the length of the commitment period for the community-
27 anchored project;
- 28 (14) the quality and number of new full-time jobs that will be
29 created by the anchor institution**【, partner anchor institution】** or a
30 partner business at the community-anchored project;
- 31 (15) the quality and number of existing full-time jobs that will
32 be retained by the anchor institution**【, partner anchor institution,】**
33 or a partner business in the State as a result of completing the
34 community-anchored project, with the criteria specifying, in scoring
35 the application, that the retention of an existing full-time job shall
36 be given not more than one-third the weight of a new full-time job
37 of a similar quality; and
- 38 (16) if the anchor institution has a board of directors, the extent
39 to which that board of directors is diverse and representative of the
40 community in which the community-anchored project is located.
- 41 d. Notwithstanding the provisions of ¹**【subsection】**
42 subsections¹ c. ¹and h.¹ of this section, the authority may adopt,
43 pursuant to the provisions of the "Administrative Procedure Act,"
44 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
45 adjusting competitive criteria required under the program when

1 necessary to respond to the prevailing economic conditions in the
2 State.

3 e. Prior to the award of a tax credit **to an anchor institution or,**
4 **if applicable, each partner anchor institution, to be converted into**
5 **an authority investment in a community-anchored project**, the
6 authority shall confirm with the Department of Labor and
7 Workforce Development, the Department of Environmental
8 Protection, and the Department of the Treasury that the anchor
9 institution **and, if applicable, each partner anchor institution**,
10 along with any partner business identified in a program application,
11 is in substantial good standing with the respective department, or
12 has entered into an agreement with the respective department that
13 includes a practical corrective action plan for the anchor institution
14 and, if applicable, each **partner anchor institution and any** partner
15 business, and the anchor institution shall confirm that any
16 contractors and subcontractors performing work at the community-
17 anchored project: (1) are registered as required by "The Public
18 Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-
19 56.48 et seq.); (2) have not been debarred by the Department of
20 Labor and Workforce Development from engaging in or bidding on
21 Public Works Contracts in the State; and (3) possess a tax clearance
22 certificate issued by the Division of Taxation in the Department of
23 the Treasury. Provided that all parties are in compliance with this
24 subsection, the authority shall allocate tax credits to community-
25 anchored projects according to the community-anchored project's
26 score and until either the available tax credits are exhausted or all
27 community-anchored projects obtaining the minimum score receive
28 a tax credit, whichever occurs first. If insufficient funding exists to
29 fully fund all eligible community-anchored projects, a community-
30 anchored project may be offered partial funding.

31 f. Applications that do not receive the minimum score
32 established by the authority for that award round shall not receive
33 further consideration for a tax credit by the authority in that award
34 round; however, an anchor institution **or partner anchor**
35 **institution** may revise or complete a new application to be
36 submitted in a subsequent award round.

37 g. If an anchor institution **or partner anchor institution**
38 declines a tax credit offered by the authority, the authority shall
39 offer the tax credit to the applicant with the application having the
40 next highest score, and having obtained at least the minimum score
41 in that award round.

42 h. The scoring system developed by the authority pursuant to
43 subsection b. of this section shall assess applications **for grants**
44 by an anchor institution seeking a tax credit award pursuant to the
45 program for the development or rehabilitation of a cultural arts

1 institution facility¹ based on criteria including, but not limited to,
 2 the following:

3 (1) the ability of the community-anchored project to absorb and
 4 adapt to changing environmental conditions and deliver its
 5 objectives;

6 (2) how the community-anchored project will advance State,
 7 regional, and local goals regarding the development of arts and
 8 cultural facilities in underserved municipalities;

9 (3) the relationship of the community-anchored project to a
 10 comprehensive local development strategy, including its relation to
 11 other development and redevelopment projects in the municipality;

12 (4) the degree to which the community-anchored project
 13 enhances and promotes job creation and economic development;

14 (5) the extent of economic and related social distress in the
 15 municipality and the immediate area surrounding the community-
 16 anchored project;

17 (6) the extent to which the community-anchored project
 18 constitutes the expansion of the anchor institution to different areas
 19 of the State;

20 (7) the inclusion of a qualified business accelerator or incubator
 21 facility as a part of the community-anchored project;

22 (8) the length of the commitment period for the community-
 23 anchored project;

24 (9) the quality and number of new full-time jobs that will be
 25 created by the anchor institution or a partner business at the
 26 community-anchored project; and

27 (10) if the anchor institution has a board of directors, the extent
 28 to which that board of directors is diverse and representative of the
 29 community in which the community-anchored project is located.

30 (cf: P.L.2021, c.160, s.20)]²

31
 32 ²[6. Section 50 of P.L.2020, c.156 (C.34:1B-318) is amended to
 33 read as follows:

34 50. a. Following approval and selection of an application pursuant
 35 to sections 48 and 49 of P.L.2020, c.156 (C.34:1B-316 and C.34:1B-
 36 317), the authority shall enter into a tax credit agreement ¹[or a grant
 37 agreement]¹ with the anchor institution [and, if applicable, each
 38 partner anchor institution]. The chief executive officer of the
 39 authority shall negotiate the terms and conditions of the [tax credit]
 40 agreement on behalf of the State.

41 b. (1) A tax credit agreement shall specify the amount of the tax
 42 credit that the authority shall award to the anchor institution [and, if
 43 applicable, each partner anchor institution] for conversion into an
 44 authority investment and specify the duration of the eligibility period,
 45 which shall not exceed 10 years. The tax credit agreement shall
 46 provide an estimated date of completion for the community-anchored

1 project and include a requirement for periodic progress reports through
2 completion, including the submittal of executed financing
3 commitments and documents or agreements that evidence site control.

4 (2) If, as a result of a default under the tax credit agreement, the
5 authority rescinds a tax credit in the same calendar year in which the
6 authority approved the tax credit, then the authority may assign the tax
7 credit to another applicant that attained the minimum score determined
8 pursuant to section 49 of P.L.2020, c.156 (C.34:1B-317).

9 c. The terms of the tax credit agreement shall:

10 (1) provide for a verification of project financing at the time the
11 anchor institution[, each partner anchor institution,] and any partner
12 business provides executed financing commitments to the authority
13 and a verification of the anchor institution's projected cash flow [and
14 each partner anchor institution's cash flow] at the time of certification
15 that the project is completed;

16 (2) specify the length of the commitment period for the
17 community-anchored project and the terms by which the anchor
18 institution [and, if applicable, each partner anchor institution] shall
19 provide to the authority current or deferred returns on investment
20 generated by the community-anchored project and commit to a
21 structure for returns on investment;

22 (3) allow the anchor institution [and, if applicable, each partner
23 anchor institution] to distribute returns on investment to the authority
24 for the tax credits in the amount specified in the tax credit agreement
25 at any time within the commitment period, but require such
26 distribution to occur if the community-anchored project is sold before
27 the end of the commitment period;

28 (4) specify amounts of returns to be retained by the anchor
29 institution [and, if applicable, each partner anchor institution] for
30 capital reserves, programming, or other purposes;

31 (5) identify the value of any monetary or financial benefit offered
32 or provided by the anchor institution [and, if applicable, each partner
33 anchor institution] to any partner business that works with the anchor
34 institution [and, if applicable, each partner anchor institution to
35 complete and operate the community-anchored project];

36 (6) identify any benefits created by the anchor institution [and, if
37 applicable, each partner anchor institution] for a partner business
38 through equity investment in or debt-financing of a community-
39 anchored project and specify the formula by which such benefits are
40 passed through to a partner business;

41 (7) specify that the authority or the State may purchase tax credits
42 offered for sale by an anchor institution [and, if applicable, each
43 partner anchor institution] for 90 percent of the stated value of the tax
44 credit before considering any further discounting to present value
45 which shall be permitted;

1 (8) at a minimum, require an anchor institution **【and, if applicable,**
2 each partner anchor institution**】** to provide oversight of the
3 community-anchored project through ongoing reporting by a partner
4 business to the anchor institution **【and, if applicable, each partner**
5 anchor institution**】**, and subsequent ongoing reporting by the anchor
6 institution **【and, if applicable, each partner anchor institution】** to the
7 authority;

8 (9) specify other measures through which the authority shall
9 ensure oversight of outstanding tax credit investments, and, in the
10 event that an anchor institution **【or partner anchor institution】** fails to
11 meet its obligations under the tax credit agreement or any program
12 requirement, establish the right of the authority to assume direct
13 oversight of any or all projects for which the anchor institution **【or**
14 partner anchor institution**】** has entered into investment agreements and
15 require the anchor institution **【or partner anchor institution】** to pursue
16 any remedies it may have against a partner business; and

17 (10) at a minimum, require that the anchor institution and, if
18 applicable, each **【partner anchor institution, and any】** partner
19 **【businesses,】** business adopt specific nondiscrimination policies for
20 the operation of a community-anchored project.

21 d. The tax credit agreement shall include a requirement that the
22 chief executive officer of the authority receive annual reports from the
23 anchor institution and, if applicable, each **【partner institution and any】**
24 partner business. As part of the authority's review of the annual reports
25 required from each anchor institution and, if applicable, each partner
26 **【institution】** business, the authority shall confirm with the Department
27 of Environmental Protection, the Department of Labor and Workforce
28 Development, and the Department of the Treasury that: the anchor
29 institution and, if applicable, each **【partner institution and any】** partner
30 business is in substantial good standing with the respective
31 department, or has entered into an agreement with such department
32 that includes a practical corrective action plan for the anchor
33 institution and, if applicable, each **【partner anchor institution and any】**
34 partner business, and the anchor institution shall confirm that any
35 contractors and subcontractors performing work at the community-
36 anchored project: (1) are registered as required by "The Public Works
37 Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.);
38 (2) have not been debarred by the Department of Labor and Workforce
39 Development from engaging in or bidding on Public Works Contracts
40 in the State; and (3) possess a tax clearance certificate issued by the
41 Division of Taxation in the Department of the Treasury. The tax credit
42 agreement shall include a provision that the anchor institution **【and, if**
43 applicable, each partner institution**】** shall forfeit the tax credit in any
44 year in which an uncured default exists under the tax credit agreement
45 or the anchor institution **【and, if applicable, each partner institution】** is

1 neither in substantial good standing with the Department of
2 Environmental Protection, the Department of Labor and Workforce
3 Development, or the Department of the Treasury nor has entered into a
4 practical corrective action plan. The tax credit agreement shall,
5 however, allow the authority to extend, in individual cases, the
6 deadline for any annual reporting requirement.

7 e. ¹[(1) A grant agreement shall specify the amount of the grant
8 that the authority shall award to the anchor institution. The grant
9 agreement shall provide an estimated date of completion for the
10 community-anchored project and include a requirement for periodic
11 progress reports through completion, including the submittal of
12 executed financing commitments and documents or agreements that
13 evidence site control.

14 (2) If, as a result of a default under the grant agreement, the
15 authority rescinds a grant in the same calendar year in which the
16 authority approved the grant, then the authority may assign the grant to
17 another applicant that attained the minimum score determined pursuant
18 to section 49 of P.L.2020, c.156 (C.34:1B-317).

19 f. A grant agreement shall include a requirement that the chief
20 executive officer of the authority receive annual reports from the
21 anchor institution and, if applicable, each partner business. As part of
22 the authority's review of the annual reports required from each anchor
23 institution and, if applicable, each partner business, the authority shall
24 confirm with the Department of Environmental Protection, the
25 Department of Labor and Workforce Development, and the
26 Department of the Treasury that: the anchor institution and, if
27 applicable, each partner business is in substantial good standing with
28 the respective department, or has entered into an agreement with such
29 department that includes a practical corrective action plan for the
30 anchor institution and, if applicable, each partner business, and the
31 anchor institution shall confirm that any contractors and subcontractors
32 performing work at the community-anchored project: (1) are registered
33 as required by "The Public Works Contractor Registration Act,"
34 P.L.1999, c.238 (C.34:11-56.48 et seq.); and (2) have not been
35 debarred by the Department of Labor and Workforce Development
36 from engaging in or bidding on Public Works Contracts in the State.
37 The grant agreement shall include a provision that the anchor
38 institution shall forfeit the grant in any year in which an uncured
39 default exists under the grant agreement or the anchor institution is
40 neither in substantial good standing with the Department of
41 Environmental Protection, the Department of Labor and Workforce
42 Development, or the Department of the Treasury nor has entered into a
43 practical corrective action plan. The grant agreement shall, however,
44 allow the authority to extend, in individual cases, the deadline for any
45 annual reporting requirement.

46 g. ¹An anchor institution [and, if applicable, each partner
47 institution] shall, as required at the discretion of the authority, submit

1 to the authority satisfactory evidence of actual project costs, as
2 certified by a certified public accountant, evidence of a temporary
3 certificate of occupancy, or other event evidencing project completion.
4 The anchor institution **【and, if applicable, each partner institution】**, or
5 an authorized agent of the anchor institution **【or partner institution】**,
6 shall certify under the penalty of perjury that the information provided
7 pursuant to this subsection is true.
8 (cf: P.L.2021, c.160, s.21)**】²**

9
10 **²【7. Section 51 of P.L.2020, c.156 (C.34:1B-319) is amended to**
11 **read as follows:**

12 51. a. Up to the limits established in subsection b. of this
13 section and in accordance with a tax credit agreement, beginning
14 upon the receipt of occupancy permits for any portion of the
15 community-anchored project, or upon any other event evidencing
16 project completion as set forth in the tax credit agreement, an
17 anchor institution **【and, if applicable, each partner institution】** of an
18 approved community-anchored project shall be awarded a base tax
19 credit of \$5,000,000 for conversion into an authority investment in
20 the community-anchored project.

21 b. An anchor institution **【and, if applicable, each partner**
22 **institution】** may be allowed a tax credit in excess of the base
23 amount, if approved by the authority, provided, however, the total
24 tax credit allowed per community-anchored project shall not exceed
25 \$75,000,000 and the total investment of all State resources not
26 including rent payments in a community-anchored project shall not
27 exceed 40 percent of the total cost of the project.
28 (cf: P.L.2020, c.156, s.51)**】²**

29
30 **²【8. Section 52 of P.L.2020, c.156 (C.34:1B-320) is amended to**
31 **read as follows:**

32 52. a. An anchor institution **【and, if applicable, each partner**
33 **institution】** that is awarded a tax credit under sections 43 through
34 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321) shall,
35 commencing in the year in which the tax credit is awarded, and
36 each year thereafter for the remainder of the eligibility period,
37 submit a report indicating whether the anchor institution **【and, if**
38 **applicable, each partner institution】** is aware of any condition,
39 event, or act that would cause the anchor institution **【or partner**
40 **institution】** not to be in compliance with the tax credit agreement or
41 the provisions of sections 43 through 53 of P.L.2020, c.156
42 (C.34:1B-311 through C.34:1B-321) and any additional reporting
43 requirements contained in the tax credit agreement or tax credit
44 certificate. The anchor institution **【and, if applicable, each partner**
45 **institution,】** or an authorized agent of the anchor institution **【or**

1 partner institution,】 shall certify under the penalty of perjury that
2 the information provided pursuant to this subsection is true.

3 b. (1) Upon receipt and review of each report submitted during
4 the eligibility period, the authority shall provide to the anchor
5 institution 【and, if applicable, each partner institution】 and the
6 Director of the Division of Taxation in the Department of the
7 Treasury a certificate of compliance indicating the amount of tax
8 credits awarded to the anchor institution 【and, if applicable, each
9 partner institution】 for conversion into an authority investment in
10 the community-anchored project, that the anchor institution 【and, if
11 applicable, each partner institution】 may:

12 (a) offer for sale through the provision of a tax credit transfer
13 certificate pursuant to section 53 of P.L.2020, c.156 (C.34:1B-321);
14 or

15 (b) use as collateral or to secure any financial instrument
16 approved by the authority to provide financing for the community-
17 anchored project, if that use is in accordance with rules and
18 regulations adopted by the authority, pursuant to the provisions of
19 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
20 seq.), to govern the use of program tax credits.

21 (2) Upon receipt by the director of the certificate of compliance,
22 the director shall coordinate with the anchor institution 【and, if
23 applicable, each partner institution】 and the authority to provide the
24 anchor institution 【and, if applicable, each partner institution】 with
25 a tax credit transfer certificate, as described in section 53 of
26 P.L.2020, c.156 (C.34:1B-321), or a tax credit certificate for the
27 value awarded by the authority for that year that the anchor
28 institution 【and, if applicable, each partner institution】 may use as
29 provided in paragraph (1) of this subsection b. and in accordance
30 with the rules adopted pursuant to subparagraph (b) of paragraph
31 (1) of this subsection.

32 (cf: P.L.2020, c.156, s.52)】²

33
34 ²【9. Section 53 of P.L.2020, c.156 (C.34:1B-321) is amended to
35 read as follows:

36 53. a. An anchor institution 【and, if applicable, each partner
37 institution】 may apply to the director and the chief executive officer
38 of the authority for a tax credit transfer certificate, covering one or
39 more years. The tax credit transfer certificate, upon receipt thereof
40 by the anchor institution 【or partner institution】 from the director
41 and the chief executive officer of the authority, may be sold or
42 assigned, in full or in part, in the privilege period during which the
43 anchor institution 【or partner institution】 receives the tax credit
44 transfer certificate from the director, to another person, who may
45 apply the credit against a tax liability pursuant to section 5 of

1 P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132
 2 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231
 3 (C.17:32-15), **【or】** N.J.S.17B:23-5, or the “New Jersey Gross
 4 Income Tax Act,” N.J.S.54A:1-1 et seq.

5 b. The anchor institution **【or partner institution】** shall not sell
 6 or assign, including a collateral assignment, a tax credit transfer
 7 certificate allowed under this section for consideration received by
 8 the anchor institution **【or partner institution】** of less than 85 percent
 9 of the transferred credit amount before considering any further
 10 discounting to present value which shall be permitted. The tax
 11 credit transfer certificate issued to an anchor institution **【or partner**
 12 **institution】** by the director shall be subject to any limitations and
 13 conditions imposed on the application of State tax credits pursuant
 14 to sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
 15 C.34:1B-321) and any other terms and conditions that the director
 16 may prescribe.

17 c. A purchaser or assignee of a tax credit transfer certificate
 18 pursuant to this section may make any subsequent transfers,
 19 assignments, or sales of a tax credit transfer certificate for an
 20 amount to be negotiated with a subsequent purchaser or assignee.

21 d. The authority shall publish on its Internet website the
 22 following information concerning each tax credit transfer certificate
 23 approved by the authority and the director pursuant to this section:

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

30 (cf: P.L.2020, c.156, s.53)**】**²

31

32 ²1. (New section) P.L. , c. (C.) (pending before the
 33 Legislature as this bill) shall be known and may be cited as the
 34 “Cultural Arts Incentives Program Act.”²

35

36 ²2. (New section) The Legislature finds and declares that:

37 a. The New Jersey Economic Development Authority can
 38 effectively utilize cultural arts institution facilities as catalysts for
 39 broad economic development in targeted communities. Under the
 40 legislation, facilities engaged in the cultural, educational, or artistic
 41 enrichment of the people of this State are provided with the
 42 opportunity to facilitate targeted development, utilizing proceeds
 43 from the sale of State tax credits. This approach harnesses the
 44 ability of cultural arts institution facilities to attract visitors and
 45 businesses to the State by leveraging the incalculable economic and

1 cultural benefits of building and supporting world class cultural arts
2 institutions.

3 b. Projects involving the development or rehabilitation of a
4 cultural arts institution facility are inherently beneficial to the State
5 because they provide vital contributions to the communities in
6 which they are located, and together the arts community provides
7 immeasurable economic and cultural benefits to the State.

8 c. Through a competitive application process, a cultural arts
9 institution will make its case for an amount of tax credits necessary
10 for a project to be able to establish occupancy costs at a competitive
11 level.

12 d. The Legislature declares that two principal objectives
13 underscore the policy approach of this legislation: first, that
14 providing spaces for arts and culture to flourish will result in
15 thriving communities; and second, the State must help to provide
16 these spaces through an incentives program that better reflects the
17 economics of arts and culture facilities and that the current suite of
18 real estate programs cannot succeed in this endeavor.²

19 ²3. (New section) As used in P.L. , c. (C.) (pending
20 before the Legislature as this bill):

21 "Affiliate" means an entity that directly or indirectly controls, is
22 under common control with, or is controlled by a cultural arts
23 institution. Control exists in all cases in which the entity is a
24 member of a controlled group of corporations as defined pursuant to
25 section 1563 of the federal Internal Revenue Code (26 U.S.C.
26 s.1563) or the entity is an organization in a group of organizations
27 under common control that is subject to the regulations applicable
28 to organizations pursuant to subsection (b) or (c) of section 414 of
29 the federal Internal Revenue Code (26 U.S.C. s.414). A cultural
30 arts institution may establish by clear and convincing evidence, as
31 determined by the authority, that control exists in situations
32 involving lesser percentages of ownership if the cultural arts
33 institution shall have control, at a minimum, of all aspects of
34 compliance with this program. An affiliate of a cultural arts
35 institution may contribute to the project cost and may satisfy the
36 requirement for site control during construction and the eligibility
37 period, but in no event shall the tax credit certificate be issued to
38 any affiliate.

39 "Authority" means the New Jersey Economic Development
40 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

41 "Board" means the board of the New Jersey Economic
42 Development Authority, established by section 4 of P.L.1974, c.80
43 (C.34:1B-4).

44 "Cultural arts institution" means a governmental entity or
45 nonprofit or governmental economic or community development
46 entity incorporated pursuant to Title 15 of the Revised Statutes or
47 Title 15A of the New Jersey Statutes, operating on a not-for-profit

1 basis, and having the primary mission and specific policy goal of
2 cultural, educational, or artistic enrichment of the people of this
3 State. A “cultural arts institution” shall include a for-profit
4 business seeking a tax credit for a cultural arts institution facility
5 open to the public provided that the cultural arts institution facility
6 is receiving a federal historic rehabilitation tax credit pursuant to
7 section 47 of the federal Internal Revenue Code of 1986, 26 U.S.C.
8 s.47, or a tax credit pursuant to the "Historic Property Reinvestment
9 Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through
10 C.34:1B-276).

11 "Cultural arts institution facility" means an existing or proposed
12 facility within this State, operated and maintained by a cultural arts
13 institution. A “cultural arts institution facility” includes, without
14 limitation, an aquarium, botanical society, historical society,
15 library, museum, gallery, performing arts center, or any related
16 facility that is principally for the support and benefit of any of the
17 foregoing.

18 "Cultural arts project" means a capital project for the
19 construction or improvement of a cultural arts institution facility
20 that is located in the State for which a cultural arts institution is to
21 be awarded tax credits by the authority under the program pursuant
22 to a tax credit agreement, provided that the project for which the tax
23 credits are awarded will result in a capital investment of at least
24 \$5,000,000.

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

27 "Eligibility period" means the period during which a cultural arts
28 institution may claim, sell, transfer, or otherwise use a tax credit
29 under the program, beginning with the tax period in which the
30 authority accepts certification of the cultural arts institution that it
31 has met the capital investment requirements of the program and
32 extending thereafter for a term of at least five years.

33 "Eligible position" means a full-time position in an entity in this
34 State which the entity has filled with a full-time employee. An
35 eligible position shall not include an independent contractor or a
36 consultant.

37 "Government-restricted municipality" means a municipality in
38 this State with a municipal revitalization index distress score of at
39 least 75, that met the criteria for designation as an urban aid
40 municipality in the 2019 State fiscal year, and that, on the effective
41 date of P.L.2020, c.156, is subject to financial restrictions imposed
42 pursuant to the "Municipal Stabilization and Recovery Act,"
43 P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is restricted in its ability
44 to levy property taxes on property in that municipality as a result of
45 the State of New Jersey owning or controlling property representing
46 at least 25 percent of the total land area of the municipality or as a
47 result of the federal government of the United States owning or

1 controlling at least 50 acres of the total land area of the
2 municipality, which is dedicated as a national natural landmark.

3 "New full-time job" means an eligible position created by a
4 cultural arts institution at a cultural arts project that did not
5 previously exist in this State. For the purposes of determining the
6 number of new full-time jobs, the eligible positions of an affiliate
7 shall be considered eligible positions of the cultural arts institution.

8 "Operating reserve" means an unrestricted fund balance set aside
9 to stabilize a nonprofit's finances to mitigate against unexpected
10 events, losses of income, and large unbudgeted expenses.

11 "Program" means the Cultural Arts Incentives Program
12 established pursuant to section 4 of P.L. , c. (C.) (pending
13 before the Legislature as this bill).

14 "Project cost" means the costs incurred in connection with a
15 cultural arts project by a cultural arts institution until the issuance
16 of a permanent certificate of occupancy, or until such other time
17 specified by the authority, for a specific investment or
18 improvement, including the costs relating to lands, buildings,
19 improvements, real or personal property, or any interest therein,
20 including leases discounted to present value, including lands under
21 water, riparian rights, space rights, and air rights acquired, owned,
22 developed or redeveloped, constructed, reconstructed, rehabilitated,
23 or improved, any environmental remediation costs, plus costs not
24 directly related to construction, including capitalized interest paid to
25 third parties, of an amount not to exceed 20 percent of the total
26 costs, and the cost of infrastructure improvements, including
27 ancillary infrastructure projects. The fees associated with the
28 application or administration of tax credits under
29 P.L. , c. (C.) (pending before the Legislature as this bill)
30 shall not constitute a project cost.

31 "Project financing gap" means the part of the total project cost,
32 including reasonable and appropriate return on investment, that
33 remains to be financed after all other sources of capital have been
34 accounted for, including, but not limited to capital contributed by
35 the cultural arts institution, which shall not be less than 20 percent
36 of the total project cost, and investor or financial entity capital or
37 loans; provided, however, that for a cultural arts project located in a
38 government-restricted municipality, the capital contributed by the
39 cultural arts institution shall not be less than 10 percent of the total
40 project cost.

41 "Qualified incentive tract" means a. a population census tract
42 having a poverty rate of 20 percent or more; or b. a census tract in
43 which the median family income for the census tract does not
44 exceed 80 percent of the greater of the statewide median family
45 income or the median family income of the metropolitan statistical
46 area in which the census tract is situated.

1 "Tax credit agreement" means a tax credit agreement entered into
2 pursuant to section 8 of P.L. , c. (C.) (pending before the
3 Legislature as this bill) between the authority and a cultural arts
4 institution.

5 "Work First New Jersey program" means the Work First New
6 Jersey program established pursuant to P.L.1997, c.38 (C.44:10-55
7 et seq.).²

8
9 ²4. (New section) a. The Cultural Arts Incentives Program is
10 established as a program under the jurisdiction of the New Jersey
11 Economic Development Authority. The board shall certify an
12 eligible cultural arts institution based on the requirements of section
13 5 of P.L. , c. (C.) (pending before the Legislature as this
14 bill), and may approve the award of a tax credit to a cultural arts
15 institution pursuant to the provisions of P.L. , c. (C.)
16 (pending before the Legislature as this bill). The value of all tax
17 credits approved by the authority to cultural arts institutions under
18 the program shall be subject to the limitations set forth in section 98
19 of P.L.2020, c.156 (C.34:1B-362). Any tax credit awarded under
20 the program may be utilized by a cultural arts institution for the
21 same project in conjunction with a tax credit award made pursuant
22 to the "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335); provided,
24 however, that any tax credit awarded under the program shall not be
25 considered to be developer contributed capital for the purposes of
26 calculating the project financing gap for an incentive award under
27 the "New Jersey Aspire Program Act," sections 54 through 67 of
28 P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335).

29 b. (1) The authority shall administer the program to incentivize
30 the establishment of cultural arts projects by a cultural arts
31 institution independently or in collaboration with one or more
32 governmental entities. A cultural arts project involving the
33 development or rehabilitation of a cultural arts institution facility
34 shall be eligible for a tax credit award in an amount not to exceed
35 100 percent of eligible project costs, except, in the case of a cultural
36 arts institution operating on a not-for-profit basis, the tax credit
37 award may include up to 100 percent of such cultural arts
38 institution's appropriate operating reserve as determined by the
39 authority. The value of tax credits approved by the authority under
40 the program for a cultural arts project shall not exceed \$75,000,000
41 per cultural arts project.

42 (2) (a) A cultural arts institution shall sell and transfer the tax
43 credits awarded under the program, or adopt a plan to use such tax
44 credits in order to finance the completion of the cultural arts
45 project. A cultural arts institution receiving tax credits under the
46 program shall use the proceeds derived from the sale or financing of
47 the tax credits to make an equity investment in, or secure other

1 financial support for, the cultural arts project that will permit the
2 cultural arts institution to develop the cultural arts project and to
3 attract tenants, owners, investors, lenders, partners, collaborators,
4 and other beneficial parties to the cultural arts project. The
5 authority shall evaluate each proposed cultural arts project to
6 determine the likelihood of the project's success. A cultural arts
7 institution shall submit to the authority an independent market study
8 showing there is demand for a cultural arts institution facility at the
9 proposed project site and that it is expected to be successful. The
10 authority may procure third party consultants to determine a
11 project's likelihood of success.

12 (b) Consistent with an applicable tax credit agreement, a tax
13 credit awarded to a cultural arts institution may be applied against
14 tax liability otherwise due pursuant to section 5 of P.L.1945, c.162
15 (C.54:10A-5), pursuant to sections 2 and 3 of P.L.1945, c.132
16 (C.54:18A-2 and C.54:18A-3), pursuant to section 1 of P.L.1950,
17 c.231 (C.17:32-15), or pursuant to N.J.S.17B:23-5.²
18

19 ^{25.} (New section) a. A cultural arts institution shall be eligible
20 to receive a tax credit under the program only if the cultural arts
21 institution is eligible pursuant to subsection b. of this section and
22 submits a program application to the authority that results in
23 completion of a cultural arts project.

24 b. At the time of application, a cultural arts institution seeking
25 tax credits pursuant to the program shall demonstrate to the
26 authority:

27 (1) that the proposed cultural arts project will result in a capital
28 investment of at least \$5,000,000;

29 (2) the structure and terms of the financial, corporate, and real
30 estate instruments to be utilized to successfully complete and then
31 operate the cultural arts project;

32 (3) that construction has not commenced at the site of the
33 cultural arts project prior to submitting an application, unless the
34 authority determines that the cultural arts project would not be
35 completed without an award of tax credits under the program;

36 (4) the value of the tax credit that is necessary in each year of
37 the eligibility period, in order for the cultural arts institution to
38 finance the establishment of the cultural arts project;

39 (5) the total aggregate value of the tax credits for the entire
40 eligibility period that is necessary in order for the cultural arts
41 institution to finance the establishment of the cultural arts project;

42 (6) that the cultural arts project shall comply with the standards
43 established by the authority through regulation based on the green
44 building manual prepared by the Commissioner of Community
45 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
46 regarding the use of renewable energy, energy-efficient technology,

- 1 and non-renewable resources in order to reduce environmental
2 degradation and encourage long-term cost reduction;
- 3 (7) that the cultural arts project shall comply with the authority's
4 affirmative action requirements, adopted pursuant to section 4 of
5 P.L.1979, c.303 (C.34:1B-5.4);
- 6 (8) a description of the significant economic, social, planning,
7 employment, and other benefits that would accrue to the State,
8 county, or municipality from the cultural arts project;
- 9 (9) that during the eligibility period, each worker employed to
10 perform construction work and building services work at the
11 cultural arts project shall be paid not less than the prevailing wage
12 rate for the worker's craft or trade, as determined by the
13 Commissioner of Labor and Workforce Development pursuant to
14 P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005, c.379
15 (C.34:11-56.58 et seq.). In the event the cultural arts project
16 constitutes a lease of more than 55 percent of a single facility, these
17 requirements shall apply to construction work and building services
18 work at the entire facility. In the event the cultural arts project
19 constitutes a lease of more than 35 percent of a single facility, these
20 requirements shall apply to construction work at the entire facility;
- 21 (10)that during the eligibility period, the cultural arts institution
22 shall partner with one or more local community organizations that
23 provide support and services to Work First New Jersey program
24 recipients, in order to provide work activity opportunities and other
25 appropriate services to Work First New Jersey program recipients,
26 which activities and services may include, but shall not be limited
27 to: work-study programs, internships, sector-based contextualized
28 literacy training, skills-based training in growth industries in the
29 State, and job retention and advancement services;
- 30 (11)that the timing of the award of tax credits under the program
31 shall allow for the successful completion and operation of the
32 cultural arts project demonstrated through an independent market
33 study submitted by the applicant showing there is demand for a
34 cultural arts institution facility at the proposed project site and that
35 it is expected to be successful; and that the cultural arts institution
36 has a strong prior track record of success or an independent analysis
37 demonstrates that a newly formed cultural arts institution will be
38 successful;
- 39 (12)a project financing gap exists, or the authority determines
40 that the cultural arts project will generate a below market rate of
41 return. The authority shall evaluate past and projected fundraising
42 efforts of the cultural arts institution to determine whether a project
43 financing gap exists;
- 44 (13)that the cultural arts institution will have ownership of, or
45 lease space in, the cultural arts institution facility and operate or
46 hold an operating agreement for at least the eligibility period; and

1 (14)that the cultural arts institution will have at least 20 percent
2 equity in the cultural arts project, which equity interest may include
3 amounts contributed through government grants, not including
4 economic subsidies provided by the authority, received by the
5 cultural arts institution; provided, however, for a cultural arts
6 project located in a government-restricted municipality, the equity
7 required shall not be less than 10 percent.

8 c. Prior to the board considering an application submitted by a
9 cultural arts institution, the authority shall confirm with the
10 Department of Labor and Workforce Development, the Department
11 of Environmental Protection, and the Department of the Treasury
12 whether the cultural arts institution is in substantial good standing
13 with the respective department, or has entered into an agreement
14 with the respective department that includes a practical corrective
15 action plan. The cultural arts institution shall certify that any
16 contractors or subcontractors that will perform work at the cultural
17 arts project: (1) are registered as required by "The Public Works
18 Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et
19 seq.); (2) have not been debarred by the Department of Labor and
20 Workforce Development from engaging in or bidding on Public
21 Works Contracts in the State; and (3) possess a tax clearance
22 certificate issued by the Division of Taxation in the Department of
23 the Treasury. The authority may also contract with an independent
24 third party to perform a background check on a cultural arts
25 institution.²

26
27 ²6. (New section) a. Prior to March 1, 2029, a cultural arts
28 institution seeking a tax credit pursuant to the program that satisfies
29 the eligibility criteria set forth in section 5 of P.L. , c. (C.)
30 (pending before the Legislature as this bill) shall submit an
31 application to the authority in a form and manner prescribed in
32 regulations adopted by the authority, in consultation with the New
33 Jersey State Council on the Arts. The authority shall accept and
34 certify applications for tax credits during the award rounds
35 established pursuant to section 7 of P.L. , c. (C.) (pending
36 before the Legislature as this bill).

37 b. The authority shall not consider an application for a cultural
38 arts project unless the cultural arts institution submits, with the
39 application, a letter evidencing support for the cultural arts project
40 from the chief executive or governing body of the municipality in
41 which the cultural arts project is located.

42 c. The authority shall review the project costs for a proposed
43 cultural arts project and evaluate and validate the underlying
44 financial structure proposed by the cultural arts institution. The
45 authority shall review an independent market study submitted to the
46 authority by the cultural arts institution showing there is demand for
47 a cultural arts institution facility at the proposed project site and

1 that it is expected to be successful. The authority may procure third
2 party consultants to determine a project's likelihood of success.
3 The authority shall assess the cost of these reviews to the applicant.
4 A cultural arts institution shall pay to the authority the full amount
5 of the direct costs of an analysis concerning the cultural arts
6 institution's application for tax credits that a third party retained by
7 the authority performs, if the authority deems such retention to be
8 necessary.

9 d. If at any time during the eligibility period the authority
10 determines that a cultural arts institution made a material
11 misrepresentation on the program application, the cultural arts
12 institution shall forfeit or repay to the authority the value of tax
13 credits associated with that application.²
14

15 ^{27.} (New section) a. The authority shall award tax credits under
16 the program through a competitive application process consisting of
17 at least one award round each year. The authority shall provide
18 notice to the public of the opening and closing dates for submission
19 of program applications on the authority's Internet website.

20 b. The authority shall review applications for tax credits
21 submitted to the authority by the deadline date of the award round
22 and shall evaluate each application as if it were received on the
23 deadline date, without providing any preference for early
24 submissions. To determine priority for an award of a tax credit, all
25 applications for cultural arts projects that satisfy the criteria set
26 forth in sections 5 through 7 of P.L. , c. (C.) (pending
27 before the Legislature as this bill) in a given award round shall be
28 ranked on the basis of a scoring system developed by the authority,
29 in consultation with the New Jersey State Council on the Arts.
30 Prior to the commencement of an award round, the authority shall
31 determine the minimum score for the award round that each
32 applicant is required to attain to be eligible for a tax credit.

33 c. The scoring system developed by the authority pursuant to
34 subsection b. of this section shall assess applications for tax credits
35 based on competitive criteria, which shall include, but shall not be
36 limited to:

37 (1) the amount of tax credits requested by the cultural arts
38 institution compared to the amount of tax credits required for the
39 completion of the cultural arts project;

40 (2) how the cultural arts project will advance State, regional,
41 and local goals concerning the development of arts and cultural
42 facilities in underserved communities;

43 (3) the relationship of the cultural arts project to a
44 comprehensive local development strategy, including its relation to
45 other development and redevelopment projects in the municipality;

46 (4) the degree to which the cultural arts project enhances and
47 promotes job creation and economic development;

1 (5) the extent of economic and related social distress in the
2 municipality and the immediate area surrounding the cultural arts
3 project, including whether the cultural arts project is located in a
4 qualified incentive tract or other areas of the State identified from
5 time to time by the authority in rules;

6 (6) the quality and number of new full-time jobs that will be
7 created by the cultural arts institution; and

8 (7) if the cultural arts institution has a board of directors, the
9 extent to which that board of directors is diverse and representative
10 of the community in which the cultural arts project is located.

11 d. Notwithstanding the provisions of subsection c. of this
12 section, the authority may adopt, pursuant to the provisions of the
13 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
14 seq.), rules and regulations adjusting competitive criteria required
15 under the program when necessary to respond to conditions in the
16 State.

17 e. Prior to the award of a tax credit, the authority shall confirm
18 with the Department of Labor and Workforce Development, the
19 Department of Environmental Protection, and the Department of the
20 Treasury that the cultural arts institution is in substantial good
21 standing with the respective department, or has entered into an
22 agreement with the respective department that includes a practical
23 corrective action plan for the cultural arts institution and the
24 cultural arts institution shall confirm that any contractors and
25 subcontractors performing work at the cultural arts project: (1) are
26 registered as required by "The Public Works Contractor
27 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
28 not been debarred by the Department of Labor and Workforce
29 Development from engaging in or bidding on Public Works
30 Contracts in the State; and (3) possess a tax clearance certificate
31 issued by the Division of Taxation in the Department of the
32 Treasury. Provided that all parties are in compliance with this
33 subsection, the authority shall allocate tax credits to cultural arts
34 projects according to the cultural arts projects' scores and until
35 either the available tax credits are exhausted or all cultural arts
36 projects obtaining the minimum score receive a tax credit,
37 whichever occurs first. If insufficient funding exists to fully fund
38 all eligible cultural arts projects, a cultural arts project may be
39 offered a partial tax credit valued at less than what is provided for
40 in paragraph (1) of subsection b. of section 4 of
41 P.L. , c. (C.) (pending before the Legislature as this bill).

42 f. Applications that do not receive the minimum score
43 established by the authority for that award round shall not receive
44 further consideration for a tax credit by the authority in that award
45 round; however, a cultural arts institution may revise or complete a
46 new application to be submitted in a subsequent award round.

1 g. If a cultural arts institution declines a tax credit offered by
2 the authority, the authority shall offer the tax credit to the applicant
3 with the application having the next highest score, and having
4 obtained at least the minimum score in that award round.²
5

6 ²8. (New section) a. Following approval and selection of an
7 application pursuant to sections 6 and 7 of P.L. , c. (C.)
8 (pending before the Legislature as this bill), the authority shall enter
9 into a tax credit agreement with the cultural arts institution.

10 b. (1) A tax credit agreement shall specify the amount of the
11 tax credit that the authority shall award to the cultural arts
12 institution and specify the duration of the eligibility period, which
13 shall be no less than five years and shall not exceed 10 years. The
14 tax credit agreement shall provide an estimated date of completion
15 for the cultural arts project and include a requirement for periodic
16 progress reports through completion, including the submittal of
17 executed financing commitments and documents or agreements that
18 evidence site control.

19 (2) If, as a result of a default under the tax credit agreement, the
20 authority rescinds a tax credit in the same calendar year in which
21 the authority approved the tax credit, then the authority may assign
22 the tax credit to another applicant that attained the minimum score
23 determined pursuant to section 7 of P.L. , c. (C.) (pending
24 before the Legislature as this bill).

25 c. The terms of the tax credit agreement shall:

26 (1) provide for a verification of project financing at the time the
27 cultural arts institution provides executed financing commitments to
28 the authority and a verification of the cultural arts institution's
29 projected cash flow at the time of certification that the project is
30 completed;

31 (2) specify that the authority or the State may purchase tax
32 credits offered for sale by a cultural arts institution for 90 percent of
33 the stated value of the tax credit before considering any further
34 discounting to present value which shall be permitted;

35 (3) at a minimum, require a cultural arts institution to provide
36 oversight of the cultural arts project through ongoing reporting by
37 the cultural arts institution to the authority;

38 (4) specify other measures through which the authority shall
39 ensure oversight of outstanding tax credits, and, in the event that a
40 cultural arts institution fails to meet its obligations under the tax
41 credit agreement or any program requirement, including any
42 representations made by the cultural arts institution during the
43 competitive award rounds conducted pursuant to section 7 of
44 P.L. , c. (C.) (pending before the Legislature as this bill),
45 establish the right of the authority to reduce, rescind, or recapture
46 tax credits in the authority's discretion; and

1 (5) at a minimum, require that the cultural arts institution adopt
2 specific nondiscrimination policies for the operation of a cultural
3 arts project.

4 d. The tax credit agreement shall include a requirement that the
5 chief executive officer of the authority receive annual reports from
6 the cultural arts institution. As part of the authority's review of the
7 annual reports required from each cultural arts institution, the
8 authority shall confirm with the Department of Environmental
9 Protection, the Department of Labor and Workforce Development,
10 and the Department of the Treasury that the cultural arts institution
11 is in substantial good standing with the respective department, or
12 has entered into an agreement with such department that includes a
13 practical corrective action plan for the cultural arts institution; and
14 the cultural arts institution shall confirm that any contractors and
15 subcontractors performing work at the cultural arts project: (1) are
16 registered as required by "The Public Works Contractor
17 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
18 not been debarred by the Department of Labor and Workforce
19 Development from engaging in or bidding on Public Works
20 Contracts in the State; and (3) possess a tax clearance certificate
21 issued by the Division of Taxation in the Department of the
22 Treasury. The tax credit agreement shall include a provision that
23 the cultural arts institution shall forfeit the tax credit in any year in
24 which an uncured default exists under the tax credit agreement, or
25 the cultural arts institution is neither in substantial good standing
26 with the Department of Environmental Protection, the Department
27 of Labor and Workforce Development, or the Department of the
28 Treasury nor has entered into a practical corrective action plan. The
29 tax credit agreement shall, however, allow the authority to extend,
30 in individual cases, the deadline for any annual reporting
31 requirement.

32 e. A cultural arts institution shall, as required at the discretion
33 of the authority, submit to the authority satisfactory evidence of
34 actual project costs, as certified by a certified public accountant,
35 evidence of a temporary certificate of occupancy, or other event
36 evidencing project completion. The cultural arts institution, or an
37 authorized agent of the cultural arts institution, shall certify under
38 the penalty of perjury that the information provided pursuant to this
39 subsection is true.²

40
41 ²9. (New section) a. Up to the limits established in paragraph (1)
42 of subsection b. of section 4 of P.L. _____, c. _____ (C. _____) (pending
43 before the Legislature as this bill), and in accordance with a tax
44 credit agreement, beginning upon the receipt of occupancy permits
45 for any portion of the cultural arts project, or upon any other event
46 evidencing project completion as set forth in the tax credit
47 agreement, a cultural arts institution of such approved cultural arts

1 project shall be awarded a tax credit. No more than the amount of
2 tax credits equal to the total credit amount awarded under the
3 program divided by the duration of the eligibility period in years
4 may be taken in any tax period.

5 b. A cultural arts institution that is awarded a tax credit under
6 P.L. , c. (C.) (pending before the Legislature as this bill)
7 shall, commencing in the year in which the tax credit is awarded,
8 and each year thereafter for the remainder of the eligibility period,
9 submit a report indicating whether the cultural arts institution is
10 aware of any condition, event, or act that would cause the cultural
11 arts institution not to be in compliance with the tax credit
12 agreement, the representations made to the authority during the
13 competitive award rounds conducted pursuant to section 7 of
14 P.L. , c. (C.) (pending before the Legislature as this bill),
15 or the provisions of P.L. , c. (C.) (pending before the
16 Legislature as this bill) and any additional reporting requirements
17 contained in the tax credit agreement or tax credit certificate. The
18 cultural arts institution or an authorized agent of the cultural arts
19 institution shall certify under the penalty of perjury that the
20 information provided pursuant to this subsection is true.

21 c. (1) Upon receipt and review of each report submitted during
22 the eligibility period, the authority shall provide to the cultural arts
23 institution and the Director of the Division of Taxation in the
24 Department of the Treasury a certificate of compliance indicating
25 the amount of tax credits awarded to the cultural arts institution,
26 that the cultural arts institution may:

27 (a) offer for sale through the provision of a tax credit transfer
28 certificate pursuant to section 10 of P.L. , c. (C.) (pending
29 before the Legislature as this bill); or

30 (b) use as collateral or to secure any financial instrument
31 approved by the authority to provide financing for the cultural arts
32 project, if that use is in accordance with rules and regulations
33 adopted by the authority to govern the use of program tax credits.

34 (2) Upon receipt by the director of the certificate of compliance,
35 the director shall coordinate with the cultural arts institution and the
36 authority to provide the cultural arts institution with a tax credit
37 transfer certificate, as described in section 10 of
38 P.L. , c. (C.) (pending before the Legislature as this bill),
39 or a tax credit certificate for the value awarded by the authority for
40 that year that the cultural arts institution may use as provided in
41 paragraph (1) of this subsection and in accordance with the rules
42 adopted pursuant to subparagraph (b) of paragraph (1) of this
43 subsection.²

44
45 ²10. (New section) a. A cultural arts institution may apply to the
46 director and the chief executive officer of the authority for a tax
47 credit transfer certificate, covering one or more years. The tax

1 credit transfer certificate, upon receipt thereof by the cultural arts
 2 institution from the director and the chief executive officer of the
 3 authority, may be sold or assigned, in full or in part in an amount
 4 not less than \$25,000, in the privilege period during which the
 5 cultural arts institution receives the tax credit transfer certificate
 6 from the director, to another person, who may apply the credit
 7 against a tax liability pursuant to section 5 of P.L.1945, c.162
 8 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and
 9 C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), or
 10 N.J.S.17B:23-5.

11 b. The cultural arts institution shall not sell or assign, including
 12 a collateral assignment, a tax credit transfer certificate allowed
 13 under this section for consideration received by the cultural arts
 14 institution of less than 85 percent of the transferred credit amount
 15 before considering any further discounting to present value which
 16 shall be permitted. The tax credit transfer certificate issued to a
 17 cultural arts institution by the director shall be subject to any
 18 limitations and conditions imposed on the application of State tax
 19 credits pursuant to P.L. , c. (C.) (pending before the
 20 Legislature as this bill) and any other terms and conditions that the
 21 director may prescribe; provided, however, that the holder of a tax
 22 credit certificate may transfer all or part of the tax credit amount, on
 23 or after the date of issuance of the tax credit transfer certificate, for
 24 use by the transferee in the tax period for which it was issued, and
 25 the transferee may carry forward all or part of the tax credit amount
 26 in any of the next five successive tax periods. Notwithstanding any
 27 provision of this section to the contrary, the amount of tax credits
 28 that may be claimed by the transferee in any tax period shall not
 29 exceed the total tax credit amount divided by the duration of the
 30 eligibility period in years.

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

34 d. The authority shall publish on its Internet website the
 35 following information concerning each tax credit transfer certificate
 36 approved by the authority and the director pursuant to this section:

37 (1) the name of the transferor;

38 (2) the name of the transferee;

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

40 (4) the State tax against which the transferee may apply the tax
 41 credit; and

42 (5) the consideration received by the transferor.²

43
 44 ²**[10.] 11.²** (New section) Notwithstanding the provisions of the
 45 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
 46 seq.) to the contrary, the chief executive officer of the authority
 47 shall, in consultation with the ²**[agency]** New Jersey State Council

1 on the Arts², adopt, immediately, upon filing with the Office of
2 Administrative Law, such rules and regulations as the chief
3 executive officer deems necessary to implement the provisions of
4 ²[sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through
5 C.34:1B-321), as amended by]² P.L. , c. (C.) (pending
6 before the Legislature as this bill), which rules and regulations shall
7 be effective for a period not to exceed 365 days after the date of the
8 filing. Before the expiration of the rules and regulations, the chief
9 executive officer², in consultation with the New Jersey State
10 Council on the Arts,² shall amend, adopt, or readopt the rules and
11 regulations in accordance with the requirements of the
12 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
13 seq.).

14
15 ²12. Section 48 of P.L.2020, c.156 (C.34:1B-316) is amended to
16 read as follows:

17 48. a. **[Prior]** Beginning January 1, 2026, but prior to March 1,
18 **[2027]** 2029, an anchor institution and, if applicable, each partner
19 anchor institution seeking a tax credit pursuant to the program shall
20 submit an application to the authority in a form and manner
21 prescribed in regulations adopted by the authority pursuant to the
22 provisions of the "Administrative Procedure Act," P.L.1968, c.410
23 (C.52:14B-1 et seq.). The authority shall accept and certify
24 applications for tax credits during the award rounds established
25 pursuant to section 49 of P.L.2020, c.156 (C.34:1B-317).

26 b. The authority shall not consider an application for a
27 community-anchored project unless the anchor institution and, if
28 applicable, each partner anchor institution submits, with the
29 application, a letter evidencing support for the community-anchored
30 project from the governing body of the municipality in which the
31 community-anchored project is located.

32 c. The authority shall review the project costs for a proposed
33 community-anchored project and evaluate and validate the
34 underlying financial structure proposed by the anchor institution
35 and, if applicable, each partner anchor institution. The authority
36 shall conduct a State fiscal impact analysis to ensure that the overall
37 value of tax credits provided to the community-anchored project is
38 projected to result in net benefits to the State, taking into account
39 the current and deferred returns to the authority. The authority shall
40 assess the cost of these reviews to the applicant. An anchor
41 institution and, if applicable, each partner anchor institution shall
42 pay to the authority the full amount of the direct costs of an analysis
43 concerning the anchor institution's and, if applicable, each partner
44 anchor institution's application for tax credits that a third party
45 retained by the authority performs, if the authority deems such
46 retention to be necessary.

1 d. If at any time during the eligibility period the authority
2 determines that an anchor institution or a partner anchor institution
3 made a material misrepresentation on the program application, the
4 anchor institution or partner anchor institution shall forfeit or repay
5 to the authority the value of tax credits associated with that
6 application.²

7 (cf: P.L.2020, c.156, s.48)

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

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

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

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

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

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

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

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

15 (e) for tax credits awarded under the "New Jersey Community-
16 Anchored Development Act," sections 43 through 53 of P.L.2020,
17 c.156 (C.34:1B-311 through 34:1B-321), and the "Cultural Arts
18 Incentives Program Act," P.L. , c. (C.) (pending before the
19 Legislature as this bill), the total value of tax credits **[annually]**
20 awarded during **[each of the first six years of]** the nine-year period
21 shall not exceed **[\$200 million, except that during each of the first**
22 **six years of the nine-year period,]** \$1,200,000,000; provided,
23 however, tax credits shall not be available under the "New Jersey
24 Community-Anchored Development Act," sections 43 through 53 of
25 P.L.2020, c.156 (C.34:1B-311 through 34:1B-321), until January 1,
26 2026. Beginning January 1, 2026, the authority shall annually
27 award tax credits under the "New Jersey Community-Anchored
28 Development Act," sections 43 through 53 of P.L.2020, c.156
29 (C.34:1B-311 through 34:1B-321), valuing no greater than \$130
30 million for projects located in the 13 northern counties of the State,
31 and the authority shall annually award tax credits valuing no greater
32 than \$70 million for projects located in the eight southern counties
33 of the State. If during any [of the first six years of the nine-year
34 period] year of operation of the "New Jersey Community-Anchored
35 Development Act," sections 43 through 53 of P.L.2020, c.156
36 (C.34:1B-311 through 34:1B-321), the authority awards tax credits
37 pursuant to the program in an amount less than the annual limitation
38 for projects located in northern counties or southern counties, as
39 applicable, the uncommitted portion of the annual limitation shall
40 be available to be deployed by the authority in a subsequent year [,
41 provided that the uncommitted portion of tax credits shall be
42 awarded for projects located in the applicable geographic area,
43 except that (i) after the completion of the third year of the nine-year
44 period, the authority may deploy 50 percent of the uncommitted
45 portion of tax credits from any previous year without consideration
46 to the county in which a project is located; and (ii) after the

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

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

- 1 (g) except as provided in subparagraph (j) of this paragraph, for
2 tax credits awarded for transformative projects under the "New
3 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
4 c.156 (C.34:1B-322 through 34:1B-335), the total value of tax
5 credits awarded during the nine-year period shall not exceed \$2.5
6 billion. The total value of tax credits awarded for transformative
7 projects in a given year shall not be subject to an annual limitation,
8 except that the total value of tax credits awarded to any
9 transformative project shall not exceed \$400 million;
- 10 (h) from the tax credits made available, pursuant to
11 subparagraph (f) of this paragraph, to the "New Jersey Aspire
12 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
13 322 through 34:1B-335), and the "Emerge Program Act," sections
14 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
15 including tax credits awarded for transformative projects, an
16 amount not to exceed \$350,000,000 shall be made available for
17 qualified offshore wind projects awarded a credit pursuant to
18 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
19 years of the nine-year period;
- 20 (i) beginning in fiscal year 2023, from the tax credits made
21 available, pursuant to subparagraph (f) of this paragraph, to the
22 "New Jersey Aspire Program Act," sections 54 through 67 of
23 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
24 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
25 (C.34:1B-336 et al.), not including tax credits awarded for
26 transformative projects, additional amounts shall be made available
27 for New Jersey studio partners and New Jersey film-lease
28 production companies pursuant to sections 1 and 2 of P.L.2018,
29 c.56 (C.54:10A-5.39b and C.54A:4-12b); and
- 30 (j) beginning in fiscal year 2024, from the tax credits made
31 available, pursuant to subparagraph (f) of this paragraph, to the
32 "New Jersey Aspire Program Act," sections 54 through 67 of
33 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
34 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
35 336 et al.), not including tax credits awarded for transformative
36 projects, an amount not to exceed \$500,000,000 may be annually
37 transferred for the award to transformative projects under the "New
38 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
39 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
40 remaining allocation of tax credits otherwise available for
41 transformative projects, pursuant to subparagraph (g) of this
42 paragraph, is less than \$1,000,000,000; and (ii) the authority board
43 determines that the transfer of tax credits is warranted based on
44 such criteria as the authority deems appropriate, which may include
45 the criteria set forth in paragraph (2) of this subsection. If a transfer
46 of tax credits is made pursuant to this subparagraph, the authority
47 shall award no greater than 65 percent of the tax credits transferred

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30
31 ²**[11.] 14.**² This act shall take effect immediately.

32
33
34
35
36 Modifies New Jersey Community-Anchored Development
37 Program.