

SENATE, No. 3336

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED NOVEMBER 21, 2022

Sponsored by:

Senator NICHOLAS J. SACCO

District 32 (Bergen and Hudson)

SYNOPSIS

Revises certain eligibility requirements under NJ Aspire Program; establishes net neutral benefits test for redevelopment projects that incur certain sustainability and resiliency costs.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT revising certain eligibility requirements under the New
2 Jersey Aspire Program and amending P.L.2020, c.156.

3

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

6

7 1. Section 55 of P.L. P.L.2020, c.156 (C.34:1B-323) is
8 amended to read as follows:

9 55. As used in sections 54 through 67 of P.L.2020, c.156
10 (C.34:1B-322 through C.34:1B-335):

11 "Agency" means the New Jersey Housing and Mortgage Finance
12 Agency established pursuant to P.L.1983, c.530 (C.55:14K-1 et
13 seq.).

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

16 "Aviation district" means all areas within the boundaries of the
17 Atlantic City International Airport, established pursuant to section
18 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
19 Administration William J. Hughes Technical Center and the area
20 within a one-mile radius of the outermost boundary of the Atlantic
21 City International Airport and the Federal Aviation Administration
22 William J. Hughes Technical Center.

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

26 "Brownfield site" means any former or current commercial or
27 industrial site that is currently vacant or underutilized and on which
28 there has been, or there is suspected to have been, a discharge of a
29 contaminant or on which there is contaminated building material.

30 "Building services" means any cleaning or routine building
31 maintenance work, including but not limited to sweeping,
32 vacuuming, floor cleaning, cleaning of rest rooms, collecting refuse
33 or trash, window cleaning, securing, patrolling, or other work in
34 connection with the care or securing of an existing building,
35 including services typically provided by a door-attendant or
36 concierge. "Building services" shall not include any skilled
37 maintenance work, professional services, or other public work for
38 which a contractor is required to pay the "prevailing wage" as
39 defined in section 2 of P.L.1963, c.150 (C.34:11-56.26).

40 "Cash flow" means the profit or loss that an investment property
41 earns from rent, deposits, and other fees after financial obligations,
42 such as debt, maintenance, government payments, and other
43 expenses, have been paid.

44 "Collaborative workspace" means coworking, accelerator,
45 incubator, or other shared working environments that promote

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

Matter underlined thus is new matter.

1 collaboration, interaction, socialization, and coordination among
2 tenants through the clustering of multiple businesses or individuals.
3 For this purpose, the collaborative workspace shall be the greater
4 of: 2,500 of dedicated square feet or 10 percent of the total property
5 on which the redevelopment project is situated. The collaborative
6 workspace shall include a community manager, be focused on
7 collaboration among the community members, and include
8 regularly scheduled education events for the community members.
9 The collaborative workspace shall also include a physical open
10 space that supports the engagement of its community members.

11 "Commercial project" means a redevelopment project, which is
12 predominantly commercial and contains 100,000 or more square
13 feet of office and retail space, industrial space, or film studios,
14 professional stages, television studios, recording studios, screening
15 rooms, or other infrastructure for film production, for purchase or
16 lease and may include a parking component.

17 "Contaminated building material" means components of a
18 structure where abatement or removal of asbestos, or remediation of
19 materials containing hazardous substances, as defined pursuant to
20 section 3 of P.L.1976, c.141 (C.58:10-23.11b), is required by
21 applicable federal, state, or local rules or regulations.

22 "Contamination" or "contaminant" means any discharged
23 hazardous substance as defined pursuant to section 3 of P.L.1976,
24 c.141 (C.58:10-23.11b), hazardous waste as defined pursuant to
25 section 1 of P.L.1976, c.99 (C.13:1E-38), pollutant as defined
26 pursuant to section 3 of P.L.1977, c.74 (C.58:10A-3), or
27 contaminated building material.

28 "Developer" means a person who enters or proposes to enter into
29 an incentive award agreement pursuant to the provisions of section
30 60 of P.L.2020, c.156 (C.34:1B-328), including, but not limited, to
31 a lender that completes a redevelopment project, operates a
32 redevelopment project, or completes and operates a redevelopment
33 project.

34 "Director" means the Director of the Division of Taxation in the
35 Department of the Treasury.

36 "Distressed municipality" means a municipality that is qualified
37 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
38 municipality under the supervision of the Local Finance Board
39 pursuant to the provisions of the "Local Government Supervision
40 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
41 identified by the Director of the Division of Local Government
42 Services in the Department of Community Affairs to be facing
43 serious fiscal distress, a SDA municipality, or a municipality in
44 which a major rail station is located.

45 "Economic development incentive" means a financial incentive,
46 awarded by the authority, or agreed to between the authority and a
47 business or person, for the purpose of stimulating economic
48 development or redevelopment in New Jersey, including, but not

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1 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
2 credit, or other tax expenditure.

3 "Eligibility period" means the period not to exceed 15 years for a
4 commercial or mixed-use project or the period not to exceed 10
5 years for a residential project specified in an incentive award
6 agreement during which a developer may claim a tax credit under
7 the program.

8 "Enhanced area" means (1) a municipality that contains an urban
9 transit hub, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
10 208); (2) the five municipalities with the highest poverty rates
11 according to the 2017 Municipal Revitalization Index; and (3) the
12 three municipalities with the highest percentage of SNAP recipients
13 according to the 2017 Municipal Revitalization Index.

14 "Food delivery source" means access to nutritious foods, such as
15 fresh fruits and vegetables, through grocery operators, including,
16 but not limited to a full-service supermarket or grocery store, and
17 other healthy food retailers of at least 16,000 square feet, including,
18 but not limited to, a prepared food establishment selling primarily
19 nutritious ready-to-serve meals.

20 "Food desert community" means a physically contiguous area in
21 the State in which residents have limited access to nutritious foods,
22 such as fresh fruits and vegetables, and that has been designated as
23 a food desert community pursuant to subsection b. of section 38 of
24 P.L.2020, c.156 (C.34:1B-306).

25 "Government-restricted municipality" means a municipality in
26 this State with a municipal revitalization index distress score of at
27 least 75, that met the criteria for designation as an urban aid
28 municipality in the 2019 State fiscal year, and that, on the effective
29 date of P.L.2020, c.156 (C.34:1B-269 et al.), is subject to financial
30 restrictions imposed pursuant to the "Municipal Stabilization and
31 Recovery Act," P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is
32 restricted in its ability to levy property taxes on property in that
33 municipality as a result of the State of New Jersey owning or
34 controlling property representing at least 25 percent of the total land
35 area of the municipality or as a result of the federal government of
36 the United States owning or controlling at least 50 acres of the total
37 land area of the municipality, which is dedicated as a national
38 natural landmark.

39 "Health care or health services center" means an establishment
40 where patients are admitted for examination and treatment by one or
41 more physicians, dentists, psychologists, or other medical
42 practitioners.

43 "Historic property" means a property located in the State of New
44 Jersey that is an income producing property, and that is:

45 (a) (i) individually listed, or located in a district listed on the
46 National Register of Historic Places in accordance with the
47 provisions of chapter 3021 of Title 54, United States Code (54
48 U.S.C. s.302101 et seq), or on the New Jersey Register of Historic

1 Places pursuant to P.L.1970, c.268 (C.13:1B-15.128 et seq.), or
2 individually designated, or located in a district designated, by the
3 Pinelands Commission as a historic resource of significance to the
4 Pinelands in accordance with the Pinelands comprehensive
5 management plan adopted pursuant to the "Pinelands Protection
6 Act," P.L.1979, c.111 (C.13:18A-1 et seq.); and

7 (ii) if located within a district, certified by either the officer or
8 the Pinelands Commission, as appropriate, as contributing to the
9 historic significance of the district; or

10 (b) (i) individually identified or registered, or located in a
11 district composed of properties identified or registered, for
12 protection as significant historic resources in accordance with
13 criteria established by a municipality in which the property or
14 district is located if the criteria for identification or registration has
15 been approved by the officer as suitable for substantially achieving
16 the purpose of preserving and rehabilitating buildings of historic
17 significance within the jurisdiction of the municipality, and

18 (ii) if located within a district, certified by the officer as
19 contributing to the historic significance of the district.

20 "Incentive area" means an aviation district, a port district, or an
21 area designated pursuant to the "State Planning Act," P.L.1985,
22 c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan),
23 Planning Area 2 (Suburban), or a Designated Center, provided an
24 area designated as Planning Area 2 (Suburban) or a Designated
25 Center shall be located within a one-half mile radius of the mid-
26 point, with bicycle and pedestrian connectivity, of a New Jersey
27 Transit Corporation, Port Authority Transit Corporation, or Port
28 Authority Trans-Hudson Corporation rail, bus, or ferry station,
29 including all light rail stations, or a high frequency bus stop as
30 certified by the New Jersey Transit Corporation.

31 "Incentive award" means an award of tax credits to reimburse a
32 developer for all or a portion of the project financing gap of a
33 redevelopment project pursuant to the provisions of sections 54
34 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335).

35 "Incentive award agreement" means the contract executed
36 between a developer and the authority pursuant to section 60 of
37 P.L.2020, c.156 (C.34:1B-328), which sets forth the terms and
38 conditions under which the developer may receive the incentive
39 awards authorized pursuant to the provisions of sections 54 through
40 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335).

41 "Incubator facility" means a commercial property, which
42 contains 5,000 or more square feet of office, laboratory, or
43 industrial space, which is located near, and presents opportunities
44 for collaboration with, a research institution, teaching hospital,
45 college, or university, and within which at least 75 percent of the
46 gross leasable area is restricted for use by one or more technology
47 startup companies.

1 "Individuals with special needs" means individuals with mental
2 illness, individuals with physical or developmental disabilities, and
3 individuals in other emerging special needs groups identified by the
4 authority, based on guidelines established for the administration of
5 the Special Needs Housing Trust Fund established pursuant to
6 section 1 of P.L.2005, c.163 (C.34:1B-21.25a) or developed in
7 consultation with other State agencies.

8 "Living shorelines" means nature-based techniques using native
9 vegetation, alone or in combination with other practices, to restore
10 or enhance marshes or to stabilize the shoreline.

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

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

22 "Minimum environmental and sustainability standards" means
23 standards established by the authority in accordance with the green
24 building manual prepared by the Commissioner of Community
25 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
26 regarding the use of renewable energy, energy-efficient technology,
27 and non-renewable resources to reduce environmental degradation
28 and encourage long-term cost reduction.

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

37 "Municipal Revitalization Index" means the index by the
38 Department of Community Affairs ranking New Jersey's
39 municipalities according to eight separate indicators that measure
40 diverse aspects of social, economic, physical, and fiscal conditions
41 in each locality.

42 "Port district" means the portions of a qualified incentive area
43 that are located within:

44 a. the "Port of New York District" of the Port Authority of
45 New York and New Jersey, as defined in Article II of the Compact
46 Between the States of New York and New Jersey of 1921; or

47 b. a 15-mile radius of the outermost boundary of each marine
48 terminal facility established, acquired, constructed, rehabilitated, or

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1 improved by the South Jersey Port District established pursuant to
2 "The South Jersey Port Corporation Act," P.L.1968, c.60
3 (C.12:11A-1 et seq.).

4 "Program" means the New Jersey Aspire Program established by
5 section 56 of P.L.2020, c.156 (C.34:1B-324).

6 "Project cost" means the costs incurred in connection with a
7 redevelopment project by a developer until the issuance of a
8 permanent certificate of occupancy, or until such other time
9 specified by the authority, for a specific investment or
10 improvement, including the costs relating to lands, except the cost
11 of acquiring such lands, buildings, improvements, real or personal
12 property, or any interest therein, including leases discounted to
13 present value, including lands under water, riparian rights, space
14 rights, and air rights acquired, owned, developed or redeveloped,
15 constructed, reconstructed, rehabilitated, or improved, any
16 environmental remediation costs, plus costs not directly related to
17 construction, including capitalized interest paid to third parties, of
18 an amount not to exceed 20 percent of the total costs and the cost of
19 infrastructure improvements, including ancillary infrastructure
20 projects. The fees associated with the application or administration
21 of a grant under sections 54 through 67 of P.L.2020, c.156
22 (C.34:1B-322 through C.34:1B-335) shall not constitute a project
23 cost.

24 "Project financing gap" means the part of the total project cost,
25 including reasonable and appropriate return on investment, that
26 remains to be financed after all other sources of capital have been
27 accounted for, including, but not limited to developer contributed
28 capital, which shall not be less than 20 percent of the total project
29 cost, and investor or financial entity capital or loans for which the
30 developer, after making all good faith efforts to raise additional
31 capital, certifies that additional capital cannot be raised from other
32 sources on a non-recourse basis; provided, however, that for a
33 redevelopment project located in a government-restricted
34 municipality, the developer contributed capital shall not be less than
35 10 percent of the total project cost. Developer contributed capital
36 may consist of cash, deferred development fees, costs for project
37 feasibility incurred within the 12 months prior to application,
38 property value less any mortgages when the developer owns the
39 project site, and any other investment by the developer in the
40 project deemed acceptable by the authority, as provided by
41 regulations promulgated by the authority. Property value shall be
42 valued at the lesser of: (i) the purchase price, provided the property
43 was purchased pursuant to an arm's length transaction within 12
44 months of application; or (ii) the value as determined by a current
45 appraisal.

46 "Project labor agreement" means a form of pre-hire collective
47 bargaining agreement covering terms and conditions of a specific

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1 project that satisfies the requirements set forth in section 5 of
2 P.L.2002, c.44 (C.52:38-5).

3 "Qualified incentive tract" means (i) a population census tract
4 having a poverty rate of 20 percent or more; or (ii) a census tract in
5 which the median family income for the census tract does not
6 exceed 80 percent of the greater of the Statewide median family
7 income or the median family income of the metropolitan statistical
8 area in which the census tract is situated.

9 "Quality childcare facility" is a child care center licensed by the
10 Department of Children and Families or a registered family child
11 care home with the Department of Human Services, operating
12 continuously, which has not been subject to an enforcement action,
13 and which has and maintains a licensed capacity for children age 13
14 years or younger who attend for less than 24 hours a day.

15 "Redevelopment project" means a specific construction project
16 or improvement or phase of a project or improvement undertaken
17 by a developer, owner or tenant, or both, and any ancillary
18 infrastructure project. A redevelopment project may involve
19 construction or improvement upon lands, buildings, improvements,
20 or real and personal property, or any interest therein, including
21 lands under water, riparian rights, space rights, and air rights,
22 acquired, owned, developed or redeveloped, constructed,
23 reconstructed, rehabilitated, or improved.

24 "Rehabilitation" means the repair or reconstruction of the
25 exterior or interior of an historic property to make an efficient
26 contemporary use possible while preserving the portions or features
27 of the property that have significant historical, architectural, and
28 cultural value.

29 "Remediation" means all necessary actions to investigate and
30 clean up or respond to any known, suspected, or threatened
31 discharge of contaminants, including, as necessary, the preliminary
32 assessment, site investigation, remedial investigation, and remedial
33 action, or any portion thereof, as those terms are defined in section
34 23 of P.L.1993, c.139 (C.58:10B-1); hazardous materials
35 abatement; hazardous materials or waste disposal; and building and
36 structural remedial activities, including, but not limited to,
37 demolition, asbestos abatement, polychlorinated biphenyl removal,
38 contaminated wood or paint removal, and other infrastructure
39 remedial activities; provided, however, "remediation" shall not
40 include the payment of compensation for damage to, or loss of,
41 natural resources.

42 "Residential project" means a redevelopment project that is
43 predominantly residential, intended for multi-family residency, and
44 may include a parking component.

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

47 "SDA municipality" means a municipality in which an SDA
48 district is situated.

1 "Stormwater management system" means any equipment, plants,
2 structures, machinery, apparatus, management practices, or land, or
3 any combination thereof, acquired, used, constructed, implemented,
4 or operated to prevent nonpoint source pollution, abate improper
5 cross-connections and interconnections between stormwater and
6 sewer systems, minimize stormwater runoff, reduce soil erosion, or
7 induce groundwater recharge, or any combination thereof.

8 "Sustainability and resiliency costs" means costs incurred in
9 connection with a redevelopment project by the developer, and
10 which costs shall be comprised of the following: (1) the utilization
11 of carbon reduction initiatives, including renewable or non-carbon-
12 emitting energy technologies, at the site of the redevelopment
13 project; (2) the installation of electric vehicle charging
14 infrastructure at the site of the redevelopment project; (3) the
15 installation of a geothermal heat pump system at the site of the
16 redevelopment project; (4) the installation of a stormwater
17 management system at the site of the redevelopment project; (5) the
18 installation of living shorelines at the site of the redevelopment
19 project if the site of the project is located in close proximity to a
20 shoreline; (6) the remediation of a brownfield site located at the site
21 of the redevelopment project; (7) the rehabilitation of an historic
22 property located at the site of the redevelopment project; and (8) the
23 investment in public and community infrastructure, such as parks,
24 roadways, and transit facilities and services.

25 "Technology startup company" means a for-profit business that
26 has been in operation fewer than seven years at the time that it
27 initially occupies or expands in a qualified business facility and is
28 developing or possesses a proprietary technology or business
29 method of a high technology or life science-related product,
30 process, or service, which proprietary technology or business
31 method the business intends to move to commercialization. The
32 business shall be deemed to have begun operation on the date that
33 the business first hired at least one employee in a full-time position.

34 "Total project cost" means the costs incurred in connection with
35 the redevelopment project by the developer until the issuance of a
36 permanent certificate of occupancy, or upon such other event
37 evidencing project completion as set forth in the incentive grant
38 agreement, for a specific investment or improvement.

39 "Tourism destination project" means a non-gaming business
40 facility that will be among the most visited privately owned or
41 operated tourism or recreation sites in the State, and which has been
42 determined by the authority to be in an area appropriate for
43 development and in need of economic development incentive
44 assistance, including a non-gaming business within an established
45 Tourism District with a significant impact on the economic viability
46 of that district.

47 "Transit hub" means an urban transit hub, as defined in section 2
48 of P.L.2007, c.346 (C.34:1B-208), that is located within an eligible

1 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
2 208) and also located within a qualified incentive area.

3 "Transit hub municipality" means a Transit Village or a
4 municipality: a. which qualifies for State aid pursuant to P.L.1978,
5 c.14 (C.52:27D-178 et seq.), or which has continued to be a
6 qualified municipality thereunder pursuant to P.L.2007, c.111; and
7 b. in which 30 percent or more of the value of real property was
8 exempt from local property taxation during tax year 2006. The
9 percentage of exempt property shall be calculated by dividing the
10 total exempt value by the sum of the net valuation which is taxable
11 and that which is tax exempt.

12 "Transit Village" means a municipality that has been designated
13 as a transit village by the Commissioner of Transportation and the
14 Transit Village Task Force established pursuant to P.L.1985, c.398
15 (C.27:1A-5).

16 (cf: P.L.2021, c.160, s.22)

17

18 2. Section 58 of P.L.2020, c.156 (C.34:1B-326) is amended to
19 read as follows:

20 58. a. Prior to March 1, 2027, for redevelopment projects
21 eligible pursuant to section 57 of P.L.2020, c.156 (C.34:1B-325) for
22 which a developer is seeking an incentive award for the
23 redevelopment project, the developer shall submit an application to
24 the authority and, in the case of a residential project, shall submit an
25 application to the authority and the agency, in a form and manner
26 prescribed in regulations adopted by the authority, in consultation
27 with the agency, pursuant to the provisions of the "Administrative
28 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The authority
29 shall accept applications for incentive awards during the grant
30 periods established pursuant to section 59 of P.L.2020, c.156
31 (C.34:1B-327).

32 b. The authority shall not consider an application for a
33 commercial project unless the developer submits a letter evidencing
34 support for the commercial project from the governing body of the
35 municipality in which the commercial project is located with the
36 application.

37 c. (1) The authority shall review the project cost, evaluate and
38 validate the project financing gap estimated by the developer, and
39 conduct a State fiscal impact analysis to ensure that the overall
40 public assistance provided to the project will result in a net positive
41 benefit to the State, provided that the net benefit analysis shall not
42 apply to capital investment for a food delivery source; a health care
43 or health services center with a minimum of 10,000 square feet of
44 space devoted to health care or health services that is located in a
45 municipality with a Municipal Revitalization Index distress score of
46 at least 50 lacking adequate access, as determined by the
47 Commissioner of Health; **[or]** a residential project; or a project that
48 has a total project cost of at least \$17,000,000, including at least

1 \$3,400,000 in total sustainability and resiliency costs and not less
2 than \$1,000 for each of the sustainability and resiliency costs, as
3 applicable, enumerated in the definition for “sustainability and
4 resiliency costs” pursuant to section 55 of P.L. P.L.2020, c.156
5 (C.34:1B-323). In determining whether a project will result in a net
6 positive benefit to the State, the authority shall not consider the
7 value of any taxes exempted, abated, rebated, or retained under the
8 "Five-Year Exemption and Abatement Law," P.L.1991, c.441
9 (C.40A:21-1 et seq.), the "Long Term Tax Exemption Law,"
10 P.L.1991, c.431 (C.40A:20-1 et al.), the "New Jersey Urban
11 Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), or
12 any other law that has the effect of lowering or eliminating the
13 developer's State or local tax liability. The determination made
14 pursuant to this [subsection] paragraph shall be based on the
15 potential tax liability of the developer without regard for potential
16 tax losses if the developer were to locate in another state. The
17 authority shall assess the cost of these reviews to the applicant. A
18 developer shall pay to the authority the full amount of the direct
19 costs of an analysis concerning the developer's application for a tax
20 credit that a third party retained by the authority performs, if the
21 authority deems such retention to be necessary. The authority shall
22 evaluate the net economic benefits on a present value basis under
23 which the requested tax credit allocation amount is discounted to
24 present value at the same discount rate as the projected benefits
25 from the implementation of the proposed redevelopment project for
26 which an award of tax credits is being sought.

27 (2) For a redevelopment project that has a total project cost of at
28 least \$17,000,000, including at least \$3,400,000 in total
29 sustainability and resiliency costs and not less than \$1,000 for each
30 of the sustainability and resiliency costs, as applicable, enumerated
31 in the definition for “sustainability and resiliency costs” pursuant to
32 section 55 of P.L. P.L.2020, c.156 (C.34:1B-323), the authority
33 shall review the project cost, evaluate and validate the project
34 financing gap estimated by the developer, and conduct a State fiscal
35 impact analysis to ensure that the overall public assistance provided
36 to the project will result in a net neutral benefit to the State. In
37 determining whether a project will result in a net neutral benefit to
38 the State, the authority shall not consider the value of any taxes
39 exempted, abated, rebated, or retained under the "Five-Year
40 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et
41 seq.), the "Long Term Tax Exemption Law," P.L.1991, c.431
42 (C.40A:20-1 et al.), the "New Jersey Urban Enterprise Zones Act,"
43 P.L.1983, c.303 (C.52:27H-60 et seq.), or any other law that has the
44 effect of lowering or eliminating the developer's State or local tax
45 liability. The determination made pursuant to this paragraph shall
46 be based on the potential tax liability of the developer without
47 regard for potential tax losses if the developer were to locate in
48 another state. The authority shall assess the cost of these reviews to

1 the applicant. A developer shall pay to the authority the full
2 amount of the direct costs of an analysis concerning the developer's
3 application for a tax credit that a third party retained by the
4 authority performs, if the authority deems such retention to be
5 necessary. The authority shall evaluate the net economic benefits
6 on a present value basis under which the requested tax credit
7 allocation amount is discounted to present value at the same
8 discount rate as the projected benefits from the implementation of
9 the proposed redevelopment project for which an award of tax
10 credits is being sought.

11 d. (1) For a redevelopment project subject to the requirement
12 of paragraph (1) of subsection c. of this section to be eligible for
13 any tax credits under the program, a developer shall demonstrate to
14 the authority that the award of tax credits will yield a net positive
15 benefit to the State equaling an amount determined by the authority
16 through regulation that exceeds the requested tax credit amount.
17 The developer shall certify, under the penalty of perjury, that all
18 documents submitted, and factual assertions made, to the authority
19 to demonstrate that the award of tax credits will yield a net positive
20 benefit to the State in accordance with this [subsection] paragraph
21 are true and accurate at the time of submission. A redevelopment
22 project located in a government-restricted municipality shall yield a
23 net positive benefit to the State that exceeds the requested tax credit
24 amount, but the net benefit requirement set by the authority for such
25 redevelopment projects may be up to 35 percentage points lower
26 than the net benefit requirement set by the authority for all other
27 eligible redevelopment projects.

28 (2) For a redevelopment project subject to the requirement of
29 paragraph (2) of subsection c. of this section to be eligible for any
30 tax credits under the program, a developer shall demonstrate to the
31 authority that the award of tax credits will yield a net neutral benefit
32 to the State equaling an amount not less than the requested tax
33 credit amount. The developer shall certify, under the penalty of
34 perjury, that all documents submitted, and factual assertions made,
35 to the authority to demonstrate that the award of tax credits will
36 yield a net neutral benefit to the State in accordance with this
37 paragraph are true and accurate at the time of submission.

38 e. If at any time during the eligibility period the authority
39 determines that the developer made a material misrepresentation on
40 the developer's application, the developer shall forfeit the incentive
41 award.

42 f. If circumstances require a developer to amend its application
43 to the authority, then the developer, or an authorized agent of the
44 developer, shall certify to the authority that the information
45 provided in its amended application is true under the penalty of
46 perjury.

47 (cf: P.L.2021, c.160, s.24)

1 3. This act shall take effect immediately and shall apply to
2 applications submitted on and after the effective date of this act.

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STATEMENT

6

7 This bill revises certain eligibility requirements under the New
8 Jersey Aspire Program, which was established by the “New Jersey
9 Economic Recovery Act of 2020,” P.L.2020, c.156. The program
10 provides tax credits to encourage redevelopment programs by
11 covering certain project financing gap costs.

12 Under current law, for applications submitted under the program,
13 the New Jersey Economic Development Authority is required to
14 review the project cost of the redevelopment project, evaluate and
15 validate the project financing gap estimated by the developer, and
16 conduct a State fiscal impact analysis to ensure that the overall
17 public assistance provided to the project will result in a net positive
18 benefit to the State, provided that the net benefit analysis does not
19 apply to certain projects. The bill revises these criteria to require
20 the authority to apply a net neutral benefit analysis for projects that
21 have a total project cost of at least \$17 million, including at least
22 \$3.4 million in total sustainability and resiliency costs and not less
23 than \$1,000 for each of the sustainability and resiliency costs, as
24 applicable, enumerated in the definition for “sustainability and
25 resiliency costs” under the bill.