SENATE, No. 4011



STATE OF NEW JERSEY

220th LEGISLATURE



INTRODUCED JUNE 26, 2023

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

SYNOPSIS

 Modifies New Jersey Community-Anchored Development Program.

CURRENT VERSION OF TEXT

 As introduced.



An Act concerning the New Jersey Community-Anchored Development Program, and amending P.L.2020, c.156.

 Be It Enacted by the Senate and General Assembly of the State of New Jersey:

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

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

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

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

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

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

 "Commitment period" means the period of time, which shall be not less than 10 years and no greater than twice the eligibility period that is granted to an anchor institution **[**or, if applicable, a partner anchor institution**]**, to distribute to the authority the agreed upon returns on investment for the award of tax credits pursuant to the program; provided, however, at the election of the authority or upon the request of an anchor institution **[**or, if applicable, a partner anchor institution**]** in order to benefit the community-anchored project, and as determined in the sole discretion of the authority, the authority may grant up to two consecutive five-year extensions of the commitment period. The commitment period for a grant shall be not less than 10 years and shall be reflected in the grant agreement.

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

 **[**"Comprehensive health care system" means an entity in this State with the primary purpose of offering comprehensive health care services.**]**

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

 "Cultural arts institution" means an existing or proposed facility within this State that engages in the cultural, educational, or artistic enrichment of the people of this State through the operation of a venue that has a primary purpose of hosting live performances, a museum, or any related educational facilities.

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

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

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

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

 "Grant agreement" means an agreement entered into between the authority and a cultural arts institution.

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

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

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

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

 **[**"Partner anchor institution" means an anchor institution that partners with one or more anchor institutions to make an equity investment in or to provide a loan or other financial support for a community-anchored project.**]**

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

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

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

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

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

 "Targeted industry" means any industry identified from time to time by the authority which shall initially include advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-retail food and beverage businesses including food innovation, and other innovative industries that disrupt current technologies or business models.

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

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

(cf: P.L.2021, c.160, s.18)

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

 46. a. The New Jersey Community-Anchored Development Program is established as a program under the jurisdiction of the New Jersey Economic Development Authority. The authority shall administer the program **[**to invest in and incentivize the expansion of targeted industries in the State and the continued development of certain areas of the State through the provision of tax credits to an anchor institution and, if applicable, partner anchor institutions. The board shall certify a qualified anchor institution and, if applicable, qualified partner anchor institutions based on the requirements of sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321), and may approve the award of a tax credit to an anchor institution pursuant to section 49 of P.L.2020, c.156 (C.34:1B-317). The value of all tax credits approved by the authority to an anchor institution and, if applicable, partner anchor institutions under the program shall be subject to the limitations set forth in section 98 of P.L.2020, c.156 (C.34:1B-362)**]**.

 b. (1) (a) The authority shall administer the program to **[**invest in, and**]** incentivize the establishment of **[**,**]** community-anchored projects by an anchor institution **[**and, if applicable, partner anchor institutions,**]** independently or in collaboration with one or more partner businesses or governmental entities. **[**The authority's investment in community-anchored projects shall be in the form of the award of tax credits to an anchor institution and, if applicable, partner anchor institutions.**]** For a community-anchored project involving the development or rehabilitation of a structure utilized by a cultural arts institution, the authority’s contribution to the project shall be in the form of small, medium, and large grants, funded by the proceeds of an auction pursuant to subsection e. of this section. For a project with a total cost of less than $10,000,000, the authority’s contribution to the project shall be in the form of a small grant, the amount of which shall not exceed $10,000,000. For a project with a total cost greater than $10,000,000 but equal to or less than $90,000,000, the authority’s contribution to the project shall be in the form of a medium grant, the amount of which shall not exceed $40,000,000. For a project with a total cost that exceeds $90,000,000, the authority’s contribution to the project shall be in the form of a large grant, the amount of which shall not exceed $75,000,000.

 (b) To be eligible for a grant pursuant to this paragraph, an applicant shall demonstrate to the authority the following: the applicant’s need for funding to complete the project; and all other sources of funding obtained by the applicant for the completion of the project.

 (2) (a) The authority may award a tax credit to an anchor institution **[**and, if applicable, one or more partner anchor institutions under the program**]**, which the anchor institution **[**and, if applicable, each partner anchor institution**]** shall **[**convert into**]** consider an investment by the authority in a community-anchored project, subject to the condition that the anchor institution **[**and, if applicable, each partner anchor institution either**]** sell and transfer the tax credits, or adopt a plan to use the tax credits in order to finance the completion of the community-anchored project, which condition shall be included in the tax credit agreement entered into pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318). An anchor institution **[**and, if applicable, each partner anchor institution**]** receiving tax credits under the program shall use the proceeds derived from the sale or financing of the tax credits to make an equity investment in or to provide a loan or other financial support for the community-anchored project that will permit the anchor institution**[**, and, if applicable, a partner business, a partner anchor institution, or both**]** to develop the community-anchored project and to attract tenants, owners, investors, lenders, partners, collaborators, and other beneficial parties to the community-anchored project. A tax credit agreement, entered into pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318) shall detail the terms by which an anchor institution **[**and, if applicable, each partner anchor institution**]** will convert the award of tax credits into an investment by the authority into the community-anchored project, subject to potential returns on investment to the authority based on an agreed-upon formula for the distribution of returns, including upon the sale of a community-anchored project or at the end of the commitment period. For community-anchored projects **[**financed solely by governmental and nonprofit entity investments**]**, the authority shall negotiate an agreed upon formula which shall include, but not be limited to, the potential recapture of the value of the tax credits awarded based upon the financial success of the project. **[**For community-anchored projects that are not financed solely by governmental and nonprofit entity investments, the authority shall negotiate an agreed upon formula which shall include, but not be limited to, the potential recapture of the value of the tax credits awarded and additional returns on investment.**]** The tax credit agreement shall, however, specify that the authority's interest in the community-anchored project shall be subordinate to the investments made by an anchor institution **[**and, if applicable, each partner anchor institution**]** and partner businesses. References to investments and returns in sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321) shall also include loans and other financial support and their corresponding returns.

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

 (3) The authority shall develop protocols for assumptions testing relating to projected and actual returns on investment under the program and regularly analyze the returns on investment received by the authority under the program, and shall evaluate future applications and projections considering the results of the assumptions testing and analysis.

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

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

 e. An incentive award to a community-anchored project involving the development or rehabilitation of structure utilized by a cultural arts institution shall be in the form of a grant not to exceed $75,000,000 per project. In support of the grant program, the authority shall auction: $150,000,000 in tax credits in the fiscal year ending June 30, 2024; $150,000,000 in tax credits in the fiscal year ending June 30, 2025; and $100,000,000 in tax credits in the fiscal year ending June 30, 2026. The $400,000,000 in tax credits auctioned over this period shall be derived from the tax credits authorized for the New Jersey Community-Anchored Development Program that were unused in the fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023. The authority shall determine the form and manner in which potential purchasers may bid for tax credits auctioned pursuant to this subsection. To be awarded a tax credit auctioned pursuant to this subsection, a potential purchaser shall:

 (1) specify the amount the potential purchaser will pay in exchange for the requested amount of tax credits, which shall not be less than 75 percent of the requested dollar amount of tax credits; and

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

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

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

(cf: P.L.2020, c.156, s.46)

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

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

 b. At the time of application, an anchor institution **[**and, if applicable, each partner anchor institution**]** seeking tax credits pursuant to the program shall demonstrate to the authority:

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

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

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

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

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

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

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

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

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

 (10) 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;

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

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

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

 (14) that the community-anchored project is viable and that the anchor institution **[**and, if applicable, each partner 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 tax credit agreement entered into pursuant to section 50 of P.L.2020, c.156 (C.34:1B-318).

 c. Prior to the board considering an application submitted by an anchor institution **[**and, if applicable, each partner anchor institution**]**, the authority shall confirm with the Department of Labor and Workforce Development, the Department of Environmental Protection, and the Department of the Treasury whether the anchor institution and, if applicable, each **[**partner anchor institution and any**]** partner business is in substantial good standing with the respective department, or has entered into an agreement with the respective department that includes a practical corrective action plan. The anchor institution shall certify that any contractors or subcontractors that will perform work at the community-anchored project: (1) are registered as required by "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State; and (3) possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury. The authority may also contract with an independent third party to perform a background check on an anchor institution and, if applicable, each **[**partner anchor institution and any**]** partner business.

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

 e. At the time of application, an anchor institution seeking a grant pursuant to the program for the development or rehabilitation of a structure utilized by a cultural arts institution shall demonstrate to the authority the following:

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

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

 (3) that construction has not commenced at the site of the community-anchored project prior to submitting an application or, if the community-anchored project is to be undertaken in phases, that the requested grant will cover only phases for which construction has not yet commenced;

 (4) the value of the grant that is necessary to finance the development or rehabilitation of a structure utilized by a cultural arts institution;

 (5) the total aggregate value of the grant for the entire eligibility period that is necessary in order for the anchor institution to finance the establishment of the community-anchored project;

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

 (7) that the community-anchored project shall comply with the authority’s affirmative action requirements adopted pursuant to 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;

 (11) that the timing of the award and investment of a grant 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)

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

 c. The authority shall review the project costs for a proposed community-anchored project and evaluate and validate the underlying financial structure proposed by the anchor institution **[**and, if applicable, each partner anchor institution**]**. The authority shall conduct a State fiscal impact analysis to ensure that the overall value of tax credits provided to the community-anchored project is projected to result in net benefits to the State, taking into account the current and deferred returns to the authority. If a project for which a tax credit is awarded yields an annual return to the authority in an amount equal to at least one percent of the authority’s investment in the project, and the applicant is contractually obligated the return of the principal investment to the authority at the time a facility is sold or refinanced, the authority shall determine the project results in net benefits to the State. Cultural arts institutions eligible for a grant under the program are inherently beneficial to the State because they provide vital contributions to the communities in which they are located, and together built a Statewide arts community benefitting every resident in the State. Accordingly, any community-anchored project that involves the development or rehabilitation of a structure utilized by a cultural arts institution shall not be subject to further net benefits analysis by the authority beyond a determination of program eligibility. The authority shall assess the cost of these reviews to the applicant. An anchor institution **[**and, if applicable, each partner anchor institution**]** shall pay to the authority the full amount of the direct costs of an analysis concerning the anchor institution's **[**and, if applicable, each partner anchor institution's**]** application for tax credits that a third party retained by the authority performs, if the authority deems such retention to be necessary.

 d. If at any time during the eligibility period the authority determines that an anchor institution **[**or a partner anchor institution**]** made a material misrepresentation on the program application, the anchor institution **[**or partner anchor institution**]** shall forfeit or repay to the authority the value of tax credits or grant associated with that application.

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

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

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

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

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

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

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

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

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

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

 (5) how the community-anchored project will advance State, regional, and local development and planning strategies;

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

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

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

 (9) the extent to which the community-anchored project provides for the development of housing for individuals with special needs;

 (10) the extent to which the community-anchored project constitutes the expansion of the anchor institution **[**and, if applicable, each partner anchor institution**]** to different areas of the State;

 (11) the extent to which the community-anchored project provides for infrastructure, parking, retail, green space, or other public amenities creating a mixed-use community-anchored project;

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

 (13) the length of the commitment period for the community-anchored project;

 (14) the quality and number of new full-time jobs that will be created by the anchor institution**[**, partner anchor institution**]** or a partner business at the community-anchored project;

 (15) the quality and number of existing full-time jobs that will be retained by the anchor institution**[**, partner anchor institution,**]** or a partner business in the State as a result of completing the community-anchored project, with the criteria specifying, in scoring the application, that the retention of an existing full-time job shall be given not more than one-third the weight of a new full-time job of a similar quality; and

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

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

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

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

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

 h. The scoring system developed by the authority pursuant to subsection b. of this section shall assess applications for grants based on criteria including, but not limited to, the following:

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

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

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

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

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

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

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

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

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

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

(cf: P.L.2021, c.160, s.20)

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

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

 b. (1) A tax credit agreement shall specify the amount of the tax credit that the authority shall award to the anchor institution **[**and, if applicable, each partner anchor institution**]** for conversion into an authority investment and specify the duration of the eligibility period, which shall not exceed 10 years. The tax credit agreement shall provide an estimated date of completion for the community-anchored project and include a requirement for periodic progress reports through completion, including the submittal of executed financing commitments and documents or agreements that evidence site control.

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

 c. The terms of the tax credit agreement shall:

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

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

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

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

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

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

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

 (8) at a minimum, require an anchor institution **[**and, if applicable, each partner anchor institution**]** to provide oversight of the community-anchored project through ongoing reporting by a partner business to the anchor institution **[**and, if applicable, each partner anchor institution**]**, and subsequent ongoing reporting by the anchor institution **[**and, if applicable, each partner anchor institution**]** to the authority;

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

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

 d. The tax credit agreement shall include a requirement that the chief executive officer of the authority receive annual reports from the anchor institution and, if applicable, each **[**partner institution and any**]** partner business. As part of the authority's review of the annual reports required from each anchor institution and, if applicable, each partner **[**institution**]** business, the authority shall confirm with the Department of Environmental Protection, the Department of Labor and Workforce Development, and the Department of the Treasury that: the anchor institution and, if applicable, each **[**partner institution and any**]** partner business is in substantial good standing with the respective department, or has entered into an agreement with such department that includes a practical corrective action plan for the anchor institution and, if applicable, each **[**partner anchor institution and any**]** partner business, and the anchor institution shall confirm that any contractors and subcontractors performing work at the community-anchored project: (1) are registered as required by "The Public Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have not been debarred by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State; and (3) possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury. The tax credit agreement shall include a provision that the anchor institution **[**and, if applicable, each partner institution**]** shall forfeit the tax credit in any year in which an uncured default exists under the tax credit agreement or the anchor institution **[**and, if applicable, each partner institution**]** is neither in substantial good standing with the Department of Environmental Protection, the Department of Labor and Workforce Development, or the Department of the Treasury nor has entered into a practical corrective action plan. The tax credit agreement shall, however, allow the authority to extend, in individual cases, the deadline for any annual reporting requirement.

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

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

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

 g. An anchor institution **[**and, if applicable, each partner institution**]** shall, as required at the discretion of the authority, submit to the authority satisfactory evidence of actual project costs, as certified by a certified public accountant, evidence of a temporary certificate of occupancy, or other event evidencing project completion. The anchor institution **[**and, if applicable, each partner institution**]**, or an authorized agent of the anchor institution **[**or partner institution**]**, shall certify under the penalty of perjury that the information provided pursuant to this subsection is true.

(cf: P.L.2021, c.160, s.21)

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

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

 b. An anchor institution **[**and, if applicable, each partner institution**]** may be allowed a tax credit in excess of the base amount, if approved by the authority, provided, however, the total tax credit allowed per community-anchored project shall not exceed $75,000,000 and the total investment of all State resources not including rent payments in a community-anchored project shall not exceed 40 percent of the total cost of the project.

(cf: P.L.2020, c.156, s.51)

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

 52. a. An anchor institution **[**and, if applicable, each partner institution**]** that is awarded a tax credit under sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321) shall, commencing in the year in which the tax credit is awarded, and each year thereafter for the remainder of the eligibility period, submit a report indicating whether the anchor institution **[**and, if applicable, each partner institution**]** is aware of any condition, event, or act that would cause the anchor institution **[**or partner institution**]** not to be in compliance with the tax credit agreement or the provisions of sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321) and any additional reporting requirements contained in the tax credit agreement or tax credit certificate. The anchor institution **[**and, if applicable, each partner institution,**]** or an authorized agent of the anchor institution **[**or partner institution,**]** shall certify under the penalty of perjury that the information provided pursuant to this subsection is true.

 b. (1) Upon receipt and review of each report submitted during the eligibility period, the authority shall provide to the anchor institution **[**and, if applicable, each partner institution**]** and the Director of the Division of Taxation in the Department of the Treasury a certificate of compliance indicating the amount of tax credits awarded to the anchor institution **[**and, if applicable, each partner institution**]** for conversion into an authority investment in the community-anchored project, that the anchor institution **[**and, if applicable, each partner institution**]** may:

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

 (b) use as collateral or to secure any financial instrument approved by the authority to provide financing for the community-anchored project, if that use is in accordance with rules and 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.), to govern the use of program tax credits.

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

(cf: P.L.2020, c.156, s.52)

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

 53. a. An anchor institution **[**and, if applicable, each partner institution**]** may apply to the director and the chief executive officer of the authority for a tax credit transfer certificate, covering one or more years. The tax credit transfer certificate, upon receipt thereof by the anchor institution **[**or partner institution**]** from the director and the chief executive officer of the authority, may be sold or assigned, in full or in part, in the privilege period during which the anchor institution **[**or partner institution**]** receives the tax credit transfer certificate from the director, to another person, who may apply the credit against a tax liability pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), sections 2 and 3 of P.L.1945, c.132 (C.54:18A-2 and C.54:18A-3), section 1 of P.L.1950, c.231 (C.17:32-15), **[**or**]** N.J.S.17B:23-5, or the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq.

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

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

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

 (1) the name of the transferor;

 (2) the name of the transferee;

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

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

 (5) the consideration received by the transferor.

(cf: P.L.2020, c.156, s.53)

 10. (New section) Notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the chief executive officer of the authority shall, in consultation with the agency, adopt, immediately, upon filing with the Office of Administrative Law, such rules and regulations as the chief executive officer deems necessary to implement the provisions of sections 43 through 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321), as amended by P.L. , c. (C. ) (pending before the Legislature as this bill), which rules and regulations shall be effective for a period not to exceed 365 days after the date of the filing. Before the expiration of the rules and regulations, the chief executive officer shall amend, adopt, or readopt the rules and regulations in accordance with the requirements of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

 11. This act shall take effect immediately.

STATEMENT

 This bill modifies certain provisions of State law concerning the New Jersey Community-Anchored Development Program (program). Under the program, the Economic Development Authority (EDA) awards State tax credits to anchor institutions for investment in community-anchored projects. To be eligible for an investment under current law, a community-anchored project is required to result in a capital investment of at least $10 million. The bill lowers the amount of the minimum-required investment to $2 million.

 Current law allows a taxpayer to apply a tax credit or tax credit transfer certificate awarded under the program to the taxpayer’s corporation business tax liability or, in the case of a taxpayer that is an insurance company, to the taxpayer’s insurance premiums tax liability. The bill allows a taxpayer to, alternatively, apply a tax credit or tax credit transfer certificate awarded under the program to the taxpayer’s gross income tax liability.

 The bill provides that for projects involving the development or rehabilitation of a structure utilized by a cultural arts institution, the EDA’s contribution to the projects is to be in the form of a small, medium, and large grants, which are to be funded by the proceeds of an auction. The bill defines “cultural arts institution” as an existing or proposed facility within this State that engages in the cultural, educational, or artistic enrichment of the people of this State through the operation of a venue that has a primary purpose of hosting live performances, a museum, or any related educational facilities.

 For a project with a total cost of less than $10 million, the bill caps the amount of the grant at $10 million. For a project with a total cost greater than $10 million but equal to or less than $90 million, the bill caps the amount of the grant at $40 million. Finally, for a project with a total cost that exceeds $90 million, the bill caps the amount of the grant at $75 million. To be eligible for a grant, an applicant is required to satisfy certain requirements provided by the bill.

 The bill requires the EDA to award tax credits and grants under the program through a competitive application process consisting of up to two award rounds each year. The bill requires the EDA to develop a scoring system to assess applications, and requires certain criteria to be included in the scoring system.

 In support of the grant program, the bill requires the authority to auction: $150 million in tax credits in the fiscal year ending June 30, 2024; $150 million in tax credits in the fiscal year ending June 30, 2025; and $100 million in tax credits in the fiscal year ending June 30, 2026. The bill requires the $400 million in tax credits auctioned over this period to be derived from the tax credits authorized for the New Jersey Community-Anchored Development Program that were unused in the fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023. The bill creates a fund to be known as the "New Jersey Cultural Institution Fund” and directs the authority to credit the fund with the proceeds of the auction.

 The bill requires anchor institutions that are awarded a grant under the program to enter into a grant agreement with the EDA. The bill provides requirements for grant agreements entered into under the program.

 The bill modifies certain terms and definitions under the New Jersey Community-Anchored Development Act. First, the bill removes the definitions for “comprehensive health care system,” “major cultural institution,” “New Jersey State opportunity zone,” and “partner anchor institution,” and removes other references to these terms from the bill. The bill modifies the definitions for “anchor institution” and “community-anchored project.” The bill creates definitions for “grant agreement,” “cultural arts institution,” and “incentive area.”

 The bill directs the chief executive officer of the EDA, in consultation with the agency, to adopt, immediately, upon filing with the Office of Administrative Law, such rules and regulations as the chief executive officer deems necessary to implement the provisions of the “New Jersey Community-Anchored Development Act,” which rules and regulations are to be effective for a period not to exceed 365 days after the date of the filing. The bill requires the chief executive officer, before the expiration of the rules and regulations, to amend, adopt, or readopt the rules and regulations in accordance with the requirements of the “Administrative Procedure Act.”