

[First Reprint]

SENATE, No. 4011

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED JUNE 26, 2023

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

Assemblywoman ELIANA PINTOR MARIN

District 29 (Essex)

Assemblyman BENJIE E. WIMBERLY

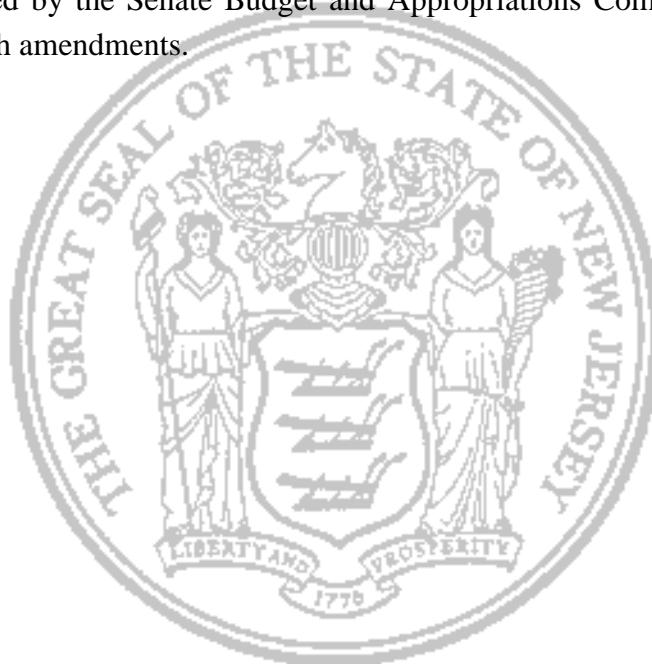
District 35 (Bergen and Passaic)

SYNOPSIS

Modifies New Jersey Community-Anchored Development Program.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 27, 2023, with amendments.



(Sponsorship Updated As Of: 6/30/2023)

1 AN ACT concerning the New Jersey Community-Anchored
2 Development 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 45 of P.L.2020, c.156 (C.34:1B-313) is amended to
8 read as follows:

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

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

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

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

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

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 27, 2023.

1 "Commitment period" means the period of time, which shall be
2 not less than 10 years and no greater than twice the eligibility
3 period that is granted to an anchor institution **【or, if applicable, a**
4 **partner anchor institution】**, to distribute to the authority the agreed
5 upon returns on investment for the award of tax credits pursuant to
6 the program; provided, however, at the election of the authority or
7 upon the request of an anchor institution **【or, if applicable, a partner**
8 **anchor institution】** in order to benefit the community-anchored
9 project, and as determined in the sole discretion of the authority, the
10 authority may grant up to two consecutive five-year extensions of
11 the commitment period. ¹**【The commitment period for a grant shall**
12 **be not less than 10 years and shall be reflected in the grant**
13 **agreement.】**¹

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

31 **【"Comprehensive health care system" means an entity in this**
32 **State with the primary purpose of offering comprehensive health**
33 **care services.】**

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

1 ambulance services. "Comprehensive health care services" shall
2 include only services provided by licensed health care providers.

3 ¹"Cultural arts institution" means an entity within this State that
4 engages in the cultural, educational, or artistic enrichment of the
5 people of this State.¹

6 "Cultural arts institution ¹facility¹ " means an existing or
7 proposed facility within this State ¹【that engages in the cultural,
8 educational, or artistic enrichment of the people of this State
9 through the operation of a venue】 , operated and maintained by a
10 cultural arts institution,¹ that has a primary purpose of hosting live
11 performances, a museum, or any related educational facilities.

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

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

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

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

45 ¹【"Grant agreement" means an agreement entered into between
46 the authority and a cultural arts institution.】¹

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

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

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

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

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

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

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

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

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

42 "Qualified business accelerator or incubator facility" means a
43 commercial space that contains office, laboratory, or industrial
44 space and which is located near, and presents opportunities for
45 collaboration with, a public research university, a private research
46 university, teaching hospital, college, or university, and within
47 which at least 50 percent of the gross leasable area is restricted for

1 use by one or more targeted industry start-up companies during the
2 commitment period.

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

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

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

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

21

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

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

1 through 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-
2 335).¹

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18
19 3. Section 47 of P.L.2020, c.156 (C.34:1B-315) is amended to
20 read as follows:

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

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

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

44 (2) the structure and terms of the financial, corporate, and real
45 estate instruments to be utilized to successfully complete and then
46 operate the community-anchored project, including, but not limited

- 1 to, the proposed economic and business relationship between the
2 anchor institution and, if applicable, each [partner anchor
3 institution and any] partner business;
- 4 (3) [that the anchor institution and, if applicable, each partner
5 anchor institution, along with any partner business and each partner
6 institution participating in a community-anchored project,]
7 construction has not commenced [any construction] at the site of
8 the community-anchored project prior to submitting an application,
9 unless the authority determines that the community-anchored
10 project would not be completed otherwise or, in the event the
11 community-anchored project is to be undertaken in phases, the
12 requested tax credit covers only phases for which construction has
13 not yet commenced;
- 14 (4) the value of the tax credit that is necessary in each year of
15 the eligibility period, in order for the anchor institution [and, if
16 applicable, each partner anchor institution] to finance the
17 establishment of the community-anchored project;
- 18 (5) the total aggregate value of the tax credit for the entire
19 eligibility period that is necessary in order for the anchor institution
20 [and, if applicable, each partner anchor institution] to finance the
21 establishment of the community-anchored project;
- 22 (6) that the award of tax credits under the program will be
23 [converted into] considered an investment by the authority into the
24 community-anchored project, and demonstrate to the authority the
25 anticipated current and deferred returns, as applicable, on that
26 investment;
- 27 (7) that the community-anchored project shall comply with the
28 standards established by the authority through regulation based on
29 the green building manual prepared by the Commissioner of
30 Community Affairs pursuant to section 1 of P.L.2007, c.132
31 (C.52:27D-130.6), regarding the use of renewable energy, energy-
32 efficient technology, and non-renewable resources in order to
33 reduce environmental degradation and encourage long-term cost
34 reduction;
- 35 (8) that the community-anchored project shall comply with the
36 authority's affirmative action requirements, adopted pursuant to
37 section 4 of P.L.1979, c.303 (C.34:1B-5.4);
- 38 (9) a description of the significant economic, social, planning,
39 employment, environmental, fiscal, and other benefits that would
40 accrue to the State, county, or municipality from the community-
41 anchored project;
- 42 (10)that during the eligibility period, each worker employed to
43 perform construction work and building services work at the
44 community-anchored project shall be paid not less than the
45 prevailing wage rate for the worker's craft or trade, as determined
46 by the Commissioner of Labor and Workforce Development
47 pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005,

1 c.379 (C.34:11-56.58 et seq.). In the event the community-anchored
2 project constitutes a lease of more than 55 percent of a single
3 facility, these requirements shall apply to construction work and
4 building services work at the entire facility. In the event the
5 community-anchored project constitutes a lease of more than 35
6 percent of a single facility, these requirements shall apply to
7 construction work at the entire facility;

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

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

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

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

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

1 check on an anchor institution and, if applicable, each [partner
2 anchor institution and any] partner business.

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

8 e. At the time of application, an anchor institution seeking a
9 '[grant] tax credit award' pursuant to the program for the
10 development or rehabilitation of a '[structure utilized by a]'
11 cultural arts institution 'facility' shall demonstrate to the authority
12 the following:

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

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

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

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

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

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

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

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

45 (9) that during the eligibility period, each worker employed to
46 perform construction work and building services work at the
47 community-anchored project shall be paid not less than the

1 prevailing wage rate for the worker's craft or trade, as determined
2 by the Commissioner of Labor and Workforce Development
3 pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.) and P.L.2005,
4 c.379 (C.34:11-56.58 et seq.). In the event the community-
5 anchored project constitutes a lease of more than 55 percent of a
6 single facility, these requirements shall apply to construction work
7 and building services work at the entire facility. In the event the
8 community-anchored project constitutes a lease of more than 35
9 percent of a single facility, these requirements shall apply to
10 construction work at the entire facility;

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

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

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

23 (cf: P.L.2021, c.160, s.19)

24
25 4. Section 48 of P.L.2020, c.156 (C.34:1B-316) is amended to
26 read as follows:

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

36 b. The authority shall not consider an application for a
37 community-anchored project unless the anchor institution [and, if
38 applicable, each partner anchor institution] submits, with the
39 application, a letter evidencing support for the community-anchored
40 project from the governing body of the municipality in which the
41 community-anchored project is located.

42 c. The authority shall review the project costs for a proposed
43 community-anchored project and evaluate and validate the underlying
44 financial structure proposed by the anchor institution [and, if
45 applicable, each partner anchor institution]. The authority shall
46 conduct a State fiscal impact analysis to ensure that the overall value
47 of tax credits provided to the community-anchored project is projected

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

26 d. If at any time during the eligibility period the authority
27 determines that an anchor institution **【or a partner anchor institution】**
28 made a material misrepresentation on the program application, the
29 anchor institution **【or partner anchor institution】** shall forfeit or repay
30 to the authority the value of tax credits ¹**【or grant】¹** associated with
31 that application.

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

33
34 5. Section 49 of P.L.2020, c.156 (C.34:1B-317) is amended to
35 read as follows:

36 49. a. The authority shall award tax credits ¹**【and grants】¹** under
37 the program through a competitive application process consisting of
38 up to two award rounds each year. The authority shall provide
39 notice to the public of the opening and closing dates for submission
40 of program applications on the authority's Internet website.

41 b. (1) The authority shall review applications for tax credits
42 ¹**【and grants】¹** submitted to the authority by the deadline date of the
43 award round and shall evaluate each application as if it were
44 received on the deadline date, without providing any preference for
45 early submissions. To determine priority for an award of a tax
46 credit ¹**【or grant】¹**, all applications for community-anchored

1 projects that satisfy the criteria set forth in sections 47 and 48 of
2 P.L.2020, c.156 (C.34:1B-315 and C.34:1B-316) in a given award
3 round shall be ranked on the basis of a scoring system developed by
4 the authority through regulations adopted pursuant to the provisions
5 of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
6 1 et seq.). Prior to the commencement of an award round, the
7 authority shall determine the minimum score for the award round
8 that **【an anchor institution or, if applicable, each partner anchor**
9 **institution】** each applicant is required to attain to be eligible for a
10 tax credit.

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

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

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

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

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

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

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

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

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

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

- 1 (9) the extent to which the community-anchored project
2 provides for the development of housing for individuals with
3 special needs;
- 4 (10) the extent to which the community-anchored project
5 constitutes the expansion of the anchor institution **[and, if
6 applicable, each partner anchor institution]** to different areas of the
7 State;
- 8 (11) the extent to which the community-anchored project
9 provides for infrastructure, parking, retail, green space, or other
10 public amenities creating a mixed-use community-anchored project;
- 11 (12) the inclusion of a qualified business accelerator or
12 incubator facility as a part of the community-anchored project;
- 13 (13) the length of the commitment period for the community-
14 anchored project;
- 15 (14) the quality and number of new full-time jobs that will be
16 created by the anchor institution**[, partner anchor institution]** or a
17 partner business at the community-anchored project;
- 18 (15) the quality and number of existing full-time jobs that will
19 be retained by the anchor institution**[, partner anchor institution,]**
20 or a partner business in the State as a result of completing the
21 community-anchored project, with the criteria specifying, in scoring
22 the application, that the retention of an existing full-time job shall
23 be given not more than one-third the weight of a new full-time job
24 of a similar quality; and
- 25 (16) if the anchor institution has a board of directors, the extent
26 to which that board of directors is diverse and representative of the
27 community in which the community-anchored project is located.
- 28 d. Notwithstanding the provisions of ¹**[subsection]**
29 subsections¹ c. ¹and h.¹ of this section, the authority may adopt,
30 pursuant to the provisions of the "Administrative Procedure Act,"
31 P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations
32 adjusting competitive criteria required under the program when
33 necessary to respond to the prevailing economic conditions in the
34 State.
- 35 e. Prior to the award of a tax credit **[to an anchor institution or,
36 if applicable, each partner anchor institution, to be converted into
37 an authority investment in a community-anchored project]**, the
38 authority shall confirm with the Department of Labor and
39 Workforce Development, the Department of Environmental
40 Protection, and the Department of the Treasury that the anchor
41 institution **[and, if applicable, each partner anchor institution]**,
42 along with any partner business identified in a program application,
43 is in substantial good standing with the respective department, or
44 has entered into an agreement with the respective department that
45 includes a practical corrective action plan for the anchor institution
46 and, if applicable, each **[partner anchor institution and any]** partner
47 business, and the anchor institution shall confirm that any

1 contractors and subcontractors performing work at the community-
2 anchored project: (1) are registered as required by "The Public
3 Works Contractor Registration Act," P.L.1999, c.238 (C.34:11-
4 56.48 et seq.); (2) have not been debarred by the Department of
5 Labor and Workforce Development from engaging in or bidding on
6 Public Works Contracts in the State; and (3) possess a tax clearance
7 certificate issued by the Division of Taxation in the Department of
8 the Treasury. Provided that all parties are in compliance with this
9 subsection, the authority shall allocate tax credits to community-
10 anchored projects according to the community-anchored project's
11 score and until either the available tax credits are exhausted or all
12 community-anchored projects obtaining the minimum score receive
13 a tax credit, whichever occurs first. If insufficient funding exists to
14 fully fund all eligible community-anchored projects, a community-
15 anchored project may be offered partial funding.

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

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

27 h. The scoring system developed by the authority pursuant to
28 subsection b. of this section shall assess applications ¹**[**for grants**]**
29 by an anchor institution seeking a tax credit award pursuant to the
30 program for the development or rehabilitation of a cultural arts
31 institution facility¹ based on criteria including, but not limited to,
32 the following:

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

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

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

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

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

- 1 (6) the extent to which the community-anchored project
2 constitutes the expansion of the anchor institution to different areas
3 of the State;
4 (7) the inclusion of a qualified business accelerator or incubator
5 facility as a part of the community-anchored project;
6 (8) the length of the commitment period for the community-
7 anchored project;
8 (9) the quality and number of new full-time jobs that will be
9 created by the anchor institution or a partner business at the
10 community-anchored project; and
11 (10) if the anchor institution has a board of directors, the extent
12 to which that board of directors is diverse and representative of the
13 community in which the community-anchored project is located.
14 (cf: P.L.2021, c.160, s.20)

15
16 6. Section 50 of P.L.2020, c.156 (C.34:1B-318) is amended to
17 read as follows:

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

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

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

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

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

46 (2) specify the length of the commitment period for the
47 community-anchored project and the terms by which the anchor

1 institution **【and, if applicable, each partner anchor institution】** shall
2 provide to the authority current or deferred returns on investment
3 generated by the community-anchored project and commit to a
4 structure for returns on investment;

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

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

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

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

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

29 (8) at a minimum, require an anchor institution **【and, if applicable,**
30 **each partner anchor institution】** to provide oversight of the
31 community-anchored project through ongoing reporting by a partner
32 business to the anchor institution **【and, if applicable, each partner**
33 **anchor institution】**, and subsequent ongoing reporting by the anchor
34 institution **【and, if applicable, each partner anchor institution】** to the
35 authority;

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

45 (10) at a minimum, require that the anchor institution and, if
46 applicable, each **【partner anchor institution, and any】** partner

1 **【businesses,】** business adopt specific nondiscrimination policies for
2 the operation of a community-anchored project.

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

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

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

46 f. A grant agreement shall include a requirement that the chief
47 executive officer of the authority receive annual reports from the

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

26 g.]¹ An anchor institution [and, if applicable, each partner
27 institution] shall, as required at the discretion of the authority, submit
28 to the authority satisfactory evidence of actual project costs, as
29 certified by a certified public accountant, evidence of a temporary
30 certificate of occupancy, or other event evidencing project completion.
31 The anchor institution [and, if applicable, each partner institution], or
32 an authorized agent of the anchor institution [or partner institution],
33 shall certify under the penalty of perjury that the information provided
34 pursuant to this subsection is true.

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

36

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

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

1 b. An anchor institution **【and, if applicable, each partner**
2 **institution】** may be allowed a tax credit in excess of the base
3 amount, if approved by the authority, provided, however, the total
4 tax credit allowed per community-anchored project shall not exceed
5 \$75,000,000 and the total investment of all State resources not
6 including rent payments in a community-anchored project shall not
7 exceed 40 percent of the total cost of the project.

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

9

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

12 52. a. An anchor institution **【and, if applicable, each partner**
13 **institution】** that is awarded a tax credit under sections 43 through
14 53 of P.L.2020, c.156 (C.34:1B-311 through C.34:1B-321) shall,
15 commencing in the year in which the tax credit is awarded, and
16 each year thereafter for the remainder of the eligibility period,
17 submit a report indicating whether the anchor institution **【and, if**
18 **applicable, each partner institution】** is aware of any condition,
19 event, or act that would cause the anchor institution **【or partner**
20 **institution】** not to be in compliance with the tax credit agreement or
21 the provisions of sections 43 through 53 of P.L.2020, c.156
22 (C.34:1B-311 through C.34:1B-321) and any additional reporting
23 requirements contained in the tax credit agreement or tax credit
24 certificate. The anchor institution **【and, if applicable, each partner**
25 **institution,】** or an authorized agent of the anchor institution **【or**
26 **partner institution,】** shall certify under the penalty of perjury that
27 the information provided pursuant to this subsection is true.

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

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

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

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

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

13

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

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

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

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

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

- 4 (1) the name of the transferor;
5 (2) the name of the transferee;
6 (3) the value of the tax credit transfer certificate;
7 (4) the State tax against which the transferee may apply the tax
8 credit; and
9 (5) the consideration received by the transferor.
10 (cf: P.L.2020, c.156, s.53)

11
12 10. (New section) Notwithstanding the provisions of the
13 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
14 seq.) to the contrary, the chief executive officer of the authority
15 shall, in consultation with the agency, adopt, immediately, upon
16 filing with the Office of Administrative Law, such rules and
17 regulations as the chief executive officer deems necessary to
18 implement the provisions of sections 43 through 53 of P.L.2020,
19 c.156 (C.34:1B-311 through C.34:1B-321), as amended by P.L. ,
20 c. (C.) (pending before the Legislature as this bill), which
21 rules and regulations shall be effective for a period not to exceed
22 365 days after the date of the filing. Before the expiration of the
23 rules and regulations, the chief executive officer shall amend, adopt,
24 or readopt the rules and regulations in accordance with the
25 requirements of the “Administrative Procedure Act,” P.L.1968,
26 c.410 (C.52:14B-1 et seq.).

27
28 11. This act shall take effect immediately.