

ASSEMBLY, No. 4673

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 28, 2024

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

SYNOPSIS

Revises New Jersey Aspire Program to clarify that certain incentive awards may not be prorated.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the proration of tax credits under the New
2 Jersey Aspire Program and amending P.L.2023, c.98.

3

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

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7 1. Section 14 of P.L.2023, c.98 (C.34:1B-335.1) is amended to
8 read as follows:

9 14. a. (1) Except as otherwise provided in subsection b. of this
10 section, all program applications completed after the effective date
11 of P.L.2023, c.98 (C.34:1B-335.1 et al.) shall be subject to the
12 "New Jersey Aspire Program Act," sections 54 through 67 of
13 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), as amended as
14 supplemented by P.L.2023, c.98 (C.34:1B-335.1 et al.), including
15 the rules and regulations adopted pursuant to subsection b. of
16 section 67 of P.L.2020, c.156 (C.34:1B-335).

17 (2) Except as otherwise provided in subsection b. of this section,
18 all program applications completed on or before the effective date
19 of P.L.2023, c.98 (C.34:1B-335.1 et al.) shall be subject to the
20 provisions of the "New Jersey Aspire Program Act," sections 54
21 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), as
22 such provisions remained in effect immediately before the effective
23 date of P.L.2023, c.98 (C.34:1B-335.1 et al.), including the rules
24 and regulations adopted pursuant to subsection a. of section 67 of
25 P.L.2020, c.156 (C.34:1B-335), except that for redevelopment
26 projects approved by the authority prior to the effective date of
27 P.L.2023, c.98 (C.34:1B-335.1 et al.) and redevelopment projects
28 that are otherwise subject to the rules and regulations adopted
29 pursuant to subsection a. of section 67 of P.L.2020, c.156 (C.34:1B-
30 335), including pursuant to election by the applicant pursuant to
31 subparagraph b. of this section, the authority shall not prorate the
32 tax credit for any year of the eligibility period.

33 b. Notwithstanding any provision of P.L.2020, c.156 (C.34:1B-
34 269 et al.) to the contrary, if a completed application for a
35 residential project is submitted to the authority on or before the
36 121st calendar day next following effective date of P.L.2023, c.98
37 (C.34:1B-335.1 et al.), the applicant for the residential project has
38 received all applicable approvals pursuant to the "Municipal Land
39 Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.) on or before the
40 121st calendar day next following the effective date of P.L.2023,
41 c.98 (C.34:1B-335.1 et al.), and the applicant submits written notice
42 to the authority, before the authority's approval or denial of the
43 application, electing for the application to be governed under the
44 provisions of this subsection, then the residential units constructed
45 for occupancy by low- and moderate-income households within the

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

Matter underlined thus is new matter.

1 residential project shall not be subject to the affordability controls
2 adopted by the authority, in consultation with the agency, pursuant
3 to paragraph (2) of subsection a. of section 56 of P.L.2020, c.156
4 (C.34:1B-324) and subsection b. of section 67 of P.L.2020, c.156
5 (C.34:1B-335). In this event, the application for the residential
6 project shall be reviewed, approved, and administered in accordance
7 with the provisions of the "New Jersey Aspire Program Act,"
8 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
9 34:1B-335), as such provisions remained in effect immediately
10 before the effective date of P.L.2023, c.98 (C.34:1B-335.1 et al.),
11 including the rules and regulations adopted pursuant to subsection
12 a. of section 67 of P.L.2020, c.156 (C.34:1B-335), except that the
13 application shall be subject to:

14 (1) the determination of a reasonable and appropriate return on
15 investment, as defined in section 55 of P.L.2020, c.156 (C.34:1B-
16 323), as amended by P.L.2023, c.98 (C.34:1B-335.1 et al.); **[and]**

17 (2) the limitation on tax credit awards set forth in subsection b.
18 of section 61 of P.L.2020, c.156 (C.34:1B-329) and subsection g. of
19 section 65 of P.L.2020, c.156 (C.34:1B-333), respectively, as
20 amended by P.L.2023, c.98 (C.34:1B-335.1 et al.); and

21 (3) no proration of the tax credit award for any year of the
22 eligibility period.

23 (cf: P.L.2023, c.98, s.14)

24
25 2. This act shall take effect immediately and shall apply
26 retroactively to redevelopment projects previously approved by the
27 authority.

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30 STATEMENT

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32 This bill amends the "New Jersey Aspire Program Act" to clarify
33 that all redevelopment projects approved under the New Jersey
34 Aspire Program (Aspire Program) would not have tax credits
35 prorated during any year of the project's eligibility period.

36 Under current law, redevelopment projects that submitted a
37 completed project application to the authority on or prior to the
38 effective date of P.L.2023, c.98 are subject to the rules and
39 regulations adopted by the Chief Executive Office of the New
40 Jersey Economic Development Authority (authority) on November
41 5, 2021. Additionally, certain project applications submitted within
42 121 days after the effective date of P.L.2023, c.98 are subject to the
43 rules and regulations adopted by the authority on November 5,
44 2021. All other redevelopment projects are subject to the rules and
45 regulations adopted by the authority on December 5, 2023, pursuant
46 to P.L.2023, c.98 (C.34:1B-335.1 et al.).

47 Notably, the regulations adopted by the authority on November
48 5, 2021 required the authority to prorate the tax credit for the first

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1 and last years of the eligibility period based on the number of full
2 months the project was certified in the year the developer first
3 certifies. However, the regulations adopted by the authority on
4 December 5, 2023 do not include this proration requirement.

5 The bill provides that any project application submitted to the
6 authority on or prior to the effective date of P.L.2023, c.98
7 (C.34:1B-335.1 et al.), July 6, 2023, or any project application that
8 was approved under the rules and regulations adopted by the
9 authority on November 4, 2021, would not be subject to the
10 proration of the project's tax credit incentive award during any year
11 of the project's eligibility period.