ASSEMBLY, No. 6306

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JANUARY 2, 2026

Sponsored by:
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SYNOPSIS

Authorizes tax credits for certain sports and entertainment projects; authorizes additional tax credits for New Jersey Aspire Program and Emerge Program.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 1/12/2026)

AN ACT concerning State economic development policy, and supplementing and amending P.L.2020, c.156.

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

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

a. Due to its location, population, and pool of talent, New Jersey is well situated to promote and expand its sports and entertainment industry.

b. Nationally, sports and entertainment facilities are major drivers of economic activity and are often located in downtown areas of the country's major cities. In large metropolitan statistical areas, multiple facilities in different states may compete for the same events and visitors, and New Jersey is no exception.

c. The New Jersey Economic Development Authority can effectively utilize sports and entertainment facilities as catalysts for broad economic development in targeted communities.

d. Sports and entertainment facilities attract visitors and businesses to the State by leveraging the economic and cultural benefits of building and supporting world-class facilities capable of hosting events that can bring communities together.

e. Full-scale renovations can extend and expand the lifespan of sports and entertainment facilities, shoring up key infrastructure components and modernizing facilities so they remain safe and competitive, and so they continue to serve the State, the local community, and the purposes for which they were built.

f. Governmental support, alongside operator equity, is commonly needed to make the renovation and enhancement of these facilities a reality. Public investment is leveraged to preserve and expand an economic engine that benefits governmental entities through the generation of tax receipts and creation of jobs, the private businesses serving and benefitting from the facility, their customers, employees, and the general public.

g. Projects involving the development, redevelopment, or rehabilitation of sports and entertainment facilities are inherently beneficial to the State because they provide vital contributions to the communities in which they are located.

h. The Legislature declares that two principal objectives underscore the policy purposes of P.L. , c. (C.) (pending before the Legislature as this bill): first, that providing spaces for communities to gather will result in thriving communities; and second, although the State must help to provide these spaces through an incentive program that reflects the economics of sports and entertainment facilities, because the current suite of economic

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 <u>thus</u> is new matter.

development programs cannot succeed in this endeavor, the enactment of P.L. , c. (C.) (pending before the Legislature as this bill) is necessary to encourage the development of sports and entertainment projects that will prevent the loss of events to other states with newer or more newly-renovated facilities, as well as the resulting loss of tax revenues, jobs, and other economic activity.

2. (New section) As used in sections 3 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill), all terms shall have the same meanings as defined in section 55 of P.L.2020, c.156 (C.34:1B-323), except as follows:

"Co-applicant" means an entity that: is exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(3), or is a governmental entity; contributes or contributed capital, real property, or services related to the project that directly affect and serve the tenants or customers of the tenants of the project; and enters into an agreement with the developer that specifies the co-applicant's participation in the redevelopment project.

"Commitment period" means the period beginning with the commencement of the eligibility period of a sports and entertainment project, or for a sports and entertainment project completed in phases, beginning with the commencement of the phase in which more than 50 percent of the sports and entertainment project is completed, which period shall continue until the end of the period of time used for the gross economic benefit determined pursuant to subsection c. of section 3 of P.L. , c. (C.) (pending before the Legislature as this bill), and which period shall be evidenced by the submission of a copy of a lease for the property that, at a minimum, meets the duration of the commitment period.

"Eligibility period" means the period not less than five years, as specified in an incentive award agreement, during which a developer may claim a tax credit under the program, provided that the developer of a phased sports and entertainment project may elect a separate eligibility period for each phase of no less than five years.

"Project financing gap" means the part of the total project cost that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, developer contributed capital, which shall not be less than 20 percent of the total project cost, and investor or financial entity capital or loans for which the developer, after making all good faith efforts to raise additional capital, certifies that additional capital cannot be raised from other sources based on incremental revenue generated at the facility by the sports and entertainment project on a non-recourse basis on market terms.

"Sports and entertainment facility" means a facility that is an arena that: is used primarily for live sports or entertainment

performances, games, contests, or other events; has a seating capacity of at least 15,000 individuals; and has been operating for at least 15 years in a city of the first class, as classified under N.J.S.40A:6-4, that contains an international airport.

"Sports and entertainment project" means a project with a project cost of at least $50,000,000, which project consists of the renovation of a sports and entertainment facility, whether publicly or privately owned or operated.

"Sports and entertainment project phase agreement" means a sub-agreement of the incentive award agreement that governs the timing, capital investment, and other applicable details of each respective phase of a phased sports and entertainment project.

"Workforce development agreement" means a contractual relationship, as approved by the authority, over the term of the commitment period, which may be renewed annually, between a developer and a New Jersey-based: public or private university or college; public or private high school; workforce development organization; vocational or technical school or institution; labor organization, business, employer association, or nonprofit organization that provides workforce training, apprenticeship, and career development services; entities or consortia consisting of any of the aforementioned entities that develop and deliver workforce training programs; or any combination thereof.

3. (New section) a. (1) Prior to June 30, 2027, a developer seeking tax credits for a sports and entertainment project shall submit an application to the authority in the form and manner prescribed pursuant to sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, except as otherwise provided in this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

(2) Notwithstanding any provision of law to the contrary, for the purposes of administering sections 1 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill), a “sports and entertainment project,” as that term is defined in section 2 of P.L. , c. (C.) (pending before the Legislature as this bill), shall be considered a “redevelopment project,” as that term is used in sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented.

b. (1) A sports and entertainment project may be completed in a maximum of five phases, and the developer shall enter into a sports and entertainment project phase agreement with the authority for each phase.

(2) Notwithstanding the provision of any law to the contrary, a sports and entertainment project shall be completed, and the developer shall have completed its expenditure of eligible project costs, within six years of executing the incentive award agreement, except that the authority may, in its discretion, extend this deadline

by up to one additional year. For a sports and entertainment project completed in phases, the final phase of the sports and entertainment project shall be completed, and the developer shall have completed its expenditure of eligible project costs, within 10 years of executing the incentive award agreement or the sports and entertainment phase agreement corresponding to the first phase of the sports and entertainment project, whichever was executed later.

(3) Notwithstanding any other provision of law to the contrary, for a sports and entertainment project completed in phases, each phase shall have a separate eligibility period, and the developer shall contribute capital of no less than 20 percent of the project costs for each phase. After completing each phase, the developer shall submit a certification to the authority attesting that the phase is completed. If the authority approves the certification, the tax credit certificate allowed to the developer shall be increased by the tax credit amount corresponding to that phase. Notwithstanding the different eligibility periods for each phase, all conditions and requirements applicable during an eligibility period for any phase of the project, pursuant to sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, except as otherwise provided in this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), shall apply to the entire sports and entertainment project until the end of the eligibility period for the last phase.

c. (1) In lieu of the requirements of subsection c. of section 58 of P.L.2020, c.156 (C.34:1B-326), the authority shall review the project costs of a sports and entertainment project; evaluate and validate the project financing gap, as defined in section 2 of P.L. , c. (C.) (pending before the Legislature as this bill), estimated by the developer; and conduct a State fiscal impact analysis to ensure that the gross economic benefit of the sports and entertainment facility to the State over the duration of the commitment period is at least 150 percent of the overall public assistance provided to the sports and entertainment project. In determining the gross economic benefits of the sports and entertainment facility, the authority's consideration shall include, but not be limited to, the direct and indirect benefits to the State, including local taxes that may benefit the State, and may include induced benefits to the State, including benefits derived from construction. The determination shall include all such benefits to the State that result from the sports and entertainment facility over the duration of the commitment period. The authority shall assess the cost of these reviews to the applicant. A developer shall pay to the authority the full amount of the direct costs of an analysis concerning the developer's application for tax credits that a third party retained by the authority performs, if the authority deems such retention to be necessary.

(2) In addition to the evaluation conducted pursuant to paragraph (1) of this subsection, the authority shall conduct an analysis of the developer's project financing gap, as defined in section 2 of P.L. , c. (C.) (pending before the Legislature as this bill), in lieu of determining whether the developer's actual rate of return on investment exceeds the reasonable and appropriate rate of return on investment at the time of board approval, which analysis shall be conducted in accordance with the provisions of subsection c. of section 60 of P.L.2020, c.156 (C.34:1B-328), except as otherwise provided in this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), or in the guidelines developed pursuant to subsection c. of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

d. In addition to the requirements of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, the developer of a sports and entertainment project shall enter into a workforce development agreement, except that a co-applicant may execute the workforce development agreement on behalf of the developer. The workforce development agreement shall include the provision of opportunities for workforce hiring, training, or apprenticeship, or other measures determined appropriate by the authority.

e. (1) Notwithstanding the provisions of subsection f. of section 60 of P.L.2020, c.156 (C.34:1B-328) to the contrary, the developer of a sports and entertainment project shall enter into a community benefits agreement with the authority and the municipality in which the sports and entertainment project is located. The agreement shall include, at a minimum, requirements for training, employment, and youth development and free services to underserved communities in and around the community in which the sports and entertainment project is located. Prior to entering a community benefits agreement, the municipality in which the sports and entertainment project is located shall hold at least one previously advertised public hearing at which residents, community groups, and other stakeholders shall have an opportunity testify concerning the needs of the community that the agreement should address, and the minutes of the meeting shall be included in the resolution of the governing body of the municipality adopting the community benefits agreement.

(2) The community benefits agreement shall provide for the creation of a community advisory committee to oversee the implementation of the agreement, monitor successes, ensure compliance with the terms of the agreement, and produce an annual public report. The community advisory committee created pursuant to this paragraph shall be comprised of representatives of diverse community groups and residents of the municipality in which the redevelopment project is located.

(3) When the developer submits the annual report required pursuant to section 62 of P.L.2020, c.156 (C.34:1B-330) to the authority, the developer shall certify, under the penalty of perjury, that it is in compliance with the terms of the community benefits agreement. If the developer fails to provide the certification required pursuant to this paragraph, or the authority determines that the developer is not in compliance with the terms of the community benefits agreement based on a report from the community advisory committee pursuant to paragraph (2) of this subsection, the authority may rescind an award or recapture all or part of any tax credits awarded.

f. (1) During the commitment period, each worker employed to perform construction work at the sports and entertainment facility 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.).

(2) During the commitment period, each worker employed to perform building services work at the sports and entertainment facility, whether pursuant to contract by the developer or a commercial tenant, commercial subtenant, or other commercial occupant, 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.).

(3) During the commitment period, all other requirements of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, that apply during the eligibility period of a redevelopment project shall apply to the sports and entertainment project during the entirety of the commitment period, except as otherwise provided in this section and section 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

g. Notwithstanding the provisions of paragraph (4) of subsection a. of section 57 of P.L. 2020, c.156 (C.34:1B-325) to the contrary, the developer of a sports and entertainment project may have undertaken construction at the sports and entertainment facility before the date of application for tax credits pursuant to P.L. , c. (C.) (pending before the Legislature as this bill), provided that, except for demolition and site remediation activities, the developer has not commenced any construction for the sports and entertainment project before such time.

h. In addition to the requirements of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, a sports and entertainment project shall exceed the standards established by the authority in accordance with 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 to reduce environmental degradation and encourage long-term cost reduction. The replacement or retrofitting of existing components and infrastructure at the sports and entertainment facility as part of the sports and entertainment project shall result in a material reduction, as determined by the authority in the guidelines developed pursuant to subsection c. of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill), of the energy usage, greenhouse gas emissions, and co-pollutant emissions for the components and infrastructure replaced.

i. Notwithstanding any provision of law, rule, or regulation to the contrary, any fees, including application fees, imposed by the authority for a sports and entertainment project shall be equal to the fees for a transformative project under the New Jersey Aspire Program.

j. (1) Notwithstanding the provisions of subsection b. of section 61 of P.L.2020, c.156 (C.34:1B-329) to the contrary, the authority may allow a developer of a sports and entertainment project a tax credit in an amount not to exceed the lesser of:

(a) 80 percent of the eligible project cost for the sports and entertainment project; or

(b) $300,000,000.

(2) For a sports and entertainment project that is completed in phases, the value of tax credits awarded for any single phase shall not exceed $95,000,000, provided that any eligible project costs, including the corresponding developer contributed capital, that could not be included in a phase due to the limitations of this paragraph may be included in a subsequent phase.

4. (New section) a. The authority may award tax credits to the developer of a sports and entertainment project in accordance with the provisions of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, except as otherwise provided in this section and section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

b. The authority shall administer the tax credits awarded pursuant to this section and section 3 of P.L. , c. (C.) (pending before the Legislature as this bill) in accordance with the provisions of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and supplemented, except as otherwise provided in this section and section 3 of P.L. , c. (C.) (pending before the Legislature as this bill).

c. In accordance with the purposes and objectives set forth in P.L. , c. (C.) (pending before the Legislature as this bill), and with respect to the responsibilities of overseeing and implementing the award of tax credits to sports and entertainment projects, the authority shall develop guidelines governing the terms and conditions under which such tax credits may be awarded

pursuant to this section and section 3 of P.L. , c. (C.) (pending before the Legislature as this bill). The provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) shall not apply to the preparation, publication, or implementation of the guidelines developed pursuant to this section.

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

98. a. The combined value of all tax credits awarded under the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287); the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310); the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335); the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.); P.L.2025, c.111 (C.55:14K-106 et al.); **[**and**]** the "Next New Jersey Manufacturing Program Act," P.L.2025, c.123 (C.34:1B-403 et al.); and sections 1 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill) shall not exceed an overall cap of **[**$11.5**]** $14 billion over a nine-year period, subject to the conditions and limitations set forth in this section. Of this **[**$11.5**]** $14 billion, $2.5 billion shall be reserved for transformative projects approved under the Aspire Program.

b. (1) The total value of tax credits awarded under any constituent program of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.); the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), P.L.2025, c.111 (C.55:14K-106 et al.); and the "Next New Jersey Manufacturing Program Act," P.L.2025, c.123 (34:1B-403 et al.) shall be subject to the following limitations, except as otherwise provided in subsection c. of this section:

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

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

of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed $50 million and the total value of tax credits awarded over the entirety of the nine-year period shall not exceed $100,000,000;

(ii) from the tax credits made available to the "Brownfields Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of $200,000,000 in tax credits shall be allocated to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented;

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

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

(e) for tax credits awarded under the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the total value of tax credits awarded during the nine-year period shall not exceed $1,200,000,000;

(f) for tax credits awarded under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, the total value of tax credits annually awarded during each of the first six years of the nine-year period shall not exceed $1.1 billion. If the authority awards tax credits in an amount less than the annual limitation, then the uncommitted portion of the annual limitation shall be made available for qualified offshore wind projects awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),

pursuant to subparagraph (h) of this paragraph, projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.), pursuant to subparagraph (k) of this paragraph, projects awarded a tax credit pursuant to the “Next New Jersey Manufacturing Program Act,” P.L.2025, c.123 (C.34:1B-403 et al.), pursuant to subparagraph (l) of this paragraph, cultural arts institutions awarded a tax credit pursuant to the “Cultural Arts Incentives Program Act,” P.L.2023, c.197 (C.34:1B-383 et al.), pursuant to subparagraph (l) of this paragraph, or New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies awarded under sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b), pursuant to subparagraph (i) of this paragraph and subsection d. of this section. During each of the first six years of the nine-year period, the authority shall annually award tax credits valuing no greater than $715 million for projects located in the northern counties of the State, and the authority shall annually award tax credits valuing no greater than $385 million for projects located in the southern counties of the State under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during any of the first six years of the nine-year period, the authority awards tax credits under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the annual limitation for projects located in northern counties or southern counties, as applicable, the uncommitted portion of the annual limitation shall be available to be deployed by the authority in a subsequent year, provided that the uncommitted portion of tax credits shall be awarded for projects located in the applicable geographic area, except that (i) after the completion of the third year of the nine-year period, the authority may deploy 50 percent of the uncommitted portion of tax credits for any previous year without consideration to the county in which a project is located; and (ii) after the completion of the sixth year of the nine-year period, the authority may deploy all available tax credits, including the uncommitted portion of the annual limitation for any previous year, without consideration to the county in which a project is located;

(g) except as provided in **[**subparagraph**]** subparagraphs (j) and (n) of this paragraph, for tax credits awarded for transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), the total value of tax credits awarded during the nine-year period shall not exceed $2.5 billion. The total value of tax credits awarded

for transformative projects in a given year shall not be subject to an annual limitation, except that the total value of tax credits awarded to any transformative project shall not exceed $400 million;

(h) from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed $350,000,000 shall be made available for qualified offshore wind projects awarded a credit pursuant to section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three years of the nine-year period;

(i) beginning in fiscal year 2023, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, additional amounts shall be made available for New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b);

(j) beginning in fiscal year 2024, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not including tax credits awarded for transformative projects, an amount not to exceed $500,000,000 may be annually transferred for the award to transformative projects under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the remaining allocation of tax credits otherwise available for transformative projects, pursuant to subparagraph (g) of this paragraph, is less than $1,000,000,000; and (ii) the authority board determines that the transfer of tax credits is warranted based on such criteria as the authority deems appropriate, which may include the criteria set forth in paragraph (2) of this subsection. If a transfer of tax credits is made pursuant to this subparagraph, the authority shall award no greater than 65 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the northern counties of the State and no greater than 35 percent of the tax credits transferred pursuant to this subparagraph to transformative projects located in the southern counties of the State, which allocation based on location in certain counties shall be

determined notwithstanding the provisions of subparagraph (f) of this paragraph;

(k) beginning in fiscal year 2025, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed $500,000,000 shall be made available for projects awarded a tax credit pursuant to the "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.);

(l) once the tax credits allocated for competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110) pursuant to subsubparagraph (ii) of subparagraph (b) of this paragraph are exhausted, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, the sum of $300,000,000 shall be made available to the New Jersey Housing and Mortgage Finance Agency, established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be sold through competitive auctions conducted pursuant to sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110). The amount made available pursuant to this subparagraph shall be allocated in annual installments, each of which is not to exceed the cap set forth in paragraph (3) of subsection a. of section 4 of P.L.2025, c.111 (C.55:14K-107), as needed to conduct auctions pursuant to that section. All proceeds of the tax credit auctions shall be used by the New Jersey Housing and Mortgage Finance Agency for the purposes authorized in subsection b. of section 4 of P.L.2025, c.111 (C.55:14K-107). Notwithstanding any provision of law or regulation to the contrary, the tax credits reallocated to the New Jersey Housing and Mortgage Finance Agency shall not be subject to any requirements or conditions of the "New Jersey Economic Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as amended or supplemented; **[**and**]**

(m) beginning in fiscal year 2026, from the tax credits made available, pursuant to subparagraph (f) of this paragraph, to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), but not including tax credits awarded for transformative projects, an amount not to exceed $500,000,000 shall be made available for projects awarded a tax credit pursuant to the “Next New Jersey Manufacturing Program Act,” P.L.2025, c.123

(C.34:1B-403 et al.) and an amount not to exceed $500,000,000 shall be made available for cultural arts institutions awarded a tax credit pursuant to the “Cultural Arts Incentives Program Act,” P.L.2023, c.197 (C.34:1B-383 et al.). In accordance with the provisions of subsection g. of section 5 of P.L.2025, c.123 (C.34:1B-407), $100,000,000 of the tax credits made available to the “Next New Jersey Manufacturing Program Act,” P.L.2025, c.123 (C.34:1B-403 et al.) pursuant to this subparagraph shall be reserved exclusively for eligible businesses that are clean energy product manufacturers;

(n) during each of the seventh and eighth years of the nine-year period, an additional amount of $1.25 billion in tax credits shall be made available for tax credit awards under the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in addition to any amounts otherwise available for these purposes. After the completion of the nine-year period, any uncommitted balance of tax credits available for awards under the “New Jersey Aspire Program Act,” sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the “Emerge Program Act,” sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be available to be deployed by the authority in subsequent years for projects approved under those two programs until all tax credits have been committed; and

(o) from the tax credits made available pursuant to subparagraph (n) of this paragraph, an amount not to exceed $300,000,000 in tax credits shall be made available for tax credit awards under sections 1 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

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

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

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

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

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

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

(vii) increased development proximate to mass transit facilities;

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

c. In the event that the authority in any year approves projects for tax credits in an amount less than the annual limitations set forth in paragraph (1) of subsection b. of this section, then the uncommitted portion of the annual limitation shall be available to be deployed by the authority in future years for projects under the same program, provided however, that in no event shall the aggregate amount of tax credits approved be in excess of the overall cap of **[**$11.5**]** $14 billion, and in no event shall the uncommitted portion of the annual limitation for any previous year be deployed after the conclusion of the nine-year period, except as set forth in subparagraphs (n) and (o) of paragraph (1) of subsection b. of this section.

d. Notwithstanding the provisions of any other law to the contrary, the uncommitted balance of the total value of tax credits authorized for award by the authority pursuant to subparagraph (f) of paragraph (1) of subsection b. of this section to the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 et seq.), and the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be made available for tax credits allowed to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-12b). The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to New Jersey studio partners, New Jersey film-lease production companies, and taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this subsection shall be as follows:

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

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

(3) in fiscal year 2025, $250,000,000 for New Jersey studio partners, $250,000,000 for New Jersey film-lease production companies, and $300,000,000 for taxpayers, other than New Jersey studio partners and New Jersey film-lease production companies.

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

(cf: P.L.2025, c.127, s.10)

6. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to read as follows:

89. a. The Director of the Division of Taxation in the Department of the Treasury may purchase unused tax credits awarded under a program listed in paragraphs (1) through (5) or paragraphs (7) through (12) of subsection b. of this section and shall purchase unused tax credits awarded under a program listed in paragraphs (6), (13), **[**and**]** (14)<u>, and (16)</u> of subsection b. of this section, including tax credit transfer certificates issued by the director in lieu of a tax credit allowed under such programs. The director shall not pay consideration in excess of 75 percent of the credit amount to be purchased, except for a credit awarded under:

(1) the "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), which shall be subject to the provisions of paragraph (4) of subsection d. of section 77 of P.L.2020, c.156 (C.34:1B-345);

(2) the "New Jersey Aspire Program Act," sections 54 through 67of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as amended and supplemented, for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director, and further provided that, if the application to the director is submitted after the sixth year of the eligibility period, the amount in excess of the reasonable and appropriate rate of return on investment that the developer is required to pay pursuant to subsection c. of section 60 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent;

(3) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director; **[**or**]**

(4) the "Garden State Film and Digital Media Jobs Act," P.L.2018, c.56 (C.54:10A-5.39b et al.), for which the director shall pay an amount equal to 95 percent of the credit amount for any original application approved by the authority on or after January 1, 2026, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the taxpayer, which taxpayer is a New Jersey studio partner or the holder of such certificate originally issued to a New Jersey studio partner, occurred at least one year prior to the date of application to the director and provided that the director shall purchase such certificates valued at no more than a cumulative amount of $80,000,000 in State fiscal year 2026, $160,000,000 in State fiscal year 2027, $240,000,000 in State fiscal year 2028, and $200,000,000 in each State fiscal year thereafter, subject to the conditions in this paragraph. If an application to the director for the purchase of tax credits otherwise qualifies pursuant to this paragraph, but the value of tax credits for which the director receives applications exceeds the maximum cumulative amount for the State fiscal year in which the application is made, the director shall purchase the remaining tax credits in the State fiscal year next following the State fiscal year in which the application is made, provided that the director shall not purchase a cumulative amount above the maximum cumulative amount for the respective State fiscal year. No payments shall be made pursuant to this paragraph unless the following conditions are met: full funding is provided for the fiscal year to satisfy the requirement in Article VIII, Section IV, paragraph 1 of the New Jersey Constitution that the Legislature provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of children in the State between the ages of five and 18 years; full payment of the contributions required by law for the fiscal year is made to the State-administered retirement systems; and the annual appropriations act for the State fiscal year maintains a budgetary surplus of no less than 12 percent of total appropriations from the General Fund and the Property Tax Relief Fund; or

(5) sections 1 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill), for which the director shall pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director.

b. The Director of the Division of Taxation in the Department of the Treasury may or shall, subject to the provisions of subsection a. of this section, purchase tax credits awarded under the following:

(1) the "Historic Property Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276);

(2) the "Brownfield Redevelopment Incentive Program Act," sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);

(3) the "New Jersey Innovation Evergreen Act," sections 20 through 34 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302);

(4) the "Food Desert Relief Act," sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through 34:1B-310);

(5) (Deleted by amendment, P.L.2025, c.127)

(6) the "New Jersey Aspire Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335);

(7) the " Emerge Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.);

(8) the Grow New Jersey Assistance Program established pursuant to section 3 of P.L.2011, c.149 (C.34:1B-244);

(9) section 6 of P.L.2010, c.57 (C.34:1B-209.4);

(10) the State Economic Redevelopment and Growth Grant program established pursuant to section 5 of P.L.2009, c.90 (C.52:27D-489e);

(11) section 1 of P.L.2018, c.56 (C.54:10A-5.39b);

(12) section 2 of P.L.2018, c.56 (C.54A:4-12b);

(13) the "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.);

(14) the “Garden State Film and Digital Media Jobs Act,” P.L.2018, c.56 (C.54:10A-5.39b et al.); **[**and**]**

(15) sections 3 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110); and

(16) sections 1 through 4 of P.L. , c. (C.) (pending before the Legislature as this bill).

(cf: P.L.2025, c.127, s.11)

7. This act shall take effect immediately but shall remain inoperative for 90 days following the date of enactment.

STATEMENT

This bill authorizes $2.5 billion in tax credits for certain economic development purposes, including up to $300 million in tax credits to support the development of certain sports and entertainment projects and the remaining amount of additional tax credits for the New Jersey Aspire (Aspire) Program and Emerge Program.

Sports and Entertainment Projects

The bill would make available up to $300 million in tax credits for sports and entertainment projects. Under the bill, a developer seeking tax credits for a sports and entertainment project would generally be subject to the same requirements and conditions as apply to redevelopment projects under the Aspire Program, except as otherwise specified in the bill.

The bill defines a sports and entertainment project to include a project with a project cost of at least $50,000,000, which project consists of the renovation of a sports and entertainment facility, whether publicly or privately owned or operated. A sports and entertainment facility is defined as a facility that is an arena that: (1) is used primarily for live sports or entertainment performances, games, contests, or other events; (2) has a seating capacity of at least 15,000 individuals; and (3) has been operating for at least 15 years in a city of the first class, as classified under N.J.S.40A:6-4, that contains an international airport.

Application Deadline and Fees

The bill requires a developer seeking tax credits for a sports and entertainment project to submit an application to the New Jersey Economic Development Authority (authority) before June 30, 2027. Under current law, the deadline to submit applications under the Aspire Program is March 1, 2029.

Additionally, the bill provides that any fees imposed by the authority for a sports and entertainment project, including application fees, are required to be equal to the amount of the fees imposed for a transformative project under the Aspire Program.

Phased Sports and Entertainment Project

Under the bill, a sports and entertainment project may be completed in a maximum of five phases. If the project is completed in phases, the bill requires the developer of the project to enter into a sports and entertainment project phase agreement with the authority for each phase. The bill provides that a sports and entertainment project phase agreement is a sub-agreement of the incentive award agreement that governs the timing, capital investment, and other applicable details concerning each respective phase of a sports and entertainment project.

Additionally, the bill provides that for a sports and entertainment project completed in phases, each phase is required to have a separate eligibility period, and the developer is required to contribute capital of no less than 20 percent of the project costs for each phase. Under the bill, the developer of the project may elect a separate eligibility period for each phase of no less than five years. After completing each phase, the bill requires the developer to submit a certification to the authority attesting that the phase is completed. If the authority approves the certification, the bill provides that the tax credit certificate allowed to the developer would be increased by the tax credit amount corresponding to that phase.

However, notwithstanding the different eligibility periods for each phase, the bill provides that all conditions and requirements applicable during an eligibility period for any phase of the project

would apply to the entire sports and entertainment project until the end of the eligibility period for the last phase.

Sports and Entertainment Project Completion Deadline

Under the bill, a sports and entertainment project is required to be completed, and the developer is required to have completed its expenditure of eligible project costs, within six years of executing the incentive award agreement, except that the authority may, in its discretion, extend this deadline by up to one additional year.

The bill also provides that for a sports and entertainment project completed in phases, the final phase of the sports and entertainment project is required to be completed, and the developer is required to have completed its expenditure of eligible project costs, within 10 years of executing the incentive award agreement or the sports and entertainment phase agreement corresponding to the first phase of the sports and entertainment project, whichever was executed later.

Project Financing Gap

As required under the Aspire Program, the bill requires the developer of a sports and entertainment project to demonstrate a project financing gap, subject to review by the authority. However, for the purposes of a sports and entertainment project, the bill provides that the "project financing gap" is defined as follows: the part of the total project cost, including reasonable and appropriate return on investment, that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, developer contributed capital, which may not be less than 20 percent of the total project cost, and investor or financial entity capital or loans for which the developer, after making all good faith efforts to raise additional capital, certifies that additional capital cannot be raised from other sources based on incremental revenue generated at the facility by the sports and entertainment project on a non-recourse basis on market terms.

The bill also requires the authority to conduct an analysis of the developer's project financing gap in lieu of determining whether the developer’s actual rate of return on investment exceeds the reasonable and appropriate rate of return on investment at the time of board approval. The bill requires this analysis to be conducted in the same manner as the analysis conducted under the Aspire Program, except as otherwise provided in this bill, including the guidelines developed by the authority under this bill.

Gross Economic Benefit Analysis

The bill requires the developer of a sports and entertainment project to undergo a State fiscal impact analysis, conducted by the authority, to ensure that the gross economic benefit of the sports and entertainment facility to the State over the duration of the commitment period is at least 150 percent of the overall public

assistance provided to the sports and entertainment project. In determining the gross economic benefits of the sports and entertainment facility, the bill requires the authority to consider the direct and indirect benefits to the State, including local taxes that may benefit the State, as well as all such benefits to the State that result from the sports and entertainment facility over the duration of the commitment period. The authority may include induced benefits to the State in its analysis, including benefits derived from construction. Under the bill, the requirement to undergo this economic benefit analysis is imposed in lieu of the requirement for the developer of the project to undergo the net positive benefit test, as otherwise required under the Aspire Program.

The bill defines the "commitment period" as the period beginning with the commencement of the eligibility period of a sports and entertainment project, or for a sports and entertainment project completed in phases, beginning with the commencement of the phase in which more than 50 percent of the sports and entertainment project is completed, which period continues until the end of period of time used to determine the gross economic benefit. Under the bill, the commitment period is required to be evidenced by the submission of a copy of a lease for the property that, at a minimum, meets the duration of the commitment period.

Community Benefits Agreement

Under current law, the Aspire Program requires the developer of certain projects with a project cost of at least $10 million to enter into a community benefits agreement with the authority and the county or municipality in which the redevelopment project is located, with certain exceptions.

Instead, this bill requires the developer of a sports and entertainment project, without exception, to enter into a community benefits agreement with the authority and the municipality in which the project is located, following at least one previously advertised public hearing held by the municipality. The bill requires the community benefits agreement to provide for the creation of a community advisory committee to oversee the implementation of the agreement, monitor successes, ensure compliance with the terms of the agreement, and produce an annual public report. Under the bill, the community advisory committee is required to be comprised of representatives of diverse community groups and residents of the municipality in which the project is located.

The bill also authorizes the authority to rescind an award or recapture all or part of any tax credits awarded if: (1) the community advisory committee's annual report determines that the developer of a sports and entertainment project is not in compliance with the terms of the community benefits agreement; or (2) the developer of a sports and entertainment project fails to provide a

certification at the time the developer submits its annual report to the authority, as required under the Aspire Program, under the penalty of perjury, that it is in compliance with the terms of the community benefits agreement.

Workforce Development Agreement

In addition to the requirements imposed under the Aspire Program, the bill also requires the developer of a sports and entertainment project to enter into a workforce development agreement that includes the provision of opportunities for workforce hiring, training, or apprenticeship, or other measures determined appropriate by the authority.

Under the bill, a workforce development agreement is defined as a contractual relationship, as approved by the authority, over the term of the commitment period, which may be renewed annually, between a developer and a New Jersey-based: public or private university or college; public or private high school; workforce development organization; vocational or technical school or institution; labor organization, business, or employer association, or nonprofit organization that provides workforce training, apprenticeship, and career development services; entities or consortia consisting of any of the aforementioned entities that develop and deliver workforce training programs; or any combination thereof.

However, the bill provides that a co-applicant may execute the workforce development agreement on behalf of the developer. Under the bill, a co-applicant may include any entity that: (1) is exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, or is a governmental entity; (2) contributes or contributed capital, real property, or services related to the project that directly affect and serve the anticipated residents, tenants, or customers of the tenants of the project; and (3) enters into an agreement with the developer that specifies the co-applicant's participation in the redevelopment project.

Prevailing Wage Requirements

The bill provides that during the commitment period, each worker employed to perform construction work at the sports and entertainment facility is required to be paid not less than the prevailing wage rate for the worker's craft or trade. In addition, the bill provides that during the commitment period, each worker employed to perform building services work at the sports and entertainment facility, whether pursuant to contract by the developer or a commercial tenant, commercial subtenant, or other commercial occupant, is required to be paid not less than the prevailing wage rate for the worker's craft or trade.

Green Building Standards

In addition to the requirements imposed under the Aspire Program, the bill provides that a sports and entertainment project is required to exceed the standards established by the authority in accordance with the green building manual prepared by the Commissioner of Community Affairs regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction. The bill also provides that the replacement or retrofitting of existing components and infrastructure at the sports and entertainment facility as part of the sports and entertainment project is required to result in a material reduction, as determined by the authority, of the energy usage, greenhouse gas emissions, and co-pollutant emissions for the components and infrastructure replaced.

Tax Credit Award – Sports and Entertainment Project

Under the bill, the developer of a sports and entertainment project may receive a total tax credit award equal to 80 percent of the eligible project cost of the project or $300 million, whichever is less. However, the bill provides that for a sports and entertainment project that is completed in phases, the value of tax credits awarded for any single phase may not exceed $95 million, provided that any eligible project costs, including the corresponding developer contributed capital, that could not be included in a phase due to the limitations of this bill may be included in a subsequent phase.

Additional Tax Credits – Aspire and Emerge Programs

Under current law, the total value of tax credits that may be awarded under the Aspire Program, Emerge Program, and certain other economic development programs is limited to $11.5 billion over a nine-year period. The law also limits the amount of tax credits that may be annually awarded under each program during certain years within that nine-year period. This bill increases the maximum total value of tax credits that may be awarded during this period to $14 billion.

The bill authorizes an additional $1.25 billion in tax credits for the Aspire and Emerge Programs during each of the seventh and eighth years of the nine-year period, of which a total of up to $300 million is authorized for sports and entertainment projects, and which tax credits are authorized in addition to any amounts otherwise available for these purposes. The bill also provides that after the nine-year period, any uncommitted balance of tax credits available from this authorization may be available to be deployed by the authority in subsequent years for projects under those programs until all tax credits have been committed.

In addition, the bill amends current law to clarify that if a transfer of tax credits is made to transformative projects approved

under the Aspire Program, from the amounts otherwise available under the Aspire Program or Emerge Program, the limitations based on location of a transformative project in certain counties are independent of the restrictions that apply to the award of tax credits otherwise available under the Aspire Program and Emerge Program.

State Purchase of Unused Tax Credits

Under current law, the Director of the Division of Taxation in the Department of the Treasury (director) is required to purchase unused tax credits awarded under certain specified economic development programs. This bill also requires the director to purchase unused tax credits awarded for sports and entertainment projects. Specifically, the bill requires the director to pay an amount equal to 85 percent of the credit amount, provided that the issuance date of the tax credit certificate or tax credit transfer certificate to the developer or the holder of such certificate occurred at least one year prior to the date of application to the director.