

P.L. 2025, CHAPTER 313, *approved January 20, 2026*
Senate, No. 4135 (*Third Reprint*)

1 **AN ACT** concerning certain redevelopment projects under the New
2 Jersey Aspire Program and amending P.L.2020, c.156.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 ¹**[**1. Section 55 of P.L.2020, c.156 (C.34:1B-323) is amended to
8 read as follows:

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

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

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

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

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

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

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

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 SEG committee amendments adopted May 22, 2025.

²Assembly ACE committee amendments adopted November 24, 2025.

³Assembly AAP committee amendments adopted January 8, 2026.

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

13 "Commercial project" means a redevelopment project, other than
14 an institutional project, which is predominantly commercial and, if
15 located in a government-restricted municipality, contains 25,000 or
16 more square feet, or if located in any other municipality, contains
17 50,000 or more square feet of office and retail space, industrial
18 space, or film studios, professional stages, television studios,
19 recording studios, screening rooms, or other infrastructure for film
20 production, and may include a parking component. The term
21 "commercial project" includes a redevelopment project comprised
22 solely of a health care or health services center, which contains not
23 less than 10,000 square feet devoted to health care or health
24 services, and which may include a parking component.

25 "Developer" means a person who enters or proposes to enter into
26 an incentive award agreement pursuant to the provisions of section
27 60 of P.L.2020, c.156 (C.34:1B-328), including, but not limited, to
28 a lender that completes a redevelopment project, operates a
29 redevelopment project, or completes and operates a redevelopment
30 project.

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

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

42 "Economic development incentive" means a financial incentive,
43 awarded by the authority, or agreed to between the authority and a
44 business or person, for the purpose of stimulating economic
45 development or redevelopment in New Jersey, including, but not
46 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
47 credit, or other tax expenditure.

1 "Eligibility period" means the period not to exceed 15 years for a
2 commercial or mixed-use project or the period not to exceed 10
3 years for a residential project specified in an incentive award
4 agreement during which a developer may claim a tax credit under
5 the program, as such period shall be determined by the authority
6 pursuant to subsection b. of section 60 of P.L.2020, c.156 (C.34:1B-
7 328).

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

14 "Environmental remediation costs" means any costs incurred by
15 a developer in the completion of any actions necessary to
16 investigate, clean up, or respond to a known, suspected, or
17 threatened discharge of contaminants, including, as necessary, the
18 preliminary assessment, site investigation, remedial investigation,
19 and remedial action, pursuant to sections 23 through 43 and section
20 45 of P.L.1993, c.139 (C.58:10B-1 et seq.).

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

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

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

46 "Health care or health services center" means an establishment
47 that consists of not less than 10,000 square feet devoted to health
48 care or health services, where patients are admitted for or seek

1 examination and treatment by one or more physicians, dentists,
2 psychologists, or other medical practitioners, and which is located
3 in a municipality with a Municipal Revitalization Index distress
4 score of at least 50, a distressed municipality, or a qualified
5 incentive tract.

6 "Hospitality establishment" means a hotel, motel, or any
7 business, however organized, that sells food, beverages, or both for
8 consumption by patrons on the premises.

9 "Incentive area" means an aviation district; a port district; an
10 area designated pursuant to the "State Planning Act," P.L.1985,
11 c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan),
12 Planning Area 2 (Suburban), or a Designated Center, provided an
13 area designated as Planning Area 2 (Suburban) or a Designated
14 Center shall be located within a one-half mile radius of the mid-
15 point, with bicycle and pedestrian connectivity, of a New Jersey
16 Transit Corporation, Port Authority Transit Corporation, or Port
17 Authority Trans-Hudson Corporation rail, bus, or ferry station,
18 including all light rail stations, or a high-frequency bus stop as
19 certified by the New Jersey Transit Corporation; an area designated
20 as a brownfield site pursuant to the "Brownfield and Contaminated
21 Site Remediation Act," sections 23 through 43 and section 45 of
22 P.L.1993, c.139 (C.58:10B-1 et seq.); and an area of not less than
23 100 acres for which a licensed site remediation professional has
24 certified environmental remediation costs, as defined in this section
25 and in accordance with the "Site Remediation Reform Act,"
26 sections 1 through 29 of P.L.2009, c.60 (C.58:10C-1 et seq.), in an
27 amount not less than \$10,000,000, provided that any portion of such
28 area is located in an area that otherwise qualifies as an incentive
29 area.

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

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

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

47 "Individuals with special needs" means individuals with mental
48 illness, individuals with physical or developmental disabilities, and

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

6 "Institutional project" means a redevelopment project that is
7 developed by, or in affiliation with, a public or private institution of
8 higher education, and for which 51 percent of the square footage of
9 the project is dedicated for the use of qualified research and
10 development.

11 "Labor harmony agreement" means an agreement between a
12 business that serves as the owner or operator of a retail
13 establishment, hospitality establishment, or distribution center and
14 one or more labor organizations, which requires, for the duration of
15 the agreement: that any participating labor organization and its
16 members agree to refrain from picketing, work stoppages, boycotts,
17 or other economic interference against the business; and that the
18 business agrees to maintain a neutral posture with respect to efforts
19 of any participating labor organization to represent employees at an
20 establishment or other unit in the retail establishment, hospitality
21 establishment, or distribution center, agrees to permit the labor
22 organization to have access to the employees, and agrees to
23 guarantee to the labor organization the right to obtain recognition as
24 the exclusive collective bargaining representatives of the employees
25 in an establishment or unit at the retail establishment, hospitality
26 establishment, or distribution center by demonstrating to the New
27 Jersey State Board of Mediation, Division of Private Employment
28 Dispute Settlement, or a mutually agreed-upon, neutral, third party
29 that a majority of workers in the unit have shown their preference
30 for the labor organization to be their representative by signing
31 authorization cards indicating that preference. The labor
32 organization or organizations shall be from a list of labor
33 organizations which have requested to be on the list and which the
34 Commissioner of Labor and Workforce Development has
35 determined represent substantial numbers of retail establishment,
36 hospitality establishment, or distribution center employees in the
37 State.

38 "Low-income housing" means housing affordable according to
39 federal Department of Housing and Urban Development or other
40 recognized standards for home ownership and rental costs and
41 occupied or reserved for occupancy by households with a gross
42 household income equal to 50 percent or less of the median gross
43 household income for households of the same size within the
44 housing region in which the housing is located.

45 "Major cultural institution" means a public or nonprofit
46 institution, not including an institution of higher education, within
47 this State that engages in the cultural, intellectual, scientific,
48 environmental, educational, or artistic enrichment of the people of

1 this State, and which institution is designated by the board as a
2 major cultural institution.

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

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

14 "Moderate-income housing" means housing affordable according
15 to federal Department of Housing and Urban Development or other
16 recognized standards for home ownership and rental costs and
17 occupied or reserved for occupancy by households with a gross
18 household income equal to more than 50 percent, but less than 80
19 percent, of the median gross household income for households of
20 the same size within the housing region in which the housing is
21 located.

22 "Municipal Revitalization Index" means the index by the
23 Department of Community Affairs ranking New Jersey's
24 municipalities according to eight separate indicators that measure
25 diverse aspects of social, economic, physical, and fiscal conditions
26 in each locality.

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

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

32 b. a 15-mile radius of the outermost boundary of each marine
33 terminal facility established, acquired, constructed, rehabilitated, or
34 improved by the South Jersey Port District established pursuant to
35 "The South Jersey Port Corporation Act," P.L.1968, c.60
36 (C.12:11A-1 et seq.).

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

39 "Project cost" means the costs incurred in connection with a
40 redevelopment project by a developer until the issuance of a
41 permanent certificate of occupancy, or until such other time
42 specified by the authority, for a specific investment or
43 improvement, including the costs relating to lands, except the cost
44 of acquiring such lands, buildings, improvements, real or personal
45 property, or any interest therein, including leases discounted to
46 present value, including lands under water, riparian rights, space
47 rights, and air rights acquired, owned, developed or redeveloped,
48 constructed, reconstructed, rehabilitated, or improved, any

1 environmental remediation costs, plus costs not directly related to
2 construction, including capitalized interest paid to third parties, of
3 an amount not to exceed 20 percent of the total costs and the cost of
4 infrastructure improvements, including ancillary infrastructure
5 projects. When 100 percent of the residential units constructed in a
6 residential project are reserved for occupancy by low- and
7 moderate-income households, the term "project cost" shall also
8 include the developer fees paid before acquiring permanent
9 financing, as well as the deferred developer fees approved pursuant
10 to the rules established by the agency. The fees associated with the
11 application or administration of a grant under sections 54 through
12 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) shall not
13 constitute a project cost. For an institutional project, the term
14 "project cost" shall also include the construction and completion of:
15 research workspaces; meeting, classroom, dining, and dormitory
16 spaces; and common areas, including, but not limited to, hallways,
17 utility rooms, storage areas, and parking components.

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

40 "Project labor agreement" means a form of pre-hire collective
41 bargaining agreement covering terms and conditions of a specific
42 project that satisfies the requirements set forth in section 5 of
43 P.L.2002, c.44 (C.52:38-5).

44 "Qualified incentive tract" means (i) a population census tract
45 having a poverty rate of 20 percent or more; or (ii) a census tract in
46 which the median family income for the census tract does not
47 exceed 80 percent of the greater of the Statewide median family

1 income or the median family income of the metropolitan statistical
2 area in which the census tract is situated.

3 "Qualified research and development" means research and
4 development activities undertaken within a priority industry,
5 including, but not limited to, technology, artificial intelligence,
6 software development, financial services, financial services
7 technology, film and digital media, advanced manufacturing,
8 gaming, pharmaceuticals, biotechnology, transportation, logistics,
9 and renewable energy.

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

16 "Reasonable and appropriate return on investment" means the
17 discount rate at which the present value of the future cash flows of
18 an investment equals the cost of the investment. In determining the
19 "reasonable and appropriate return on investment," an investment
20 shall not include any federal, State, or local tax credits. For a
21 residential project that utilizes federal low-income housing tax
22 credits awarded by the agency, the "reasonable and appropriate
23 return on investment" shall be based on the approval of deferred
24 developer fees pursuant to the rules established by the agency. In
25 the event that a residential project, which utilizes federal low-
26 income housing tax credits awarded by the agency, generates
27 returns on equity other than federal or local grants or proceeds from
28 the sale of federal or local tax credits, the "reasonable and
29 appropriate return on investment" shall be based on both the
30 discount rate at which the present value of the future cash flows of
31 an investment equal the cost of the investment for the entire project,
32 and when evaluating only the units financed with federal low-
33 income housing tax credits awarded by the agency, the approval of
34 deferred developer fees pursuant to the rules established by the
35 agency.

36 "Redevelopment project" means a specific construction project
37 or improvement or phase of a project or improvement undertaken
38 by a developer, owner or tenant, or both, and any ancillary
39 infrastructure project. A redevelopment project may involve
40 construction or improvement upon lands, buildings, improvements,
41 or real and personal property, or any interest therein, including
42 lands under water, riparian rights, space rights, and air rights,
43 acquired, owned, developed or redeveloped, constructed,
44 reconstructed, rehabilitated, or improved.

45 "Residential project" means a redevelopment project, other than
46 an institutional project, that is predominantly residential, intended
47 for multi-family residency, and may include a parking component.

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

3 "SDA municipality" means a municipality in which an SDA
4 district is situated.

5 "Technology startup company" means a for-profit business that
6 has been in operation fewer than seven years at the time that it
7 initially occupies or expands in a qualified business facility and is
8 developing or possesses a proprietary technology or business
9 method of a high technology or life science-related product,
10 process, or service, which proprietary technology or business
11 method the business intends to move to commercialization. The
12 business shall be deemed to have begun operation on the date that
13 the business first hired at least one employee in a full-time position.

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

19 "Tourism destination project" means a non-gaming business
20 facility that will be among the most visited privately owned or
21 operated tourism or recreation sites in the State, and which has been
22 determined by the authority to be in an area appropriate for
23 development and in need of economic development incentive
24 assistance, including a non-gaming business within an established
25 Tourism District with a significant impact on the economic viability
26 of that district.

27 "Transit hub" means an urban transit hub, as defined in section 2
28 of P.L.2007, c.346 (C.34:1B-208), that is located within an eligible
29 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
30 208) and is located within a qualified incentive area.

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

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

44 (cf: P.L.2023, c.98, s.1)]¹

45

46 ²[¹1. Section 55 of P.L.2020, c.156 (C.34:1B-323) is amended to
47 read as follows:

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

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

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

7 "Aviation district" means all areas within the boundaries of the
8 Atlantic City International Airport, established pursuant to section 24
9 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
10 Administration William J. Hughes Technical Center and the area
11 within a one-mile radius of the outermost boundary of the Atlantic
12 City International Airport and the Federal Aviation Administration
13 William J. Hughes Technical Center, and the Trenton-Mercer Airport,
14 established pursuant to R.S.40:8-2 and the area within a one-mile
15 radius of the outermost boundary of the Trenton-Mercer Airport.

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

19 "Building services" means any cleaning or routine building
20 maintenance work, including but not limited to sweeping, vacuuming,
21 floor cleaning, cleaning of rest rooms, collecting refuse or trash,
22 window cleaning, securing, patrolling, or other work in connection
23 with the care or securing of an existing building, including services
24 typically provided by a door-attendant or concierge. "Building
25 services" shall not include any skilled maintenance work, professional
26 services, or other public work for which a contractor is required to pay
27 the "prevailing wage" as defined in section 2 of P.L.1963, c.150
28 (C.34:11-56.26).

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

33 "Collaborative workspace" means coworking, accelerator,
34 incubator, or other shared working environments that promote
35 collaboration, interaction, socialization, and coordination among
36 tenants through the clustering of multiple businesses or individuals.
37 For this purpose, the collaborative workspace shall be the greater of:
38 2,500 of dedicated square feet or 10 percent of the total property on
39 which the redevelopment project is situated. The collaborative
40 workspace shall include a community manager, be focused on
41 collaboration among the community members, and include regularly
42 scheduled education events for the community members. The
43 collaborative workspace shall also include a physical open space that
44 supports the engagement of its community members.

45 "Commercial project" means a redevelopment project, other than
46 an institutional project, which is predominantly commercial and, if
47 located in a government-restricted municipality, contains 25,000 or
48 more square feet, or if located in any other municipality, contains

1 50,000 or more square feet of office and retail space, industrial space,
2 or film studios, professional stages, television studios, recording
3 studios, screening rooms, or other infrastructure for film production,
4 and may include a parking component. The term "commercial
5 project" includes a redevelopment project comprised solely of a health
6 care or health services center, which contains not less than 10,000
7 square feet devoted to health care or health services, and which may
8 include a parking component. The term "commercial project" also
9 includes an industrial space that is predominantly used for warehouse
10 distribution or fulfillment centers if the eligible project cost includes at
11 least \$10,000,000 in environmental remediation costs.

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

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

20 "Distressed municipality" means a municipality that is qualified to
21 receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
22 municipality under the supervision of the Local Finance Board
23 pursuant to the provisions of the "Local Government Supervision Act
24 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
25 identified by the Director of the Division of Local Government
26 Services in the Department of Community Affairs to be facing serious
27 fiscal distress, a SDA municipality, or a municipality in which a major
28 rail station is located.

29 "Economic development incentive" means a financial incentive,
30 awarded by the authority, or agreed to between the authority and a
31 business or person, for the purpose of stimulating economic
32 development or redevelopment in New Jersey, including, but not
33 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
34 credit, or other tax expenditure.

35 "Eligibility period" means the period not to exceed 10 years, as
36 specified in an incentive award agreement during which a developer
37 may claim a tax credit under the program, as such period shall be
38 determined by the authority pursuant to subsection b. of section 60 of
39 P.L.2020, c.156 (C.34:1B-328), provided that a developer may elect a
40 period not to exceed five years for a project located in a government-
41 restricted municipality or for a special mission non-profit project.

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

1 "Environmental remediation costs" means any costs incurred by a
2 developer in the completion of any actions necessary to investigate,
3 clean up, or respond to a known, suspected, or threatened discharge of
4 contaminants, including, as necessary, the preliminary assessment, site
5 investigation, remedial investigation, and remedial action, pursuant to
6 sections 23 through 43 and section 45 of P.L.1993, c.139 (C.58:10B-1
7 et seq.).

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

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

19 "Government-restricted municipality" means a municipality in this
20 State with a municipal revitalization index distress score of at least 75,
21 that met the criteria for designation as an urban aid municipality in the
22 2019 State fiscal year, and that, on the effective date of P.L.2020,
23 c.156 (C.34:1B-269 et al.), is subject to financial restrictions imposed
24 pursuant to the "Municipal Stabilization and Recovery Act," P.L.2016,
25 c.4 (C.52:27BBBB-1 et seq.), or is restricted in its ability to levy
26 property taxes on property in that municipality as a result of the State
27 of New Jersey owning or controlling property representing at least 25
28 percent of the total land area of the municipality or as a result of the
29 federal government of the United States owning or controlling at least
30 50 acres of the total land area of the municipality, which is dedicated
31 as a national natural landmark. The term "government-restricted
32 municipality" also includes any municipality that: has a population
33 greater than 50,000 and less than 60,000 according to the latest federal
34 decennial census, is designated as the county seat of a county of the
35 second class with a population greater than 800,000 according to the
36 latest federal decennial census, and has an MRI distress score of 62.1;
37 has a population greater than 70,000 and less than 100,000 according
38 to the latest federal decennial census, is designated as the county seat
39 of a county of the second class with a population greater than 515,000
40 and less than 525,000 according to the latest federal decennial census,
41 and has an MRI distress score of 100; or contains the intersection of
42 Interstate 280 and the Garden State Parkway, and corresponding land
43 areas occupied by such highways under the ownership or control of the
44 federal government of the United States or of this State within its
45 municipal boundary, and has an MRI distress score of 55.5.

46 "Health care or health services center" means an establishment that
47 consists of not less than 10,000 square feet devoted to health care or
48 health services, where patients are admitted for or seek examination

1 and treatment by one or more physicians, dentists, psychologists, or
2 other medical practitioners, and which is located in a municipality with
3 an MRI distress score of at least 50, a distressed municipality, or a
4 qualified incentive tract.

5 "Hospitality establishment" means a hotel, motel, or any business,
6 however organized, that sells food, beverages, or both for consumption
7 by patrons on the premises.

8 "Incentive area" means an aviation district; a port district; an area
9 designated pursuant to the "State Planning Act," P.L.1985, c.398
10 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan), Planning
11 Area 2 (Suburban), or a Designated Center under the State
12 Development and Redevelopment Plan; an area designated as a
13 brownfield site pursuant to the "Brownfield and Contaminated Site
14 Remediation Act," sections 23 through 43 and section 45 of P.L.1993,
15 c.139 (C.58:10B-1 et seq.); and an area of not less than 100 acres for
16 which a licensed site remediation professional has certified
17 environmental remediation costs, as defined in this section and in
18 accordance with the "Site Remediation Reform Act," sections 1
19 through 29 of P.L.2009, c.60 (C.58:10C-1 et seq.), in an amount not
20 less than \$10,000,000, provided that any portion of such area is located
21 in an area that otherwise qualifies as an incentive area.

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

26 "Incentive award agreement" means the contract executed between
27 a developer and the authority pursuant to section 60 of P.L.2020, c.156
28 (C.34:1B-328), which sets forth the terms and conditions under which
29 the developer may receive the incentive awards authorized pursuant to
30 the provisions of sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
31 322 through 34:1B-335).

32 "Incubator facility" means a commercial property, which contains
33 5,000 or more square feet of office, laboratory, or industrial space,
34 which is located near, and presents opportunities for collaboration
35 with, a research institution, teaching hospital, college, or university,
36 and within which at least 75 percent of the gross leasable area is
37 restricted for use by one or more technology startup companies.

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

45 "Institutional project" means a redevelopment project that is
46 developed by, or in affiliation with, a public or private institution of
47 higher education, and for which 51 percent of the square footage of the
48 project is dedicated for the use of qualified research and development.

1 "Labor harmony agreement" means an agreement between a
2 business that serves as the owner or operator of a retail establishment,
3 hospitality establishment, or distribution center and one or more labor
4 organizations, which requires, for the duration of the agreement: that
5 any participating labor organization and its members agree to refrain
6 from picketing, work stoppages, boycotts, or other economic
7 interference against the business; and that the business agrees to
8 maintain a neutral posture with respect to efforts of any participating
9 labor organization to represent employees at an establishment or other
10 unit in the retail establishment, hospitality establishment, or
11 distribution center, agrees to permit the labor organization to have
12 access to the employees, and agrees to guarantee to the labor
13 organization the right to obtain recognition as the exclusive collective
14 bargaining representatives of the employees in an establishment or unit
15 at the retail establishment, hospitality establishment, or distribution
16 center by demonstrating to the New Jersey State Board of Mediation,
17 Division of Private Employment Dispute Settlement, or a mutually
18 agreed-upon, neutral, third party that a majority of workers in the unit
19 have shown their preference for the labor organization to be their
20 representative by signing authorization cards indicating that
21 preference. The labor organization or organizations shall be from a list
22 of labor organizations which have requested to be on the list and which
23 the Commissioner of Labor and Workforce Development has
24 determined represent substantial numbers of retail establishment,
25 hospitality establishment, or distribution center employees in the State.

26 "Low-income housing" means housing affordable according to
27 federal Department of Housing and Urban Development or other
28 recognized standards for home ownership and rental costs and
29 occupied or reserved for occupancy by households with a gross
30 household income equal to 50 percent or less of the median gross
31 household income for households of the same size within the housing
32 region in which the housing is located.

33 "Major cultural institution" means a public or nonprofit institution,
34 not including an institution of higher education, within this State that
35 engages in the cultural, intellectual, scientific, environmental,
36 educational, or artistic enrichment of the people of this State, and
37 which institution is designated by the board as a major cultural
38 institution.

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

43 "Minimum environmental and sustainability standards" means
44 standards established by the authority in accordance with the green
45 building manual prepared by the Commissioner of Community Affairs
46 pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6), regarding
47 the use of renewable energy, energy-efficient technology, and non-

1 renewable resources to reduce environmental degradation and
2 encourage long-term cost reduction.

3 "Moderate-income housing" means housing affordable according
4 to federal Department of Housing and Urban Development or other
5 recognized standards for home ownership and rental costs and
6 occupied or reserved for occupancy by households with a gross
7 household income equal to more than 50 percent, but less than 80
8 percent, of the median gross household income for households of the
9 same size within the housing region in which the housing is located.

10 "MRI distress score" means a municipal revitalization index
11 distress score, as documented in the 2023 Municipal Revitalization
12 Index developed by the Department of Community Affairs.

13 "Municipal Revitalization Index" means the index by the
14 Department of Community Affairs ranking New Jersey's
15 municipalities according to eight separate indicators that measure
16 diverse aspects of social, economic, physical, and fiscal conditions in
17 each locality.

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

20 the "Port of New York District" of the Port Authority of New York
21 and New Jersey, as defined in Article II of the Compact Between the
22 States of New York and New Jersey of 1921; or

23 a 15-mile radius of the outermost boundary of each marine
24 terminal facility established, acquired, constructed, rehabilitated, or
25 improved by the South Jersey Port District established pursuant to
26 "The South Jersey Port Corporation Act," P.L.1968, c.60 (C.12:11A-1
27 et seq.).

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

30 "Project cost" or "eligible project cost" means the costs incurred in
31 connection with a redevelopment project by a developer until the
32 issuance of a permanent certificate of occupancy, or until such other
33 time specified by the authority, for a specific investment or
34 improvement, including the costs relating to lands, except the cost of
35 acquiring such lands, buildings, improvements, real or personal
36 property, or any interest therein, including leases discounted to present
37 value, including lands under water, riparian rights, space rights, and air
38 rights acquired, owned, developed or redeveloped, constructed,
39 reconstructed, rehabilitated, or improved, any environmental
40 remediation costs, plus costs not directly related to construction,
41 including capitalized interest paid to third parties, of an amount not to
42 exceed 20 percent of the total costs and the cost of infrastructure
43 improvements, including ancillary infrastructure projects. When 100
44 percent of the residential units constructed in a residential project are
45 reserved for occupancy by low- and moderate-income households, the
46 term "project cost" shall also include the developer fees paid before
47 acquiring permanent financing, as well as the deferred developer fees
48 approved pursuant to the rules established by the agency. In addition

1 to the foregoing, the term "project cost" shall include, for a
2 redevelopment project located in a government-restricted municipality,
3 land costs in an amount not to exceed 20 percent of the eligible project
4 cost. The fees associated with the application or administration of a
5 grant under sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
6 through 34:1B-335) shall not constitute a project cost. For an
7 institutional project, the term "project cost" shall also include the
8 construction and completion of: research workspaces; meeting,
9 classroom, dining, and dormitory spaces; and common areas,
10 including, but not limited to, hallways, utility rooms, storage areas,
11 and parking components.

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

33 "Project labor agreement" means a form of pre-hire collective
34 bargaining agreement covering terms and conditions of a specific
35 project that satisfies the requirements set forth in section 5 of
36 P.L.2002, c.44 (C.52:38-5).

37 "Qualified incentive tract" means a population census tract having
38 a poverty rate of 20 percent or more or a census tract in which the
39 median family income for the census tract does not exceed 80 percent
40 of the greater of the Statewide median family income or the median
41 family income of the metropolitan statistical area in which the census
42 tract is situated.

43 "Qualified research and development" means research and
44 development activities undertaken within a priority industry,
45 including, but not limited to, technology, artificial intelligence,
46 software development, financial services, financial services
47 technology, film and digital media, advanced manufacturing, gaming,

1 pharmaceuticals, biotechnology, transportation, logistics, and
2 renewable energy.

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

9 "Reasonable and appropriate return on investment" means the
10 discount rate at which the present value of the future cash flows of an
11 investment equals the cost of the investment. In determining the
12 "reasonable and appropriate return on investment," an investment shall
13 not include any federal, State, or local tax credits. For a residential
14 project that utilizes federal low-income housing tax credits awarded by
15 the agency, the "reasonable and appropriate return on investment"
16 shall be based on the approval of deferred developer fees pursuant to
17 the rules established by the agency. In the event that a residential
18 project, which utilizes federal low-income housing tax credits awarded
19 by the agency, generates returns on equity other than federal or local
20 grants or proceeds from the sale of federal or local tax credits, the
21 "reasonable and appropriate return on investment" shall be based on
22 both the discount rate at which the present value of the future cash
23 flows of an investment equal the cost of the investment for the entire
24 project, and when evaluating only the units financed with federal low-
25 income housing tax credits awarded by the agency, the approval of
26 deferred developer fees pursuant to the rules established by the
27 agency.

28 "Redevelopment project" means a specific construction project or
29 improvement or phase of a project or improvement undertaken by a
30 developer, owner or tenant, or both, and any ancillary infrastructure
31 project. A redevelopment project may involve construction or
32 improvement upon lands, buildings, improvements, or real and
33 personal property, or any interest therein, including lands under water,
34 riparian rights, space rights, and air rights, acquired, owned, developed
35 or redeveloped, constructed, reconstructed, rehabilitated, or improved.

36 "Residential project" means a redevelopment project, other than an
37 institutional project, that is predominantly residential, intended for
38 multi-family residency, and may include a parking component.

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

41 "SDA municipality" means a municipality in which an SDA
42 district is situated.

43 "Special mission non-profit project" means a project located in a
44 government-restricted municipality or in an enhanced area that: serves
45 a special mission, as determined by the authority, to accomplish the
46 public purpose of a non-profit that is a developer of or is affiliated
47 with the project and includes no more than 100 units of 100 percent
48 supportive housing units for tenants requiring special needs or social

1 services, which social services may include licensed social workers,
2 and no more than 25,000 square feet of commercial space for the
3 provision of on-site social service programs that require a license from
4 the Department of Children and Families as a licensed child care
5 center. Special mission non-profit projects shall be exempt from the
6 net benefit test requirement, affordable housing requirements, and the
7 requirement to provide a market study as part of its application to the
8 authority.

9 "Technology startup company" means a for-profit business that has
10 been in operation fewer than seven years at the time that it initially
11 occupies or expands in a qualified business facility and is developing
12 or possesses a proprietary technology or business method of a high
13 technology or life science-related product, process, or service, which
14 proprietary technology or business method the business intends to
15 move to commercialization. The business shall be deemed to have
16 begun operation on the date that the business first hired at least one
17 employee in a full-time position.

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

23 "Tourism destination project" means a non-gaming business
24 facility that will be among the most visited privately owned or
25 operated tourism or recreation sites in the State, and which has been
26 determined by the authority to be in an area appropriate for
27 development and in need of economic development incentive
28 assistance, including a non-gaming business within an established
29 Tourism District with a significant impact on the economic viability of
30 that district.

31 "Transit hub" means an urban transit hub, as defined in section 2 of
32 P.L.2007, c.346 (C.34:1B-208), that is located within an eligible
33 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-208)
34 and is located within a qualified incentive area.

35 "Transit hub municipality" means a Transit Village or a
36 municipality: which qualifies for State aid pursuant to P.L.1978, c.14
37 (C.52:27D-178 et seq.), or which has continued to be a qualified
38 municipality thereunder pursuant to P.L.2007, c.111, and in which 30
39 percent or more of the value of real property was exempt from local
40 property taxation during tax year 2006. The percentage of exempt
41 property shall be calculated by dividing the total exempt value by the
42 sum of the net valuation which is taxable and that which is tax exempt.

43 "Transit Village" means a municipality that has been designated as
44 a transit village by the Commissioner of Transportation and the Transit
45 Village Task Force.¹

46 (cf: P.L.2025, c.2, s.1)]²

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

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

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

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

10 "Aviation district" means all areas within the boundaries of the
11 Atlantic City International Airport, established pursuant to section
12 24 of P.L.1991, c.252 (C.27:25A-24), and the Federal Aviation
13 Administration William J. Hughes Technical Center and the area
14 within a one-mile radius of the outermost boundary of the Atlantic
15 City International Airport and the Federal Aviation Administration
16 William J. Hughes Technical Center, and the Trenton-Mercer
17 Airport, established pursuant to R.S.40:8-2 and the area within a
18 one-mile radius of the outermost boundary of the Trenton-Mercer
19 Airport.

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

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

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

37 "Collaborative workspace" means coworking, accelerator,
38 incubator, or other shared working environments that promote
39 collaboration, interaction, socialization, and coordination among
40 tenants through the clustering of multiple businesses or individuals.
41 For this purpose, the collaborative workspace shall be the greater
42 of: 2,500 of dedicated square feet or 10 percent of the total property
43 on which the redevelopment project is situated. The collaborative
44 workspace shall include a community manager, be focused on
45 collaboration among the community members, and include
46 regularly scheduled education events for the community members.
47 The collaborative workspace shall also include a physical open
48 space that supports the engagement of its community members.

1 "Commercial project" means a redevelopment project, other than
2 an institutional project, which is predominantly commercial and, if
3 located in a government-restricted municipality, contains 25,000 or
4 more square feet, or if located in any other municipality, contains
5 50,000 or more square feet of office and retail space, industrial
6 space, or film studios, professional stages, television studios,
7 recording studios, screening rooms, or other infrastructure for film
8 production, and may include a parking component. The term
9 "commercial project" includes a redevelopment project comprised
10 solely of a health care or health services center, which contains not
11 less than 10,000 square feet devoted to health care or health
12 services, and which may include a parking component. The term
13 "commercial project" also includes an industrial space that is
14 predominantly used for warehouse distribution or fulfillment
15 centers if the eligible project cost includes at least \$10,000,000 in
16 environmental remediation costs.

17 "Developer" means a person who enters or proposes to enter into
18 an incentive award agreement pursuant to the provisions of section
19 60 of P.L.2020, c.156 (C.34:1B-328), including, but not limited, to
20 a lender that completes a redevelopment project, operates a
21 redevelopment project, or completes and operates a redevelopment
22 project.

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

25 ³["Distressed hospital project" means a health care or health
26 services center, hospital, or hospital system that: operates a
27 minimum of four general acute care hospitals licensed pursuant to
28 P.L.1971, c.136 (C.26:2H-1 et seq.); incurred average annual costs
29 of not less than \$250,000 for the provision of charity care services,
30 not including the value of charity care subsidies or reimbursements
31 received through any governmental assistance program, as
32 measured by the five most recent calendar years, immediately
33 preceding the date of application for the program, for which audited
34 financial statements are available; and is owned or leased by an
35 organization that is exempt from federal taxation pursuant to
36 paragraph (3) of subsection (c) of section 501 of the federal Internal
37 Revenue Code of 1986, 26 U.S.C. s.501(c)(3), including any
38 wholly-owned subsidiary thereof, which organization or subsidiary
39 has filed a bankruptcy petition pursuant to Title 11 of the United
40 States Code.]³

41 "Distressed municipality" means a municipality that is qualified
42 to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
43 municipality under the supervision of the Local Finance Board
44 pursuant to the provisions of the "Local Government Supervision
45 Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality
46 identified by the Director of the Division of Local Government
47 Services in the Department of Community Affairs to be facing

1 serious fiscal distress, a SDA municipality, or a municipality in
2 which a major rail station is located.

3 "Economic development incentive" means a financial incentive,
4 awarded by the authority, or agreed to between the authority and a
5 business or person, for the purpose of stimulating economic
6 development or redevelopment in New Jersey, including, but not
7 limited to, a bond, grant, loan, loan guarantee, matching fund, tax
8 credit, or other tax expenditure.

9 "Eligibility period" means the period not to exceed 10 years, as
10 specified in an incentive award agreement during which a developer
11 may claim a tax credit under the program, as such period shall be
12 determined by the authority pursuant to subsection b. of section 60
13 of P.L.2020, c.156 (C.34:1B-328), provided that a developer may
14 elect a period not to exceed five years for a project located in a
15 government-restricted municipality or for a special mission non-
16 profit project ³【or a distressed hospital project】, and further
17 provided that a developer of an institutional project may elect a
18 period not to exceed five years in combination with an additional
19 period of continued compliance for five years³.

20 "Enhanced area" means (1) a municipality that contains an urban
21 transit hub, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
22 208); (2) the five municipalities with the highest poverty rates
23 according to the 2017 Municipal Revitalization Index; and (3) the
24 three municipalities with the highest percentage of SNAP recipients
25 according to the 2017 Municipal Revitalization Index.

26 "Environmental remediation costs" means any costs incurred by
27 a developer in the completion of any actions necessary to
28 investigate, clean up, or respond to a known, suspected, or
29 threatened discharge of contaminants, including, as necessary, the
30 preliminary assessment, site investigation, remedial investigation,
31 and remedial action, pursuant to sections 23 through 43 and section
32 45 of P.L.1993, c.139 (C.58:10B-1 et seq.).

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

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

44 "Government-restricted municipality" means a municipality in
45 this State with a municipal revitalization index distress score of at
46 least 75, that met the criteria for designation as an urban aid
47 municipality in the 2019 State fiscal year, and that, on the effective
48 date of P.L.2020, c.156 (C.34:1B-269 et al.), is subject to financial

1 restrictions imposed pursuant to the "Municipal Stabilization and
2 Recovery Act," P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is
3 restricted in its ability to levy property taxes on property in that
4 municipality as a result of the State of New Jersey owning or
5 controlling property representing at least 25 percent of the total land
6 area of the municipality or as a result of the federal government of
7 the United States owning or controlling at least 50 acres of the total
8 land area of the municipality, which is dedicated as a national
9 natural landmark. The term "government-restricted municipality"
10 also includes any municipality that: has a population greater than
11 50,000 and less than 60,000 according to the latest federal decennial
12 census, is designated as the county seat of a county of the second
13 class with a population greater than 800,000 according to the latest
14 federal decennial census, and has an MRI distress score of 62.1; has
15 a population greater than 70,000 and less than 100,000 according to
16 the latest federal decennial census, is designated as the county seat
17 of a county of the second class with a population greater than
18 515,000 and less than 525,000 according to the latest federal
19 decennial census, and has an MRI distress score of 100; or contains
20 the intersection of Interstate 280 and the Garden State Parkway, and
21 corresponding land areas occupied by such highways under the
22 ownership or control of the federal government of the United States
23 or of this State within its municipal boundary, and has an MRI
24 distress score of 55.5.

25 "Health care or health services center" means an establishment
26 that consists of not less than 10,000 square feet devoted to health
27 care or health services, where patients are admitted for or seek
28 examination and treatment by one or more physicians, dentists,
29 psychologists, or other medical practitioners and which is located in
30 a municipality with an MRI distress score of at least 50, a distressed
31 municipality, or a qualified incentive tract or is located on land
32 owned by the federal government of the United States on or before
33 December 31, 2005.

34 "Hospitality establishment" means a hotel, motel, or any
35 business, however organized, that sells food, beverages, or both for
36 consumption by patrons on the premises.

37 "Incentive area" means an aviation district; a port district; an
38 area designated pursuant to the "State Planning Act," P.L.1985,
39 c.398 (C.52:18A-196 et seq.), as Planning Area 1 (Metropolitan),
40 Planning Area 2 (Suburban), or a Designated Center under the State
41 Development and Redevelopment Plan; an area designated as a
42 brownfield site pursuant to the "Brownfield and Contaminated Site
43 Remediation Act," sections 23 through 43 and section 45 of
44 P.L.1993, c.139 (C.58:10B-1 et seq.); and an area of not less than
45 100 acres for which a licensed site remediation professional has
46 certified environmental remediation costs, as defined in this section
47 and in accordance with the "Site Remediation Reform Act,"
48 sections 1 through 29 of P.L.2009, c.60 (C.58:10C-1 et seq.), in an

1 amount not less than \$10,000,000, provided that any portion of such
2 area is located in an area that otherwise qualifies as an incentive
3 area.

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

8 "Incentive award agreement" means the contract executed
9 between a developer and the authority pursuant to section 60 of
10 P.L.2020, c.156 (C.34:1B-328), which sets forth the terms and
11 conditions under which the developer may receive the incentive
12 awards authorized pursuant to the provisions of sections 54 through
13 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335).

14 "Incubator facility" means a commercial property, which
15 contains 5,000 or more square feet of office, laboratory, or
16 industrial space, which is located near, and presents opportunities
17 for collaboration with, a research institution, teaching hospital,
18 college, or university, and within which at least 75 percent of the
19 gross leasable area is restricted for use by one or more technology
20 startup companies.

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

28 "Institutional project" means a redevelopment project that is
29 developed by, or in affiliation with, an institution of higher
30 education with a research activity designation of Research 1 (R1) or
31 Research 2 (R2) from the Carnegie Classification of Institutions of
32 Higher Education, ³[and for which] provided that: no more than
33 five percent of the square footage of the project shall be leased or
34 subleased to any entity other than the institution of higher education
35 occupying the redevelopment project; and³ 51 percent of the square
36 footage of the project is dedicated for the use of qualified research
37 and development.

38 "Labor harmony agreement" means an agreement between a
39 business that serves as the owner or operator of a retail
40 establishment, hospitality establishment, or distribution center and
41 one or more labor organizations, which requires, for the duration of
42 the agreement: that any participating labor organization and its
43 members agree to refrain from picketing, work stoppages, boycotts,
44 or other economic interference against the business; and that the
45 business agrees to maintain a neutral posture with respect to efforts
46 of any participating labor organization to represent employees at an
47 establishment or other unit in the retail establishment, hospitality
48 establishment, or distribution center, agrees to permit the labor

1 organization to have access to the employees, and agrees to
2 guarantee to the labor organization the right to obtain recognition as
3 the exclusive collective bargaining representatives of the employees
4 in an establishment or unit at the retail establishment, hospitality
5 establishment, or distribution center by demonstrating to the New
6 Jersey State Board of Mediation, Division of Private Employment
7 Dispute Settlement, or a mutually agreed-upon, neutral third party
8 that a majority of workers in the unit have shown their preference
9 for the labor organization to be their representative by signing
10 authorization cards indicating that preference. The labor
11 organization or organizations shall be from a list of labor
12 organizations which have requested to be on the list and which the
13 Commissioner of Labor and Workforce Development has
14 determined represent substantial numbers of retail establishment,
15 hospitality establishment, or distribution center employees in the
16 State.

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

24 "Major cultural institution" means a public or nonprofit
25 institution, not including an institution of higher education, within
26 this State that engages in the cultural, intellectual, scientific,
27 environmental, educational, or artistic enrichment of the people of
28 this State, and which institution is designated by the board as a
29 major cultural institution.

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

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

41 "Moderate-income housing" means housing affordable according
42 to federal Department of Housing and Urban Development or other
43 recognized standards for home ownership and rental costs and
44 occupied or reserved for occupancy by households with a gross
45 household income equal to more than 50 percent, but less than 80
46 percent, of the median gross household income for households of
47 the same size within the housing region in which the housing is
48 located.

1 "MRI distress score" means a municipal revitalization index
2 distress score, as documented in the 2023 Municipal Revitalization
3 Index developed by the Department of Community Affairs.

4 "Municipal Revitalization Index" means the index by the
5 Department of Community Affairs ranking New Jersey's
6 municipalities according to eight separate indicators that measure
7 diverse aspects of social, economic, physical, and fiscal conditions
8 in each locality.

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

11 the "Port of New York District" of the Port Authority of New
12 York and New Jersey, as defined in Article II of the Compact
13 Between the States of New York and New Jersey of 1921; or

14 a 15-mile radius of the outermost boundary of each marine
15 terminal facility established, acquired, constructed, rehabilitated, or
16 improved by the South Jersey Port District established pursuant to
17 "The South Jersey Port Corporation Act," P.L.1968, c.60
18 (C.12:11A-1 et seq.).

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

21 "Project cost" or "eligible project cost" means the costs incurred
22 in connection with a redevelopment project by a developer until the
23 issuance of a permanent certificate of occupancy, or until such other
24 time specified by the authority, for a specific investment or
25 improvement, including the costs relating to lands, except the cost
26 of acquiring such lands, buildings, improvements, real or personal
27 property, or any interest therein, including leases discounted to
28 present value, including lands under water, riparian rights, space
29 rights, and air rights acquired, owned, developed or redeveloped,
30 constructed, reconstructed, rehabilitated, or improved, any
31 environmental remediation costs, plus costs not directly related to
32 construction, including capitalized interest paid to third parties, of
33 an amount not to exceed 20 percent of the total costs and the cost of
34 infrastructure improvements, including ancillary infrastructure
35 projects. When 100 percent of the residential units constructed in a
36 residential project are reserved for occupancy by low- and
37 moderate-income households, the term "project cost" shall also
38 include the developer fees paid before acquiring permanent
39 financing, as well as the deferred developer fees approved pursuant
40 to the rules established by the agency. In addition to the foregoing,
41 the term "project cost" shall include, for a redevelopment project
42 located in a government-restricted municipality ³or for a distressed
43 hospital project ³, land costs in an amount not to exceed 20 percent
44 of the eligible project cost. The fees associated with the application
45 or administration of a grant under sections 54 through 67 of
46 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) shall not
47 constitute a project cost. For an institutional project, the term
48 "project cost" shall also include the construction and completion of:

1 research workspaces; meeting, classroom, dining, and dormitory
2 spaces; and common areas, including, but not limited to, hallways,
3 utility rooms, storage areas, and parking components.

4 "Project financing gap" means the part of the total project cost,
5 including reasonable and appropriate return on investment, that
6 remains to be financed after all other sources of capital have been
7 accounted for, including, but not limited to developer contributed
8 capital, which shall not be less than 20 percent of the total project
9 cost, and investor or financial entity capital or loans for which the
10 developer, after making all good faith efforts to raise additional
11 capital, certifies that additional capital cannot be raised from other
12 sources on a non-recourse basis, provided, however, that for a
13 redevelopment project located in a government-restricted
14 municipality, the developer contributed capital shall not be less than
15 10 percent of the total project cost. Developer contributed capital
16 may consist of cash, deferred development fees, costs for project
17 feasibility incurred within the 12 months prior to application,
18 property value less any mortgages when the developer owns the
19 project site, and any other investment by the developer in the
20 project deemed acceptable by the authority, as provided by
21 regulations promulgated by the authority. Property value shall be
22 valued at the lesser of: (i) the purchase price, provided the property
23 was purchased pursuant to an arm's length transaction within 12
24 months of application; or (ii) the value as determined by a current
25 appraisal.

26 "Project labor agreement" means a form of pre-hire collective
27 bargaining agreement covering terms and conditions of a specific
28 project that satisfies the requirements set forth in section 5 of
29 P.L.2002, c.44 (C.52:38-5).

30 "Qualified incentive tract" means a population census tract
31 having a poverty rate of 20 percent or more or a census tract in
32 which the median family income for the census tract does not
33 exceed 80 percent of the greater of the Statewide median family
34 income or the median family income of the metropolitan statistical
35 area in which the census tract is situated.

36 "Qualified research and development" means research and
37 development activities undertaken within a priority industry,
38 including, but not limited to, technology, artificial intelligence,
39 software development, financial services, financial services
40 technology, film and digital media, advanced manufacturing,
41 gaming, pharmaceuticals, biotechnology, transportation, logistics,
42 and renewable energy.

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

1 "Reasonable and appropriate return on investment" means the
2 discount rate at which the present value of the future cash flows of
3 an investment equals the cost of the investment. In determining the
4 "reasonable and appropriate return on investment," an investment
5 shall not include any federal, State, or local tax credits. For a
6 residential project that utilizes federal low-income housing tax
7 credits awarded by the agency, the "reasonable and appropriate
8 return on investment" shall be based on the approval of deferred
9 developer fees pursuant to the rules established by the agency. In
10 the event that a residential project, which utilizes federal low-
11 income housing tax credits awarded by the agency, generates
12 returns on equity other than federal or local grants or proceeds from
13 the sale of federal or local tax credits, the "reasonable and
14 appropriate return on investment" shall be based on both the
15 discount rate at which the present value of the future cash flows of
16 an investment equal the cost of the investment for the entire project,
17 and when evaluating only the units financed with federal low-
18 income housing tax credits awarded by the agency, the approval of
19 deferred developer fees pursuant to the rules established by the
20 agency.

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

30 "Residential project" means a redevelopment project, other than
31 an institutional project, that is predominantly residential, intended
32 for multi-family residency, and may include a parking component.

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

35 "SDA municipality" means a municipality in which an SDA
36 district is situated.

37 "Special mission non-profit project" means a project located in a
38 government-restricted municipality or in an enhanced area that:
39 serves a special mission, as determined by the authority, to
40 accomplish the public purpose of a non-profit that is a developer of
41 or is affiliated with the project and includes no more than 100 units
42 of 100 percent supportive housing units for tenants requiring special
43 needs or social services, which social services may include licensed
44 social workers, and no more than 25,000 square feet of commercial
45 space for the provision of on-site social service programs that
46 require a license from the Department of Children and Families as a
47 licensed child care center. Special mission non-profit projects shall
48 be exempt from the net benefit test requirement, affordable housing

1 requirements, and the requirement to provide a market study as part
2 of its application to the authority.

3 "Technology startup company" means a for-profit business that
4 has been in operation fewer than seven years at the time that it
5 initially occupies or expands in a qualified business facility and is
6 developing or possesses a proprietary technology or business
7 method of a high technology or life science-related product,
8 process, or service, which proprietary technology or business
9 method the business intends to move to commercialization. The
10 business shall be deemed to have begun operation on the date that
11 the business first hired at least one employee in a full-time position.

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

17 "Tourism destination project" means a non-gaming business
18 facility that will be among the most visited privately owned or
19 operated tourism or recreation sites in the State, and which has been
20 determined by the authority to be in an area appropriate for
21 development and in need of economic development incentive
22 assistance, including a non-gaming business within an established
23 Tourism District with a significant impact on the economic viability
24 of that district.

25 "Transit hub" means an urban transit hub, as defined in section 2
26 of P.L.2007, c.346 (C.34:1B-208), that is located within an eligible
27 municipality, as defined in section 2 of P.L.2007, c.346 (C.34:1B-
28 208) and is located within a qualified incentive area.

29 "Transit hub municipality" means a Transit Village or a
30 municipality: which qualifies for State aid pursuant to P.L.1978,
31 c.14 (C.52:27D-178 et seq.), or which has continued to be a
32 qualified municipality thereunder pursuant to P.L.2007, c.111, and
33 in which 30 percent or more of the value of real property was
34 exempt from local property taxation during tax year 2006. The
35 percentage of exempt property shall be calculated by dividing the
36 total exempt value by the sum of the net valuation which is taxable
37 and that which is tax exempt.

38 "Transit Village" means a municipality that has been designated
39 as a transit village by the Commissioner of Transportation and the
40 Transit Village Task Force.²

41 (cf: P.L.2025, c.127, s.13)

42
43 ¹2. Section 57 of P.L.2020, c.156 (C.34:1B-325) is amended to
44 read as follows:

45 57. a. Prior to March 1, 2029, a developer shall be eligible to
46 receive an incentive award for a redevelopment project only if the
47 developer demonstrates to the authority at the time of application
48 that:

- 1 (1) without the incentive award, the redevelopment project is not
2 economically feasible;
- 3 (2) a project financing gap exists, or the authority determines
4 that the redevelopment project will generate a below market rate of
5 return;
- 6 (3) the redevelopment project, except a film studio, professional
7 stage, television studio, recording studio, screening room, or other
8 infrastructure used for film production, is located in the incentive
9 area;
- 10 (4) except for demolition and site remediation activities, the
11 developer has not commenced any construction at the site of the
12 redevelopment project prior to submitting an application, unless the
13 authority determines that the redevelopment project would not be
14 completed otherwise or, in the event the redevelopment project is to
15 be undertaken in phases, the requested incentive award is limited to
16 only phases for which construction has not yet commenced;
- 17 (5) the redevelopment project shall comply with minimum
18 environmental and sustainability standards;
- 19 (6) the redevelopment project shall comply with the authority's
20 affirmative action requirements, adopted pursuant to section 4 of
21 P.L.1979, c.303 (C.34:1B-5.4);
- 22 (7) (a) during the eligibility period, each worker employed to
23 perform construction work at the redevelopment project shall be
24 paid not less than the prevailing wage rate for the worker's craft or
25 trade, as determined by the Commissioner of Labor and Workforce
26 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
27 and P.L.2005, c.379 (C.34:11-56.58 et seq.);
28 (b) during the eligibility period, each worker employed to
29 perform building services work at the redevelopment project,
30 whether pursuant to contract by the developer or a commercial
31 tenant, commercial subtenant, or other commercial occupant, shall
32 be paid not less than the prevailing wage rate for the worker's craft
33 or trade, as determined by the Commissioner of Labor and
34 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
35 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.), except
36 that this requirement shall not apply to workers employed to
37 perform building services work by a commercial tenant, commercial
38 subtenant, or other commercial occupant that has a leasehold
39 interest or other occupancy right in a redevelopment project, which
40 leasehold interest or other occupancy right encompasses less than
41 5,000 square feet of space within the project. The developer shall
42 include in all commercial leases or other commercial occupancy
43 agreements, and shall require that all subleases or other commercial
44 occupancy agreements applicable to the redevelopment project
45 include, a provision setting forth the requirements of this
46 subparagraph, which provision shall be in a form acceptable to the
47 authority. Notwithstanding any provisions of law to the contrary, if
48 a commercial tenant, commercial subtenant, or other commercial

1 occupant violates this provision due to the underpayment of the
2 required prevailing wage rate, then the issuance of tax credits to the
3 developer and any co-applicant shall be delayed until such time as
4 documentation demonstrating compliance has been provided to the
5 Commissioner of Labor and Workforce Development, subsequently
6 reviewed and approved by the Commissioner of Labor and
7 Workforce Development, and verified by the authority, which
8 reviews and verification shall be completed. If a violation is not
9 cured, or is not capable of being cured, within one year of receipt of
10 notice of the violation, then the developer and any co-applicant
11 shall forfeit 50 percent of the tax credits otherwise authorized for
12 the tax period in which the notice of violation was issued. If the
13 violation is not cured on or before the conclusion of that tax period,
14 the developer and any co-applicant shall forfeit up to 100 percent of
15 the tax credits otherwise authorized, as determined by the authority,
16 in each subsequent tax period until the first tax period for which
17 documentation demonstrating compliance has been provided to the
18 Commissioner of Labor and Workforce Development, subsequently
19 reviewed and approved by the Commissioner of Labor and
20 Workforce Development, and verified by the authority, which
21 reviews and verifications shall be completed. In this event, the
22 developer and any co-applicant shall be allowed the full tax credit
23 amount beginning in the tax period in which documentation of
24 compliance was reviewed and approved by the Commissioner of
25 Labor and Workforce Development and verified by the authority,
26 including each subsequent tax period in which the tax credits are
27 otherwise authorized;

28 (c) in the event a redevelopment project, or any portion thereof,
29 is undertaken by a tenant pursuant to a contract and the tenant has a
30 leasehold of more than 55 percent of space in the building owned or
31 controlled by the developer, the requirement that each worker
32 employed to perform building service work at the building be paid
33 not less than the prevailing wage shall apply to the entire building,
34 except as otherwise provided in subparagraph (b) of this paragraph
35 for commercial tenants, commercial subtenants, or other
36 commercial occupants with a leasehold interest or other occupancy
37 right encompassing less than 5,000 square feet;

38 (8) (a) the redevelopment project shall be completed, and the
39 developer shall be issued a certificate of occupancy for the
40 redevelopment project facilities by the applicable enforcing agency,
41 within four years of executing the incentive award agreement, or in
42 the case of a redevelopment project with a project cost in excess of
43 \$50,000,000, the incentive phase agreement corresponding to the
44 redevelopment project; or

45 (b) in the discretion of the authority, a redevelopment project
46 with a project cost in excess of \$50,000,000, and that is authorized
47 to be completed in phases, may be allowed no more than six years
48 from the date on which the incentive award agreement is executed

1 to be issued a certificate of occupancy by the applicable
2 enforcement agency;

3 (9) the developer has complied with all requirements for filing
4 tax and information returns and for paying or remitting required
5 State taxes and fees by submitting, as a part of the application, a tax
6 clearance certificate, as described in section 1 of P.L.2007, c.101
7 (C.54:50-39); and

8 (10) the developer is not more than 24 months in arrears at the
9 time of application.

10 b. In addition to the requirements set forth in subsection a. of
11 this section, for a commercial project to qualify for an incentive
12 award, the developer shall demonstrate that the developer shall
13 contribute capital of at least 20 percent of the total project cost, or
14 at least \$30,000,000 for an institutional project, except that if a
15 redevelopment project is located in a government-restricted
16 municipality, the developer shall contribute capital of at least 10
17 percent of the total project cost.

18 c. In addition to the requirements set forth in subsection a. of
19 this section, for a residential project or a commercial project
20 comprised solely of a health care or health service center to qualify
21 for an incentive award, the residential project or health care or
22 health service center shall:

23 (1) have a total project cost of at least \$17,500,000, if the project
24 is located in a municipality with a population greater than 200,000
25 according to the latest federal decennial census;

26 (2) have a total project cost of at least \$10,000,000 if the project
27 is located in a municipality with a population less than 200,000
28 according to the latest federal decennial census; or

29 (3) have a total project cost of at least \$5,000,000 if the project is
30 in a qualified incentive tract or government-restricted municipality.

31 d. In addition to the requirements set forth in subsections a. and
32 c. of this section, for a residential project consisting of newly-
33 constructed residential units to qualify for an incentive award, the
34 developer shall reserve at least 20 percent of the residential units
35 constructed for occupancy by low- and moderate-income
36 households with affordability controls as adopted by the authority,
37 in consultation with the agency, in accordance with paragraph (2) of
38 subsection a. of section 56 of P.L.2020, c.156 (C.34:1B-324),
39 except that a residential project receiving a federal historic
40 rehabilitation tax credit pursuant to section 47 of the federal
41 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit
42 pursuant to the "Historic Property Reinvestment Act," sections 2
43 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
44 shall be exempt from the affordability controls related to bedroom
45 distribution.

46 e. Prior to the board considering an application submitted by a
47 developer, the authority shall confirm with the Department of Labor
48 and Workforce Development, the Department of Environmental

1 Protection, and the Department of the Treasury whether the
2 developer is in substantial good standing with the respective
3 department, or has entered into an agreement with the respective
4 department that includes a practical corrective action plan for the
5 developer. The developer shall certify that any contractors or
6 subcontractors that will perform work at the redevelopment project:
7 (1) are registered as required by "The Public Works Contractor
8 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have
9 not been debarred by the Department of Labor and Workforce
10 Development from engaging in or bidding on Public Works
11 Contracts in the State; and (3) possess a tax clearance certificate
12 issued by the Division of Taxation in the Department of the
13 Treasury. The authority may also contract with an independent
14 third party to perform a background check on the developer.
15 (cf: P.L.2023, c.98, s.3)]¹

16
17 ¹2. Section 57 of P.L.2020, c.156 (C.34:1B-325) is amended to
18 read as follows:

19 57. a. Prior to March 1, 2029, a developer shall be eligible to
20 receive an incentive award for a redevelopment project only if the
21 developer demonstrates to the authority at the time of application
22 that:

23 (1) without the incentive award, the redevelopment project is
24 not economically feasible;

25 (2) a project financing gap exists, or the authority determines
26 that the redevelopment project will generate a below market rate of
27 return;

28 (3) the redevelopment project, except a film studio, professional
29 stage, television studio, recording studio, screening room, or other
30 infrastructure used for film production or a special mission non-
31 profit project, is located in the incentive area;

32 (4) except for demolition and site remediation activities, the
33 developer has not commenced any construction at the site of the
34 redevelopment project prior to submitting an application, unless the
35 authority determines that the redevelopment project would not be
36 completed otherwise or, in the event the redevelopment project is to
37 be undertaken in phases, the requested incentive award is limited to
38 only phases for which construction has not yet commenced;

39 (5) the redevelopment project shall comply with minimum
40 environmental and sustainability standards;

41 (6) the redevelopment project shall comply with the authority's
42 affirmative action requirements, adopted pursuant to section 4 of
43 P.L.1979, c.303 (C.34:1B-5.4);

44 (7) (a) during the eligibility period, each worker employed to
45 perform construction work at the redevelopment project shall be
46 paid not less than the prevailing wage rate for the worker's craft or
47 trade, as determined by the Commissioner of Labor and Workforce

1 Development pursuant to P.L.1963, c.150 (C.34:11-56.25 et seq.)
2 and P.L.2005, c.379 (C.34:11-56.58 et seq.);
3 (b) during the eligibility period, each worker employed to
4 perform building services work at the redevelopment project,
5 whether pursuant to contract by the developer or a commercial
6 tenant, commercial subtenant, or other commercial occupant, shall
7 be paid not less than the prevailing wage rate for the worker's craft
8 or trade, as determined by the Commissioner of Labor and
9 Workforce Development pursuant to P.L.1963, c.150 (C.34:11-
10 56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.), except
11 that this requirement shall not apply to workers employed to
12 perform building services work by a commercial tenant, commercial
13 subtenant, or other commercial occupant that has a leasehold
14 interest or other occupancy right in a redevelopment project, which
15 leasehold interest or other occupancy right encompasses less than
16 5,000 square feet of space within the project. The developer shall
17 include in all commercial leases or other commercial occupancy
18 agreements, and shall require that all subleases or other commercial
19 occupancy agreements applicable to the redevelopment project
20 include, a provision setting forth the requirements of this
21 subparagraph, which provision shall be in a form acceptable to the
22 authority. Notwithstanding any provisions of law to the contrary, if
23 a commercial tenant, commercial subtenant, or other commercial
24 occupant violates this provision due to the underpayment of the
25 required prevailing wage rate, then the issuance of tax credits to the
26 developer and any co-applicant shall be delayed until such time as
27 documentation demonstrating compliance has been provided to the
28 Commissioner of Labor and Workforce Development, subsequently
29 reviewed and approved by the Commissioner of Labor and
30 Workforce Development, and verified by the authority, which
31 reviews and verification shall be completed. If a violation is not
32 cured, or is not capable of being cured, within one year of receipt of
33 notice of the violation, then the developer and any co-applicant
34 shall forfeit 50 percent of the tax credits otherwise authorized for
35 the tax period in which the notice of violation was issued. If the
36 violation is not cured on or before the conclusion of that tax period,
37 the developer and any co-applicant shall forfeit up to 100 percent of
38 the tax credits otherwise authorized, as determined by the authority,
39 in each subsequent tax period until the first tax period for which
40 documentation demonstrating compliance has been provided to the
41 Commissioner of Labor and Workforce Development, subsequently
42 reviewed and approved by the Commissioner of Labor and
43 Workforce Development, and verified by the authority, which
44 reviews and verifications shall be completed. In this event, the
45 developer and any co-applicant shall be allowed the full tax credit
46 amount beginning in the tax period in which documentation of
47 compliance was reviewed and approved by the Commissioner of
48 Labor and Workforce Development and verified by the authority,

1 including each subsequent tax period in which the tax credits are
 2 otherwise authorized. The requirement of this subparagraph shall
 3 not apply to the residential tenants or residential subtenants of a
 4 redevelopment project;

5 (c) in the event a redevelopment project, or any portion thereof,
 6 is undertaken by a tenant pursuant to a contract and the tenant has a
 7 leasehold of more than 55 percent of space in the building owned or
 8 controlled by the developer, the requirement that each worker
 9 employed to perform building service work at the building be paid
 10 not less than the prevailing wage shall apply to the entire building,
 11 except as otherwise provided in subparagraph (b) of this paragraph
 12 for commercial tenants, commercial subtenants, or other
 13 commercial occupants with a leasehold interest or other occupancy
 14 right encompassing less than 5,000 square feet. The requirement of
 15 this subparagraph shall not apply to the residential tenants or
 16 residential subtenants of a redevelopment project;

17 (8) (a) the redevelopment project shall be completed, and the
 18 developer shall be issued a certificate of occupancy for the
 19 redevelopment project facilities by the applicable enforcing agency,
 20 within four years of executing the incentive award agreement, or in
 21 the case of a redevelopment project with a project cost in excess of
 22 \$50,000,000, the incentive phase agreement corresponding to the
 23 redevelopment project; or

24 (b) in the discretion of the authority, a redevelopment project
 25 with a project cost in excess of \$50,000,000, and that is authorized
 26 to be completed in phases, may be allowed no more than six years
 27 from the date on which the incentive award agreement is executed
 28 to be issued a certificate of occupancy by the applicable
 29 enforcement agency;

30 (9) the developer has complied with all requirements for filing
 31 tax and information returns and for paying or remitting required
 32 State taxes and fees by submitting, as a part of the application, a tax
 33 clearance certificate, as described in section 1 of P.L.2007, c.101
 34 (C.54:50-39); and

35 (10) the developer is not more than 24 months in arrears at the
 36 time of application.

37 b. In addition to the requirements set forth in subsection a. of
 38 this section, for a commercial project to qualify for an incentive
 39 award, the developer shall demonstrate that the developer shall
 40 contribute capital of at least 20 percent of the total project cost, or
 41 at least \$30,000,000 for an institutional project, ³whichever is
 42 greater, ³ except that ³[²; ²] if a redevelopment project is located in
 43 a government-restricted municipality, the developer shall contribute
 44 capital of at least 10 percent of the total project cost ³[²; or if the
 45 redevelopment project is a distressed hospital project, the developer
 46 shall not be subject to the requirements of this subsection²]³.

47 c. In addition to the requirements set forth in subsection a. of
 48 this section, for a residential project or a commercial project

1 comprised solely of a health care or health service center to qualify
2 for an incentive award, the residential project or health care or
3 health service center shall:

4 (1) have a total project cost of at least \$17,500,000, if the project
5 is located in a municipality with a population greater than 200,000
6 according to the latest federal decennial census;

7 (2) have a total project cost of at least \$10,000,000 if the project
8 is located in a municipality with a population less than 200,000
9 according to the latest federal decennial census; or

10 (3) have a total project cost of at least \$5,000,000 if the project is
11 in a qualified incentive tract or government-restricted municipality.

12 d. In addition to the requirements set forth in subsections a. and
13 c. of this section, for a residential project consisting of newly-
14 constructed residential units to qualify for an incentive award, the
15 developer shall reserve at least 20 percent of the residential units
16 constructed for occupancy by low- and moderate-income
17 households with affordability controls as adopted by the authority,
18 in consultation with the agency, in accordance with paragraph (2) of
19 subsection a. of section 56 of P.L.2020, c.156 (C.34:1B-324),
20 except that a residential project receiving a federal historic
21 rehabilitation tax credit pursuant to section 47 of the federal
22 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit
23 pursuant to the "Historic Property Reinvestment Act," sections 2
24 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
25 shall be exempt from the affordability controls related to bedroom
26 distribution.

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

44 f. Beginning on the fourth year of the eligibility period for a
45 commercial project, and through the conclusion of the eligibility
46 period, if the average occupancy rate of the commercial project is
47 less than 60 percent during any applicable tax period, the developer
48 and co-applicant shall forfeit all credits otherwise allowed for the

1 tax period and for each subsequent tax period until the authority
 2 verifies documentation, submitted by the developer or co-applicant,
 3 demonstrating that the average occupancy rate has reached or
 4 surpassed 60 percent for the tax period. The full amount of credit
 5 shall be allowed to a developer and any co-applicant for the tax
 6 period in which the average occupancy rate reaches or surpasses 60
 7 percent. Occupancy for the tax period shall be determined by the
 8 average of the monthly occupancy for the applicable tax period.
 9 The occupancy requirement in this subsection shall not apply to
 10 residential projects.¹

11 (cf: P.L.2025, c.2, s.3)

12

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

15 58. a. Prior to March 1, 2029, for redevelopment projects eligible
 16 pursuant to section 57 of P.L.2020, c.156 (C.34:1B-325) for which
 17 a developer is seeking an incentive award for the redevelopment
 18 project, the developer shall submit an application to the authority
 19 and, in the case of a residential project, shall submit an application
 20 to the authority and the agency, in a form and manner prescribed in
 21 regulations adopted by the authority pursuant to section 67 of
 22 P.L.2020, c.156 (C.34:1B-335). The authority shall accept
 23 applications for incentive awards during the grant periods
 24 established pursuant to section 59 of P.L.2020, c.156 (C.34:1B-327)
 25 ³, except that the developer of an institutional project shall submit
 26 an application for an incentive award, in a form and manner
 27 prescribed by the authority, no sooner than April 1, 2026 and no
 28 later than April 1, 2027³.

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

34 c. The authority shall review the project cost, evaluate and
 35 validate the project financing gap estimated by the developer, and
 36 conduct a State fiscal impact analysis to ensure that the overall
 37 public assistance provided to the project will result in a net positive
 38 benefit to the State, provided that the net benefit analysis shall not
 39 apply to capital investment for a food delivery source; a health care
 40 or health services center; an institutional project; ³²a distressed
 41 hospital project;²³ or a residential project. In determining whether
 42 a project will result in a net positive benefit to the State, the
 43 authority shall not consider the value of any taxes exempted,
 44 abated, rebated, or retained under the "Five-Year Exemption and
 45 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), the "Long
 46 Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.),
 47 the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303

1 (C.52:27H-60 **et seq.** et al.), or any other law that has the effect
2 of lowering or eliminating the developer's State or local tax
3 liability. The determination made pursuant to this subsection shall
4 be based on the potential tax liability of the developer without
5 regard for potential tax losses if the developer were to locate in
6 another state. The authority shall assess the cost of these reviews to
7 the applicant. A developer shall pay to the authority the full
8 amount of the direct costs of an analysis concerning the developer's
9 application for a tax credit that a third party retained by the
10 authority performs, if the authority deems such retention to be
11 necessary. The authority shall evaluate the net economic benefits
12 on a present value basis under which the requested tax credit
13 allocation amount is discounted to present value at the same
14 discount rate as the projected benefits from the implementation of
15 the proposed redevelopment project for which an award of tax
16 credits is being sought.

17 d. (1) For a redevelopment project subject to the requirement of
18 subsection c. of this section to be eligible for any tax credits under
19 the program, a developer shall demonstrate to the authority that the
20 award of tax credits will yield a net positive benefit to the State
21 equaling an amount determined by the authority through regulation
22 that exceeds the requested tax credit amount. The developer shall
23 certify, under the penalty of perjury, that all documents submitted,
24 and factual assertions made, to the authority to demonstrate that the
25 award of tax credits will yield a net positive benefit to the State in
26 accordance with this subsection are true and accurate at the time of
27 submission.

28 (2) A redevelopment project located in a government-restricted
29 municipality shall yield a net positive benefit to the State that
30 exceeds the requested tax credit amount, but the net benefit
31 requirement set by the authority for such redevelopment projects
32 may be up to 35 percentage points lower than the net benefit
33 requirement set by the authority for all other eligible redevelopment
34 projects.

35 (3) A commercial project that contains 50,000 or more square
36 feet of space devoted to research or technology focused incubator
37 and conferencing facilities for one or more institutions of higher
38 education or non-profit organizations, and which has a total project
39 cost of not less than \$50 million, shall yield a net positive benefit to
40 the State that exceeds the requested tax credit amount, but the net
41 benefit requirement set by the authority for such redevelopment
42 projects may be up to 35 percentage points lower than the net
43 benefit requirement set by the authority for all other eligible
44 redevelopment projects.

45 (4) A redevelopment project that is predominantly commercial
46 and that receives a federal historic rehabilitation tax credit pursuant
47 to section 47 of the federal Internal Revenue Code of 1986, 26
48 U.S.C. s.47, or a tax credit pursuant to the "Historic Property

1 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156
2 (C.34:1B-270 through 34:1B-276), shall yield a net positive benefit
3 to the State that exceeds the requested tax credit amount, but the net
4 benefit requirement set by the authority for such redevelopment
5 projects may be up to 35 percentage points lower than the net
6 benefit requirement set by the authority for all other eligible
7 redevelopment projects.

8 (5) A commercial project that is located on land owned by the
9 federal government on or before December 31, 2005 shall yield a
10 net positive benefit to the State that exceeds the requested tax credit
11 amount, but the net benefit requirement set by the authority for such
12 redevelopment projects may be up to 35 percentage points lower
13 than the net benefit requirement set by the authority for all other
14 eligible redevelopment projects.

15 (6) A redevelopment project that is undertaken by a major
16 cultural institution to renovate existing space or expand services
17 into additional space, and in which the major cultural institution
18 realizes all returns from the redevelopment project, shall yield a net
19 positive benefit to the State that exceeds the requested tax credit
20 amount, but the net benefit requirement set by the authority for such
21 redevelopment projects may be lower than the net benefit
22 requirement set by the authority for all other eligible redevelopment
23 projects.

24 e. If at any time during the eligibility period the authority
25 determines that the developer made a material misrepresentation on
26 the developer's application, the developer shall forfeit the incentive
27 award.

28 f. If circumstances require a developer to amend its application
29 to the authority, then the developer, or an authorized agent of the
30 developer, shall certify to the authority that the information
31 provided in its amended application is true under the penalty of
32 perjury.

33 (cf: P.L.2023, c.98, s.4)

34

35 ¹4. Section 61 of P.L.2020, c.156 (C.34:1B-329) is amended to
36 read as follows:

37 61. a. Up to the limits established in subsection b. of this section
38 and in accordance with an incentive award agreement, beginning
39 upon the receipt of occupancy permits for any portion of the
40 redevelopment project, or upon any other event evidencing project
41 completion as set forth in the incentive award agreement, a
42 developer shall be allowed a total tax credit that shall not exceed:

43 (1) 80 percent of the total project cost for a redevelopment
44 project that is located in a government-restricted municipality or an
45 institutional project;

46 (2) 60 percent of the total project cost for a residential project
47 that receives a four-percent allocation from the federal Low Income
48 Housing Tax Credit Program administered by the agency or a

1 redevelopment project that is located in a qualified incentive tract,
2 enhanced area, or a municipality with a Municipal Revitalization
3 Index score of at least 50; or

4 (3) 50 percent of the total project cost for any other
5 redevelopment project.

6 b. The value of all tax credits approved by the authority under
7 the program for a redevelopment project phase shall not exceed:

8 (1) \$120,000,000 per redevelopment project or phase for a
9 redevelopment project that is located in a government-restricted
10 municipality or an institutional project;

11 (2) \$90,000,000 per redevelopment project or phase for a
12 redevelopment project that is allowed a tax credit under paragraph
13 (2) of subsection a. of this section; and

14 (3) \$60,000,000 for any other redevelopment project or phase.
15 (cf: P.L.2023, c.98, s.7)]¹

16
17 ²4. Section 60 of P.L.2020, c.156 (C.34:1B-328) is amended to
18 read as follows:

19 60. a. (1) Following approval and selection of an application
20 pursuant to sections 58 and 59 of P.L.2020, c.156 (C.34:1B-326 and
21 C.34:1B-327), the authority shall enter into an incentive award
22 agreement with the developer. The chief executive officer of the
23 authority shall negotiate the terms and conditions of the incentive
24 award agreement on behalf of the State.

25 (2) For a phased project, the incentive phase agreement shall set
26 forth, for each phase of the project and for the total project, the
27 capital investment requirements and the time periods in which each
28 phase of the project shall be commenced and completed. The
29 awarding of tax credits shall be conditioned on the developer's
30 compliance with the requirements of the agreement. A
31 redevelopment project may be completed in phases in accordance
32 with rules adopted by the authority if the redevelopment project has
33 an eligible project cost in excess of \$50,000,000.

34 b. An incentive award agreement shall specify the amount of
35 the incentive award the authority shall award to the developer and
36 the duration of the eligibility period. The duration of the eligibility
37 period shall not exceed 10 years for a commercial project, mixed-
38 use project, or residential project, except that to reduce the total
39 value of tax credits needed to reimburse a developer for all or part
40 of the project financing gap of a redevelopment project, the
41 authority may, in its discretion, approve a duration for the eligibility
42 period that is shorter than the applicable maximum periods. The
43 incentive award agreement shall provide an estimated date of
44 completion and include a requirement for periodic progress reports,
45 including the submittal of executed financing commitments and
46 documents that evidence site control, provided, however, that the
47 developer may sell one or more buildings during the eligibility
48 period, subject to such rules and regulations as may be adopted by

1 the authority. If the authority does not receive periodic progress
2 reports, or if the progress reports demonstrate unsatisfactory
3 progress, then the authority may rescind the incentive award. If the
4 authority rescinds an incentive award in the same calendar year in
5 which the authority approved the incentive award, then the
6 authority may assign the incentive award to another applicant. The
7 incentive award agreement may also provide for a verification of
8 the financing gap at the time the developer provides executed
9 financing commitments to the authority and a verification of the
10 developer's projected cash flow at the time of certification that the
11 project is completed, provided that the authority shall not resize or
12 reduce the tax credit based on the executed financing commitments
13 or the updated projected cash flow, but that the authority shall use
14 the commitments and cash flow to calculate the return on
15 investment required pursuant to subsection c. of this section.

16 c. ³~~[(1)]~~³ To ensure the protection of taxpayer money, at
17 project certification and at the end of the seventh year of the
18 eligibility period, the authority shall evaluate the developer's rate of
19 return on investment and compare that rate of return on investment
20 to the reasonable and appropriate rate of return at the time of board
21 approval. If the actual rate of return on investment exceeds the
22 reasonable and appropriate rate of return on investment at the time
23 of board approval by more than 15 percent, the authority shall
24 require the developer to pay up to 20 percent of the amount in
25 excess of the reasonable and appropriate rate of return on
26 investment. For any year during the eligibility period in which the
27 director purchases a tax credit certificate or tax credit transfer
28 certificate issued for a redevelopment project pursuant to section 89
29 of P.L.2020, c.156 (C.52:18A-263), if the actual rate of return on
30 investment exceeds the reasonable and appropriate rate of return on
31 investment at the time of board approval by more than 10 percent,
32 the authority shall require the developer to pay up to 20 percent of
33 the amount in excess of the reasonable and appropriate rate of
34 return on investment, except as otherwise provided in paragraph (2)
35 of subsection a. of section 89 of P.L.2020, c.156 (C.52:18A-263).
36 The authority shall require an escrow account to be held by the
37 authority for any payment received pursuant to this subsection until
38 the end of the eligibility period. For any payment amount
39 calculated at project certification, the developer shall make equal
40 annual payments, which in aggregate shall equal the calculated
41 payment amount, with each annual report for the first seven years of
42 the eligibility period. At the end of the seventh year of the
43 eligibility period, the developer shall pay the authority any
44 additional amount required. For projects that have an eligibility
45 period of fewer than 10 years, the authority may adjust the year of
46 the eligibility period in which the evaluation of the rate of return
47 and contribution to the escrow account, as may be appropriate, are
48 required. The authority shall not reduce or recapture any tax credits

1 at project certification or at the end of the seventh year of the
2 eligibility period solely due to an increase to the return on
3 investment. Following the final year of the eligibility period, the
4 authority shall determine if the developer's rate of return exceeded
5 the reasonable and appropriate rate of return determined at board
6 approval. If the final rate of return does not exceed the reasonable
7 and appropriate rate of return determined at board approval, the
8 authority shall release to the developer the escrowed funds. If the
9 project final rate of return exceeds the reasonable and appropriate
10 rate of return determined at board approval, the authority shall
11 require the developer to pay up to 20 percent of the amount of the
12 excess, which shall include the funds held in escrow, and such
13 funds shall be deposited in the State General Fund. ³[The
14 requirements of this paragraph shall not apply to a distressed
15 hospital project.

16 (2) If, at any time during the eligibility period, a distressed
17 hospital project ceases to operate any general acute care hospital
18 licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.), the
19 authority shall rescind an award and recapture all or part of any tax
20 credits awarded to the developer of the distressed hospital project,
21 including all or part of any tax credits claimed by the developer of
22 the distressed hospital project prior to such determination, with
23 penalties and interest.]³

24 d. The incentive award agreement shall include a requirement
25 that the authority confirm with the Department of Environmental
26 Protection, the Department of Labor and Workforce Development,
27 and the Department of the Treasury that the developer is in
28 substantial good standing with the respective department, or the
29 developer has entered into an agreement with the respective
30 department that includes a practical corrective action for the
31 developer, and the developer shall confirm that each contractor or
32 subcontractor performing work at the redevelopment project: (1) is
33 registered as required by "The Public Works Contractor
34 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has
35 not been debarred, suspended, or disqualified by the Department of
36 Labor and Workforce Development from engaging in or bidding on
37 Public Works Contracts in the State, or been debarred, suspended,
38 or disqualified by a federal agency from engaging in federally
39 funded construction projects or bidding on federal contracting
40 opportunities; and (3) possesses a tax clearance certificate issued by
41 the Division of Taxation in the Department of the Treasury. The
42 incentive award agreement shall also include a provision that the
43 developer shall forfeit the incentive award in any year in which the
44 developer is neither in substantial good standing with each
45 department nor has entered into a practical corrective action. The
46 incentive award agreement shall also require a developer to engage
47 in on-site consultations with the Division of Workplace Safety and
48 Health in the Department of Health.

1 e. (1) Except as provided in paragraph (2) of this subsection, the
2 authority shall not enter into an incentive award agreement for a
3 redevelopment project that includes at least one retail establishment
4 which will have more than 10 employees, at least one distribution
5 center which will have more than 20 employees, or at least one
6 hospitality establishment which will have more than 10 employees,
7 unless the incentive award agreement includes a precondition that
8 any business that serves as the owner or operator of the retail
9 establishment, distribution center, or hospitality establishment
10 enters into a labor harmony agreement with a labor organization or
11 cooperating labor organizations which represent retail
12 establishment, hospitality establishment, or distribution center
13 employees in the State.

14 (2) A labor harmony agreement shall be required only if the State
15 has a proprietary interest in the redevelopment project and shall
16 remain in effect for as long as the State acts as a market participant
17 in the redevelopment project. The authority may enter into an
18 incentive award agreement with a developer without the labor
19 harmony agreement required under paragraph (1) of this subsection
20 if the authority determines that the redevelopment project would not
21 be able to go forward if a labor harmony agreement is required.
22 The authority shall support the determination by a written finding,
23 which provides the specific basis for the determination.

24 (3) (Deleted by amendment, P.L.2023, c.98)

25 f. (1) Except for a special mission non-profit project ³or a
26 distressed hospital project ³ in any location, or a residential project
27 that is located in a government-restricted municipality and in which
28 100 percent of the residential units constructed in the residential
29 project are reserved for occupancy by low- and moderate-income
30 households, for a redevelopment project whose total project cost
31 equals or exceeds \$10 million, in addition to the incentive award
32 agreement, a developer shall enter into a community benefits
33 agreement with the authority and the county or municipality in
34 which the redevelopment project is located. The agreement may
35 include, but shall not be limited to, requirements for training,
36 employment, and youth development and free services to
37 underserved communities in and around the community in which
38 the redevelopment project is located. Prior to entering a community
39 benefits agreement, the county or municipality in which the
40 redevelopment project is located shall hold at least one previously
41 advertised public hearing at which testimony from residents,
42 community groups, and other stakeholders shall have an
43 opportunity to be heard on the needs of the community that the
44 agreement should address, and the minutes of the meeting shall be
45 included in the resolution of the governing body of the municipality
46 or county adopting the community benefits agreement.

47 (2) The community benefits agreement shall provide for the
48 creation of a community advisory committee to oversee the

1 implementation of the agreement, monitor successes, ensure
2 compliance with the terms of the agreement, and produce an annual
3 public report. The community advisory committee created pursuant
4 to this paragraph shall be comprised of representatives of diverse
5 community groups and residents of the county or municipality in
6 which the redevelopment project is located.

7 (3) At the time the developer submits the annual report required
8 pursuant to section 62 of P.L.2020, c.156 (C.34:1B-330) to the
9 authority, the developer shall certify, under the penalty of perjury,
10 that it is in compliance with the terms of the community benefits
11 agreement. If the developer fails to provide the certification
12 required pursuant to this paragraph or the authority determines that
13 the developer is not in compliance with the terms of the community
14 benefits agreement based on the reports submitted by the
15 community advisory committee pursuant to paragraph (2) of this
16 subsection, then the authority may rescind an award or recapture all
17 or part of any tax credits awarded.

18 (4) Notwithstanding any requirement of this subsection to the
19 contrary, a developer shall be considered to have met the
20 requirements of a community benefits agreement pursuant to this
21 subsection if the developer submits to the authority:

22 (a) a copy of either the developer's approval letter from the
23 authority or a redevelopment agreement applicable to the qualified
24 business facility, provided that the approval letter or redevelopment
25 agreement is certified by the municipality in which the
26 redevelopment project is located, and includes provisions that meet
27 or exceed the standards required for a community benefits
28 agreement in this subsection, as determined by the chief executive
29 officer pursuant to rules adopted by the authority; or

30 (b) a resolution adopted by the governing body of the
31 municipality in which the redevelopment project is located, which
32 resolution shall be adopted after at least one public hearing at which
33 the governing body provides an opportunity for residents,
34 community groups, and other stakeholders to testify, and which
35 resolution shall state that the governing body has determined that
36 the redevelopment project will provide economic and social benefits
37 to the community that fulfill the purposes of this subsection, which
38 benefits render a separate community benefit agreement
39 unnecessary, and explain the reasons supporting the governing
40 body's determination.

41 (c) The developer and the municipality or county shall submit
42 the executed community benefits agreement, redevelopment
43 agreement, or approved resolution to the authority within the same
44 time as all other conditions subsequent required in the approval
45 letter.

46 g. A developer shall submit, prior to the first disbursement of
47 tax credits under the incentive award agreement, but no later than
48 six months following project completion, satisfactory evidence of

1 actual project costs, as certified by a certified public accountant,
 2 evidence of a temporary certificate of occupancy, or other event
 3 evidencing project completion that begins the eligibility period
 4 indicated in the incentive award agreement. The developer, or an
 5 authorized agent of the developer, shall certify that the information
 6 provided pursuant to this subsection is true under the penalty of
 7 perjury. Claims, records, or statements submitted by a developer to
 8 the authority in order to receive tax credits shall not be considered
 9 claims, records, or statements made in connection with State tax
 10 laws.

11 h. The incentive award agreement shall include a provision
 12 allowing the authority to extend, in individual cases, the deadline
 13 for any annual reporting or certification requirement.

14 i. The incentive award agreement shall include one or more
 15 provisions, as determined by the authority, concerning the terms
 16 and conditions for default and the remedies for the developer of a
 17 redevelopment project in the event of default. The incentive award
 18 agreement shall not allow the authority to declare a cross-default
 19 when the developer of a redevelopment project, including any
 20 business affiliate of the developer or any other entity with common
 21 principals as the developer, is in default with any other assistance
 22 program administered by the authority.²

23 (cf: P.L.2025, c.2, s.4)

24
 25 ²[¹4.] 5.² Section 61 of P.L.2020, c.156 (C.34:1B-329) is
 26 amended to read as follows:

27 61. a. Up to the limits established in subsection b. of this section
 28 and in accordance with an incentive award agreement, beginning
 29 upon the receipt of occupancy permits for any portion of the
 30 redevelopment project, or upon any other event evidencing project
 31 completion as set forth in the incentive award agreement, a
 32 developer shall be allowed a total tax credit that shall not exceed:

33 (1) (a) 85 percent of the eligible project cost for²;² a
 34 redevelopment project that²[²]² is located in a government-
 35 restricted municipality, which municipality qualified as a
 36 government-restricted municipality prior to the effective date of
 37 P.L.2025, c.2 (C.34:1B-335.3 et al.)²[²]³;
 38 a distressed hospital project³;² or ²[is]² a special mission non-profit project; or

39 (b) 80 percent of the eligible project cost for;
 40 a redevelopment project that is located in a government-restricted municipality,
 41 which municipality did not qualify as a government-restricted
 42 municipality prior to the effective date of P.L.2025, c.2 (C.34:1B-
 43 335.3 et al.); or an institutional project;

44 (2) 60 percent of the eligible project cost for a residential project
 45 that receives a four-percent allocation from the federal Low Income
 46 Housing Tax Credit Program administered by the agency or a
 47 redevelopment project that is located in a qualified incentive tract,

enhanced area, or a municipality with a Municipal Revitalization Index score of at least 50; or

(3) 50 percent of the eligible project cost for any other redevelopment project.

b. The value of all tax credits approved by the authority under the program for a redevelopment project phase shall not exceed:

(1) \$120,000,000 per redevelopment project or phase for a redevelopment project that is located in a government-restricted municipality ³or is an institutional project, ²or is ²a special mission non-profit project ³or a distressed hospital project²³;

(2) \$90,000,000 per redevelopment project or phase for a redevelopment project that is allowed a tax credit under paragraph (2) of subsection a. of this section ³or that is an institutional project³; and

(3) \$60,000,000 for any other redevelopment project or phase ³.

c. Notwithstanding any law, rule, or regulation to the contrary, the authority shall not approve a total amount of tax credits greater than \$90,000,000 for all institutional projects approved under the program³.¹

(cf: P.L.2025, c.2, s.5)

¹5. Section 65 of P.L.2020, c.156 (C.34:1B-333) is amended to read as follows:

65. a. As used in this section, "transformative project" means a redevelopment project: that has a project financing gap ; that has a total project cost of at least \$150,000,000; that includes 200,000 or more square feet of new or substantially renovated industrial, commercial, or residential space for a project located in a government-restricted municipality, that includes 250,000 or more square feet of film studios, professional stages, television studios, recording studios, screening rooms, or other infrastructure for film production, that includes 300,000 or more square feet of new or substantially renovated industrial, commercial, or residential space for a project located in an enhanced area, or that includes 500,000 or more square feet of new or substantially renovated industrial, commercial, or residential space for any other project; and, for a commercial project, that is of special economic importance as measured by the level of new jobs, new capital investment, opportunities to leverage leadership in a high-priority targeted industry, or other state priorities as determined by the authority pursuant to rules and regulations promulgated to implement this section. Notwithstanding the provisions of subsection b. of section 14 of P.L.2023, c.98 (C.34:1B-335.1) to the contrary, for applications submitted on and after the effective date of P.L.2023, c.98 (C.34:1B-335.1 et al.), if the redevelopment project is located entirely on land designated by the Department of Environmental

1 Protection as a brownfield development area pursuant to section 7
2 of P.L.2005, c.223 (C.58:10B-25.1), and the project cost of the
3 redevelopment project includes at least \$15,000,000 in
4 environmental remediation costs, the redevelopment project shall
5 constitute a project of special economic importance. A
6 transformative project may be completed in phases, which phases
7 may be determined by the authority based on factors such as written
8 architectural plans and specifications completed before or during
9 the physical work, certificates of occupancy, or financial and
10 operational plans. The criteria developed by the authority shall
11 include, but shall not be limited to:

12 (1) the extent to which the proposed transformative project
13 would create modern facilities that enhance the State's
14 competitiveness in attracting targeted industries;

15 (2) (a) for a residential project, the construction of 700 or more
16 new residential units;

17 (b) for a residential project containing less than 700 new
18 residential units, the construction of 200 or more new residential
19 units if the project is located in a government-restricted
20 municipality, 300 or more residential units if the project is located
21 in an enhanced area, or 400 or more residential units for all other
22 mixed-use projects;

23 (c) for a residential project containing less than 700 new
24 residential units, the construction of 50,000 square feet or more of
25 commercial space; and

26 (d) for a residential project, 20 percent of the new residential
27 units shall be constructed for occupancy by low- and moderate-
28 income households with affordability controls as adopted by the
29 authority, in consultation with the agency, in accordance with
30 paragraph (2) of subsection a. of section 56 of P.L.2020, c.156
31 (C.34:1B-324), except that a residential project receiving a federal
32 historic rehabilitation tax credit pursuant to section 47 of the federal
33 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit
34 pursuant to the "Historic Property Reinvestment Act," sections 2
35 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
36 shall be exempt from the affordability controls related to bedroom
37 distribution; and

38 (3) the extent to which the proposed project would leverage the
39 competitive economic development advantages of the State's mass
40 transit assets, higher education assets, and other economic
41 development assets in attracting or retaining both employers and
42 skilled workers generally or in targeted industries.

43 A "transformative project" shall not include a redevelopment
44 project at which more than 50 percent of the premises is occupied
45 by one or more businesses engaged in final point of sale retail.

46 b. (1) The authority may award incentive awards to
47 transformative projects in accordance with the provisions of

1 sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through
2 34:1B-335).

3 (2) (a) For transformative projects completed in phases, the
4 developer shall enter into a transformative phase agreement with the
5 authority.

6 (b) As used in this subsection, "transformative phase agreement"
7 shall mean a sub-agreement of the incentive award agreement that
8 governs the timing, capital investment, and other applicable details
9 of the respective phase of a phased project.

10 (3) Notwithstanding the provisions of section 57 of P.L.2020,
11 c.156 (C.34:1B-325), or any other section of P.L.2020, c.156
12 (C.34:1B-269 et al.) to the contrary, a transformative project shall
13 be completed, and the developer shall be issued a certificate of
14 occupancy for the transformative project facilities by the applicable
15 enforcing agency, within five years of executing the incentive
16 award agreement, except that the authority may, in its discretion,
17 extend this deadline by up to one additional year. For
18 transformative projects completed in phases, the transformative
19 project shall be completed, and the developer shall be issued
20 certificates of occupancy for all phases of the transformative project
21 facilities by the applicable enforcing agency, within 10 years of
22 executing either the incentive award agreement or the first
23 transformative phase agreement corresponding to the transformative
24 project.

25 (4) Notwithstanding the provisions of sections 55 and 60 of
26 P.L.2020, c.156 (C.34:1B-323 and C.34:1B-328), or any other
27 section of P.L.2020, c.156 (C.34:1B-269 et al.) to the contrary, each
28 phase of a transformative project completed in phases shall have a
29 separate eligibility period. After completing each phase, the
30 developer shall submit a certification that the phase is completed.
31 If the authority approves the certification, the tax credit allowed to
32 the developer shall be increased by the tax credit amount
33 corresponding to that phase. Notwithstanding the different
34 eligibility periods for each phase, all conditions and requirements
35 applicable during an eligibility period pursuant to sections 55
36 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335)
37 shall apply to the entire transformative project until the end of the
38 eligibility period for the last phase.

39 (5) Notwithstanding the provisions of section 60 of P.L.2020,
40 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
41 (C.34:1B-269 et al.) to the contrary, for a transformative project
42 completed in phases, a review of the project financing gap shall be
43 performed at the certification of completion of each phase, and the
44 authority shall re-evaluate the developer's rate of return in the
45 seventh year and at the end of the eligibility period for the last
46 phase, provided that the authority may also re-evaluate the
47 developer's rate of return during the fifth year of any earlier phase.

1 (6) A transformative project receiving an incentive award
2 pursuant to this section, other than a project that includes 250,000
3 or more square feet of film studios, professional stages, television
4 studios, recording studios, screening rooms or other infrastructure
5 for film production, shall be located in an incentive area, a
6 distressed municipality, a government-restricted municipality, or an
7 enhanced area. A transformative project receiving an incentive
8 award pursuant to this section that includes 250,000 or more square
9 feet of film studios, professional stages, television studios,
10 recording studios, screening rooms or other infrastructure for film
11 production may be located anywhere in the State. The authority
12 shall not consider an application for a transformative project unless
13 the applicant submits with its application a letter evidencing support
14 for the transformative project from the governing body of the
15 municipality in which the transformative project is located.

16 c. The authority shall review the transformative project cost,
17 evaluate and validate the project financing gap estimated by the
18 developer, and conduct a State fiscal impact analysis to ensure that
19 the overall public assistance provided to the transformative project
20 will result in a net positive benefit to the State. In determining
21 whether a transformative project will result in a net positive benefit
22 to the State, the authority shall not consider the value of any taxes
23 exempted, abated, rebated, or retained under the "Five-Year
24 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et
25 seq.), the "Long Term Tax Exemption Law," P.L.1991, c.431
26 (C.40A:20-1 et al.), the "New Jersey Urban Enterprise Zones Act,"
27 P.L.1983, c.303 (C.52:27H-60 et seq.), or any other law that has the
28 effect of lowering or eliminating the developer's State or local tax
29 liability. The determination made pursuant to this subsection shall
30 be based on the potential tax liability of the developer without
31 regard for potential tax losses if the developer were to locate in
32 another state. The authority shall assess the cost of these reviews to
33 the applicant. A developer shall pay to the authority the full
34 amount of the direct costs of an analysis concerning the developer's
35 application for an incentive award that a third party retained by the
36 authority performs, if the authority deems such retention to be
37 necessary. The authority shall evaluate the net economic benefits
38 on a present value basis under which the requested tax credit
39 allocation amount is discounted to present value at the same
40 discount rate as the projected benefits from the implementation of
41 the proposed transformative project for which an award of tax
42 credits is being sought. Projects that are predominantly residential
43 or that are institutional projects shall be excluded from the
44 calculation of the net benefit test required pursuant to this
45 subsection.

46 d. In determining net benefits for any business or person
47 considering locating in a transformative project and applying to
48 receive from the authority any other economic development

1 incentive subsequent to the award of transformative project tax
2 credits pursuant to section 65 of P.L.2020, c.156 (C.34:1B-333), the
3 authority shall not credit the business or person with any benefit
4 that was previously credited to the transformative project pursuant
5 to section 65 of P.L.2020, c.156 (C.34:1B-333).

6 e. The authority shall administer the credits awarded pursuant
7 to this section in accordance with the provisions of sections 62 and
8 63 of P.L.2020, c.156 (C.34:1B-330 and C.34:1B-331).

9 f. Prior to allocating an incentive award to a developer, the
10 authority shall confirm with the Department of Labor and
11 Workforce Development, the Department of Environmental
12 Protection, and the Department of the Treasury that the developer is
13 in substantial good standing with the respective department, or the
14 developer has entered into an agreement with the respective
15 department that includes a practical corrective action plan, and the
16 developer shall certify that each contractor or subcontractor
17 performing work at the transformative project: (1) is registered as
18 required by "The Public Works Contractor Registration Act,"
19 P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has not been debarred
20 by the Department of Labor and Workforce Development from
21 engaging in or bidding on Public Works Contracts in the State; and
22 (3) possesses a tax clearance certificate issued by the Division of
23 Taxation in the Department of the Treasury. The authority may also
24 contract with an independent third party to perform a background
25 check on the developer.

26 g. Notwithstanding the limitation on incentive awards set forth
27 in subsection b. of section 61 and section 98 of P.L.2020, c.156
28 (C.34:1B-329 and C.34:1B-362) to the contrary, the authority may
29 allow a developer of a transformative project a tax credit in an
30 amount not to exceed the lesser of:

31 (1) (a) 80 percent of the total project cost for a transformative
32 project that is located in a government-restricted municipality or an
33 institutional project;

34 (b) 60 percent of the total project cost for a residential
35 transformative project that receives a four-percent allocation from
36 the federal Low Income Housing Tax Credit Program administered
37 by the agency or a transformative project that is located in a
38 qualified incentive tract, enhanced area, or a municipality with a
39 Municipal Revitalization Index score of at least 50; or

40 (c) 50 percent of the total project cost for any other
41 transformative project;

42 (2) the total value of the project financing gap; or

43 (3) \$400,000,000, except that for a transformative project that is
44 developed in phases, the \$400,000,000 limitation on incentive
45 awards set forth in this paragraph shall apply to the total aggregate
46 award for all phases of the transformative project.

47 (cf: P.L.2023, c.98, s.9) **1**

1 ²¶15. Section 65 of P.L.2020, c.156 (C.34:1B-333) is amended to
2 read as follows:

3 65. a. As used in this section, "transformative project" means a
4 redevelopment project: that has a project financing gap; that has a total
5 project cost of at least \$150,000,000; that includes 200,000 or more
6 square feet of new or substantially renovated industrial, commercial,
7 or residential space for a project located in a government-restricted
8 municipality, that includes 250,000 or more square feet of film studios,
9 professional stages, television studios, recording studios, screening
10 rooms, or other infrastructure for film production, that includes
11 300,000 or more square feet of new or substantially renovated
12 industrial, commercial, or residential space for a project located in an
13 enhanced area, or that includes 500,000 or more square feet of new or
14 substantially renovated industrial, commercial, or residential space for
15 any other project; and, for a commercial project, that is of special
16 economic importance as measured by the level of new jobs, new
17 capital investment, opportunities to leverage leadership in a high-
18 priority targeted industry, or other state priorities as determined by the
19 authority pursuant to rules and regulations promulgated to implement
20 this section. Notwithstanding the provisions of subsection b. of
21 section 14 of P.L.2023, c.98 (C.34:1B-335.1) to the contrary, for
22 applications submitted on and after the effective date of P.L.2023, c.98
23 (C.34:1B-335.1 et al.), if the redevelopment project is located entirely
24 on land designated by the Department of Environmental Protection as
25 a brownfield development area pursuant to section 7 of P.L.2005,
26 c.223 (C.58:10B-25.1), and the eligible project cost of the
27 redevelopment project includes at least \$15,000,000 in environmental
28 remediation costs, the redevelopment project shall constitute a project
29 of special economic importance. A transformative project may be
30 completed in phases, which phases may be determined by the authority
31 based on factors such as written architectural plans and specifications
32 completed before or during the physical work, certificates of
33 occupancy, or financial and operational plans. The criteria developed
34 by the authority shall include, but shall not be limited to:

35 (1) the extent to which the proposed transformative project would
36 create modern facilities that enhance the State's competitiveness in
37 attracting targeted industries;

38 (2) (a) for a residential project, the construction of 700 or more
39 new residential units;

40 (b) for a mixed-use residential project containing fewer than 700
41 new residential units:

42 (i) the construction of 200 or more new residential units if the
43 project is located in a government-restricted municipality, 300 or more
44 new residential units if the project is located in an enhanced area, or
45 400 or more new residential units for all other mixed-use projects; and

46 (ii) the construction of 30,000 square feet or more of commercial
47 space, which commercial space may include retail space; and

48 (c) (Deleted by amendment, P.L.2025, c.2)

1 (d) for a residential project, 20 percent of the new residential units
2 shall be constructed for occupancy by low- and moderate-income
3 households with affordability controls as adopted by the authority, in
4 consultation with the agency, in accordance with paragraph (2) of
5 subsection a. of section 56 of P.L.2020, c.156 (C.34:1B-324), except
6 that a residential project receiving a federal historic rehabilitation tax
7 credit pursuant to section 47 of the federal Internal Revenue Code of
8 1986, 26 U.S.C. s.47, or a tax credit pursuant to the "Historic Property
9 Reinvestment Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-
10 270 through 34:1B-276), shall be exempt from the affordability
11 controls related to bedroom distribution; and

12 (3) the extent to which the proposed project would leverage the
13 competitive economic development advantages of the State's mass
14 transit assets, higher education assets, and other economic
15 development assets in attracting or retaining both employers and
16 skilled workers generally or in targeted industries.

17 A "transformative project" shall not include a redevelopment
18 project at which more than 50 percent of the premises is occupied by
19 one or more businesses engaged in final point of sale retail.

20 b. (1) The authority may award incentive awards to transformative
21 projects in accordance with the provisions of sections 55 through 67 of
22 P.L.2020, c.156 (C.34:1B-323 through 34:1B-335).

23 (2) (a) For transformative projects completed in phases, the
24 developer shall enter into a transformative phase agreement with the
25 authority.

26 (b) As used in this subsection, "transformative phase agreement"
27 shall mean a sub-agreement of the incentive award agreement that
28 governs the timing, capital investment, and other applicable details of
29 the respective phase of a phased project.

30 (3) Notwithstanding the provisions of section 57 of P.L.2020,
31 c.156 (C.34:1B-325), or any other section of P.L.2020, c.156
32 (C.34:1B-269 et al.) to the contrary, a transformative project shall be
33 completed, and the developer shall be issued a certificate of occupancy
34 for the transformative project facilities by the applicable enforcing
35 agency, within five years of executing the incentive award agreement,
36 except that the authority may, in its discretion, extend this deadline by
37 up to one additional year. For transformative projects completed in
38 phases, the transformative project shall be completed, and the
39 developer shall be issued certificates of occupancy for all phases of the
40 transformative project facilities by the applicable enforcing agency,
41 within 10 years of executing either the incentive award agreement or
42 the first transformative phase agreement corresponding to the
43 transformative project.

44 (4) Notwithstanding the provisions of sections 55 and 60 of
45 P.L.2020, c.156 (C.34:1B-323 and C.34:1B-328), or any other section
46 of P.L.2020, c.156 (C.34:1B-269 et al.) to the contrary, each phase of a
47 transformative project completed in phases shall have a separate
48 eligibility period. After completing each phase, the developer shall

1 submit a certification that the phase is completed. If the authority
2 approves the certification, the tax credit allowed to the developer shall
3 be increased by the tax credit amount corresponding to that phase.
4 Notwithstanding the different eligibility periods for each phase, all
5 conditions and requirements applicable during an eligibility period
6 pursuant to sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323
7 through 34:1B-335) shall apply to the entire transformative project
8 until the end of the eligibility period for the last phase.

9 (5) Notwithstanding the provisions of section 60 of P.L.2020,
10 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
11 (C.34:1B-269 et al.) to the contrary, for a transformative project
12 completed in phases, a review of the project financing gap shall be
13 performed at the certification of completion of each phase, and the
14 authority shall re-evaluate the developer's rate of return in the seventh
15 year and at the end of the eligibility period for the last phase, provided
16 that the authority may also re-evaluate the developer's rate of return
17 during the fifth year of any earlier phase.

18 (6) A transformative project receiving an incentive award pursuant
19 to this section, other than a project that includes 250,000 or more
20 square feet of film studios, professional stages, television studios,
21 recording studios, screening rooms or other infrastructure for film
22 production, shall be located in an incentive area, a distressed
23 municipality, a government-restricted municipality, or an enhanced
24 area. A transformative project receiving an incentive award pursuant
25 to this section that includes 250,000 or more square feet of film
26 studios, professional stages, television studios, recording studios,
27 screening rooms, or other infrastructure for film production may be
28 located anywhere in the State. The authority shall not consider an
29 application for a transformative project unless the applicant submits
30 with its application a letter evidencing support for the transformative
31 project from the governing body of the municipality in which the
32 transformative project is located.

33 c. The authority shall review the transformative project cost,
34 evaluate and validate the project financing gap estimated by the
35 developer, and conduct a State fiscal impact analysis to ensure that the
36 overall public assistance provided to the transformative project will
37 result in a net positive benefit to the State. In determining whether a
38 transformative project will result in a net positive benefit to the State,
39 the authority shall not consider the value of any taxes exempted,
40 abated, rebated, or retained under the "Five-Year Exemption and
41 Abatement Law," P.L.1991, c.441 (C.40A:21-1 et seq.), the "Long
42 Term Tax Exemption Law," P.L.1991, c.431 (C.40A:20-1 et al.), the
43 "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
44 (C.52:27H-60 et seq.), or any other law that has the effect of lowering
45 or eliminating the developer's State or local tax liability. The
46 determination made pursuant to this subsection shall be based on the
47 potential tax liability of the developer without regard for potential tax
48 losses if the developer were to locate in another state. The authority

1 shall assess the cost of these reviews to the applicant. A developer
2 shall pay to the authority the full amount of the direct costs of an
3 analysis concerning the developer's application for an incentive award
4 that a third party retained by the authority performs, if the authority
5 deems such retention to be necessary. The authority shall evaluate the
6 net economic benefits on a present value basis under which the
7 requested tax credit allocation amount is discounted to present value at
8 the same discount rate as the projected benefits from the
9 implementation of the proposed transformative project for which an
10 award of tax credits is being sought. Projects that are predominantly
11 residential, that are institutional projects, or that qualify as special
12 mission non-profit projects shall be excluded from the calculation of
13 the net benefit test required pursuant to this subsection.

14 d. In determining net benefits for any business or person
15 considering locating in a transformative project and applying to
16 receive from the authority any other economic development incentive
17 subsequent to the award of transformative project tax credits pursuant
18 to section 65 of P.L.2020, c.156 (C.34:1B-333), the authority shall not
19 credit the business or person with any benefit that was previously
20 credited to the transformative project pursuant to section 65 of
21 P.L.2020, c.156 (C.34:1B-333).

22 e. The authority shall administer the credits awarded pursuant to
23 this section in accordance with the provisions of sections 62 and 63 of
24 P.L.2020, c.156 (C.34:1B-330 and C.34:1B-331).

25 f. Prior to allocating an incentive award to a developer, the
26 authority shall confirm with the Department of Labor and Workforce
27 Development, the Department of Environmental Protection, and the
28 Department of the Treasury that the developer is in substantial good
29 standing with the respective department, or the developer has entered
30 into an agreement with the respective department that includes a
31 practical corrective action plan, and the developer shall certify that
32 each contractor or subcontractor performing work at the transformative
33 project: (1) is registered as required by "The Public Works Contractor
34 Registration Act," P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has not
35 been debarred by the Department of Labor and Workforce
36 Development from engaging in or bidding on Public Works Contracts
37 in the State; and (3) possesses a tax clearance certificate issued by the
38 Division of Taxation in the Department of the Treasury. The authority
39 may also contract with an independent third party to perform a
40 background check on the developer.

41 g. Notwithstanding the limitation on incentive awards set forth in
42 subsection b. of section 61 and section 98 of P.L.2020, c.156
43 (C.34:1B-329 and C.34:1B-362) to the contrary, the authority may
44 allow a developer of a transformative project a tax credit in an amount
45 not to exceed the lesser of:

46 (1) (a) (i) 85 percent of the eligible project cost for a
47 transformative project that is located in a government-restricted
48 municipality, which municipality qualified as a government-restricted

1 municipality prior to the effective date of P.L.2025, c.2 (C.34:1B-
2 335.3 et al.); or

3 (ii) 80 percent of the eligible project cost for: a transformative
4 project that is located in a government-restricted municipality, which
5 municipality did not qualify as a government-restricted municipality
6 prior to the effective date of P.L.2025, c.2 (C.34:1B-335.3 et al.); or an
7 institutional project;

8 (b) 60 percent of the eligible project cost for a residential
9 transformative project that receives a four-percent allocation from the
10 federal Low Income Housing Tax Credit Program administered by the
11 agency or a transformative project that is located in a qualified
12 incentive tract, enhanced area, or a municipality with a Municipal
13 Revitalization Index score of at least 50; or

14 (c) 50 percent of the eligible project cost for any other
15 transformative project;

16 (2) the total value of the project financing gap; or

17 (3) \$400,000,000 except that for a transformative project that is
18 developed in phases, the \$400,000,000 limitation on incentive awards
19 set forth in this paragraph shall apply to the total aggregate award for
20 all phases of the transformative project.¹

21 (cf: P.L.2025, c.2, s.8)]²

22

23 ²6. Section 65 of P.L.2020, c.156 (C.34:1B-333) is amended to
24 read as follows:

25 65. a. As used in this section, "transformative project" means a
26 redevelopment project: that has a project financing gap; that has a
27 total project cost of at least \$150,000,000; that includes 200,000 or
28 more square feet of new or substantially renovated industrial,
29 commercial, or residential space for a project located in a
30 government-restricted municipality, that includes 250,000 or more
31 square feet of film studios, professional stages, television studios,
32 recording studios, screening rooms, or other infrastructure for film
33 production, that includes 300,000 or more square feet of new or
34 substantially renovated industrial, commercial, or residential space
35 for a project located in an enhanced area, **[or] ³or³** that includes
36 500,000 or more square feet of new or substantially renovated
37 industrial, commercial, or residential space for any other project **³[**
38 or that includes 200,000 or more square feet for a distressed
39 hospital project]³; and, for a commercial project, that is of special
40 economic importance as measured by the level of new jobs, new
41 capital investment, opportunities to leverage leadership in a high-
42 priority targeted industry, or other state priorities as determined by
43 the authority pursuant to rules and regulations promulgated to
44 implement this section. Notwithstanding the provisions of
45 subsection b. of section 14 of P.L.2023, c.98 (C.34:1B-335.1) to the
46 contrary, for applications submitted on and after the effective date
47 of P.L.2023, c.98 (C.34:1B-335.1 et al.), if the redevelopment

1 project is located entirely on land designated by the Department of
2 Environmental Protection as a brownfield development area
3 pursuant to section 7 of P.L.2005, c.223 (C.58:10B-25.1), and the
4 eligible project cost of the redevelopment project includes at least
5 \$15,000,000 in environmental remediation costs, the redevelopment
6 project shall constitute a project of special economic importance.
7 For applications submitted on or after the effective date of
8 P.L.2025, c.127, the redevelopment project shall constitute a project
9 of special economic importance if the redevelopment project is a
10 health care or health services center that: is associated with, and
11 located on, the same complex as a new or existing university,
12 academic, or medical research center, institution, or facility; is an
13 establishment that is associated with a National Cancer Institute
14 Designated Comprehensive Cancer Center that is engaged in cancer
15 research; is a transformative expansion of healthcare services by an
16 academic medical and research center located in a distressed
17 municipality that is adjacent to existing clinical facilities; or is a
18 project located at a State-designated trauma center. A
19 transformative project may be completed in phases, which phases
20 may be determined by the authority based on factors such as written
21 architectural plans and specifications completed before or during
22 the physical work, certificates of occupancy, or financial and
23 operational plans. The criteria developed by the authority shall
24 include, but shall not be limited to:

25 (1) the extent to which the proposed transformative project
26 would create modern facilities that enhance the State's
27 competitiveness in attracting targeted industries;

28 (2) (a) for a residential project, the construction of 700 or more
29 new residential units;

30 (b) for a mixed-use residential project containing fewer than 700
31 new residential units:

32 (i) the construction of 200 or more new residential units if the
33 project is located in a government-restricted municipality, 300 or
34 more new residential units if the project is located in an enhanced
35 area, or 400 or more new residential units for all other mixed-use
36 projects; and

37 (ii) the construction of 30,000 square feet or more of
38 commercial space, which commercial space may include retail
39 space; and

40 (c) (Deleted by amendment, P.L.2025, c.2)

41 (d) for a residential project, 20 percent of the new residential
42 units shall be constructed for occupancy by low- and moderate-
43 income households with affordability controls as adopted by the
44 authority, in consultation with the agency, in accordance with
45 paragraph (2) of subsection a. of section 56 of P.L.2020, c.156
46 (C.34:1B-324), except that a residential project receiving a federal
47 historic rehabilitation tax credit pursuant to section 47 of the federal
48 Internal Revenue Code of 1986, 26 U.S.C. s.47, or a tax credit

1 pursuant to the "Historic Property Reinvestment Act," sections 2
2 through 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276),
3 shall be exempt from the affordability controls related to bedroom
4 distribution; and

5 (3) the extent to which the proposed project would leverage the
6 competitive economic development advantages of the State's mass
7 transit assets, higher education assets, and other economic
8 development assets in attracting or retaining both employers and
9 skilled workers generally or in targeted industries.

10 A "transformative project" shall not include a redevelopment
11 project at which more than 50 percent of the premises is occupied
12 by one or more businesses engaged in final point of sale retail.

13 b. (1) The authority may award incentive awards to
14 transformative projects in accordance with the provisions of
15 sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through
16 34:1B-335).

17 (2) (a) For transformative projects completed in phases, the
18 developer shall enter into a transformative phase agreement with the
19 authority.

20 (b) As used in this subsection, "transformative phase agreement"
21 shall mean a sub-agreement of the incentive award agreement that
22 governs the timing, capital investment, and other applicable details
23 of the respective phase of a phased project.

24 (3) Notwithstanding the provisions of section 57 of P.L.2020,
25 c.156 (C.34:1B-325), or any other section of P.L.2020, c.156
26 (C.34:1B-269 et al.) to the contrary, a transformative project shall
27 be completed, and the developer shall be issued a certificate of
28 occupancy for the transformative project facilities by the applicable
29 enforcing agency, within five years of executing the incentive
30 award agreement, except that the authority may, in its discretion,
31 extend this deadline by up to one additional year. For
32 transformative projects completed in phases, the transformative
33 project shall be completed, and the developer shall be issued
34 certificates of occupancy for all phases of the transformative project
35 facilities by the applicable enforcing agency, within 10 years of
36 executing either the incentive award agreement or the first
37 transformative phase agreement corresponding to the transformative
38 project.

39 (4) Notwithstanding the provisions of sections 55 and 60 of
40 P.L.2020, c.156 (C.34:1B-323 and C.34:1B-328), or any other
41 section of P.L.2020, c.156 (C.34:1B-269 et al.) to the contrary, each
42 phase of a transformative project completed in phases shall have a
43 separate eligibility period. After completing each phase, the
44 developer shall submit a certification that the phase is completed.
45 If the authority approves the certification, the tax credit allowed to
46 the developer shall be increased by the tax credit amount
47 corresponding to that phase. Notwithstanding the different
48 eligibility periods for each phase, all conditions and requirements

1 applicable during an eligibility period pursuant to sections 55
2 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335)
3 shall apply to the entire transformative project until the end of the
4 eligibility period for the last phase.

5 (5) Notwithstanding the provisions of section 60 of P.L.2020,
6 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
7 (C.34:1B-269 et al.) to the contrary, for a transformative project
8 completed in phases, a review of the project financing gap shall be
9 performed at the certification of completion of each phase, and the
10 authority shall re-evaluate the developer's rate of return in the
11 seventh year and at the end of the eligibility period for the last
12 phase, provided that the authority may also re-evaluate the
13 developer's rate of return during the fifth year of any earlier phase.

14 ³【The requirement of this paragraph shall not apply to distressed
15 hospital projects.】³

16 (6) A transformative project receiving an incentive award
17 pursuant to this section, other than a project that includes 250,000
18 or more square feet of film studios, professional stages, television
19 studios, recording studios, screening rooms or other infrastructure
20 for film production, shall be located in an incentive area, a
21 distressed municipality, a government-restricted municipality, or an
22 enhanced area. A transformative project receiving an incentive
23 award pursuant to this section that includes 250,000 or more square
24 feet of film studios, professional stages, television studios,
25 recording studios, screening rooms, or other infrastructure for film
26 production may be located anywhere in the State. The authority
27 shall not consider an application for a transformative project unless
28 the applicant submits with its application a letter evidencing support
29 for the transformative project from the governing body of the
30 municipality in which the transformative project is located.

31 c. The authority shall review the transformative project cost,
32 evaluate and validate the project financing gap estimated by the
33 developer, and conduct a State fiscal impact analysis to ensure that
34 the overall public assistance provided to the transformative project
35 will result in a net positive benefit to the State. In determining
36 whether a transformative project will result in a net positive benefit
37 to the State, the authority shall not consider the value of any taxes
38 exempted, abated, rebated, or retained under the "Five-Year
39 Exemption and Abatement Law," P.L.1991, c.441 (C.40A:21-1 et
40 seq.), the "Long Term Tax Exemption Law," P.L.1991, c.431
41 (C.40A:20-1 et al.), the "New Jersey Urban Enterprise Zones Act,"
42 P.L.1983, c.303 (C.52:27H-60 et seq.), or any other law that has the
43 effect of lowering or eliminating the developer's State or local tax
44 liability. The determination made pursuant to this subsection shall
45 be based on the potential tax liability of the developer without
46 regard for potential tax losses if the developer were to locate in
47 another state. The authority shall assess the cost of these reviews to
48 the applicant. A developer shall pay to the authority the full

1 amount of the direct costs of an analysis concerning the developer's
2 application for an incentive award that a third party retained by the
3 authority performs, if the authority deems such retention to be
4 necessary. The authority shall evaluate the net economic benefits
5 on a present value basis under which the requested tax credit
6 allocation amount is discounted to present value at the same
7 discount rate as the projected benefits from the implementation of
8 the proposed transformative project for which an award of tax
9 credits is being sought. Projects that are predominantly residential,
10 that are institutional projects, ³that are distressed hospital
11 projects,]³ or that qualify as special mission non-profit projects
12 shall be excluded from the calculation of the net benefit test
13 required pursuant to this subsection.

14 d. In determining net benefits for any business or person
15 considering locating in a transformative project and applying to
16 receive from the authority any other economic development
17 incentive subsequent to the award of transformative project tax
18 credits pursuant to section 65 of P.L.2020, c.156 (C.34:1B-333), the
19 authority shall not credit the business or person with any benefit
20 that was previously credited to the transformative project pursuant
21 to section 65 of P.L.2020, c.156 (C.34:1B-333).

22 e. The authority shall administer the credits awarded pursuant
23 to this section in accordance with the provisions of sections 62 and
24 63 of P.L.2020, c.156 (C.34:1B-330 and C.34:1B-331).

25 f. Prior to allocating an incentive award to a developer, the
26 authority shall confirm with the Department of Labor and
27 Workforce Development, the Department of Environmental
28 Protection, and the Department of the Treasury that the developer is
29 in substantial good standing with the respective department, or the
30 developer has entered into an agreement with the respective
31 department that includes a practical corrective action plan, and the
32 developer shall certify that each contractor or subcontractor
33 performing work at the transformative project: (1) is registered as
34 required by "The Public Works Contractor Registration Act,"
35 P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) has not been debarred
36 by the Department of Labor and Workforce Development from
37 engaging in or bidding on Public Works Contracts in the State; and
38 (3) possesses a tax clearance certificate issued by the Division of
39 Taxation in the Department of the Treasury. The authority may also
40 contract with an independent third party to perform a background
41 check on the developer.

42 g. Notwithstanding the limitation on incentive awards set forth
43 in subsection b. of section 61 and section 98 of P.L.2020, c.156
44 (C.34:1B-329 and C.34:1B-362) to the contrary, the authority may
45 allow a developer of a transformative project a tax credit in an
46 amount not to exceed the lesser of:

47 (1) (a) (i) 85 percent of the eligible project cost for a
48 transformative project that is³]³ located in a government-

1 restricted municipality, which municipality qualified as a
2 government-restricted municipality prior to the effective date of
3 P.L.2025, c.2 (C.34:1B-335.3 et al.) ³]; or a distressed hospital
4 project]³; or

5 (ii) 80 percent of the eligible project cost for a transformative
6 project that is located in a government-restricted municipality,
7 which municipality did not qualify as a government-restricted
8 municipality prior to the effective date of P.L.2025, c.2 (C.34:1B-
9 335.3 et al.); or an institutional project ³, subject to the limitation of
10 subsection c. of section 61 of P.L.2020, c.156 (C.34:1B-329)³;

11 (b) 60 percent of the eligible project cost for a residential
12 transformative project that receives a four-percent allocation from
13 the federal Low Income Housing Tax Credit Program administered
14 by the agency or a transformative project that is located in a
15 qualified incentive tract, enhanced area, or a municipality with a
16 Municipal Revitalization Index score of at least 50; or

17 (c) 50 percent of the eligible project cost for any other
18 transformative project;

19 (2) the total value of the project financing gap; or

20 (3) \$400,000,000 except that for a transformative project that is
21 developed in phases, the \$400,000,000 limitation on incentive
22 awards set forth in this paragraph shall apply to the total aggregate
23 award for all phases of the transformative project.²

24 (cf: P.L.2025, c.127, s.14)

25

26 ²[6.] 7.² This act shall take effect immediately.

27

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31 Provides allowances for certain redevelopment projects
32 undertaken by institutions of higher education under New Jersey
33 Aspire Program.