

P.L. 2025, CHAPTER 398, *approved January 20, 2026*
Assembly, No. 6298 (*First Reprint*)

1 AN ACT concerning requirements for certain transformative projects
2 under New Jersey Aspire Program and amending P.L.2020,
3 c.156.

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

7
8 ¹1. Section 60 of P.L.2020, c.156 (C.34:1B-328) is amended to
9 read as follows:

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

16 (2) For a phased project, the incentive phase agreement shall set
17 forth, for each phase of the project and for the total project, the capital
18 investment requirements and the time periods in which each phase of
19 the project shall be commenced and completed. The awarding of tax
20 credits shall be conditioned on the developer's compliance with the
21 requirements of the agreement. A redevelopment project may be
22 completed in phases in accordance with rules adopted by the authority
23 if the redevelopment project has an eligible project cost in excess of
24 \$50,000,000.

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

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:

¹Assembly AAP committee amendments adopted January 8, 2026.

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

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

1 If the final rate of return does not exceed the reasonable and
2 appropriate rate of return determined at board approval, the authority
3 shall release to the developer the escrowed funds. If the project final
4 rate of return exceeds the reasonable and appropriate rate of return
5 determined at board approval, the authority shall require the developer
6 to pay up to 20 percent of the amount of the excess, which shall
7 include the funds held in escrow, and such funds shall be deposited in
8 the State General Fund.

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

33 e. (1) Except as provided in paragraph (2) of this subsection, the
34 authority shall not enter into an incentive award agreement for a
35 redevelopment project that includes at least one retail establishment
36 which will have more than 10 employees, at least one distribution
37 center which will have more than 20 employees, or at least one
38 hospitality establishment which will have more than 10 employees,
39 unless the incentive award agreement includes a precondition that any
40 business that serves as the owner or operator of the retail
41 establishment, distribution center, or hospitality establishment enters
42 into a labor harmony agreement with a labor organization or
43 cooperating labor organizations which represent retail establishment,
44 hospitality establishment, or distribution center employees in the State.

45 (2) A labor harmony agreement shall be required only if the State
46 has a proprietary interest in the redevelopment project and shall remain
47 in effect for as long as the State acts as a market participant in the
48 redevelopment project. The authority may enter into an incentive

1 award agreement with a developer without the labor harmony
2 agreement required under paragraph (1) of this subsection if the
3 authority determines that the redevelopment project would not be able
4 to go forward if a labor harmony agreement is required. The authority
5 shall support the determination by a written finding, which provides
6 the specific basis for the determination.

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

8 f. (1) Except for a special mission non-profit project in any
9 location, or a residential project that is located in a government-
10 restricted municipality and in which 100 percent of the residential
11 units constructed in the residential project are reserved for occupancy
12 by low- and moderate-income households, for a redevelopment project
13 whose total project cost equals or exceeds \$10 million, in addition to
14 the incentive award agreement, a developer shall enter into a
15 community benefits agreement with the authority and the county or
16 municipality in which the redevelopment project is located. The
17 agreement may include, but shall not be limited to, requirements for
18 training, employment, and youth development and free services to
19 underserved communities in and around the community in which the
20 redevelopment project is located. Prior to entering a community
21 benefits agreement, the county or municipality in which the
22 redevelopment project is located shall hold at least one previously
23 advertised public hearing at which testimony from residents,
24 community groups, and other stakeholders shall have an opportunity to
25 be heard on the needs of the community that the agreement should
26 address, and the minutes of the meeting shall be included in the
27 resolution of the governing body of the municipality or county
28 adopting the community benefits agreement.

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

37 (3) At the time the developer submits the annual report required
38 pursuant to section 62 of P.L.2020, c.156 (C.34:1B-330) to the
39 authority, the developer shall certify, under the penalty of perjury, that
40 it is in compliance with the terms of the community benefits
41 agreement. If the developer fails to provide the certification required
42 pursuant to this paragraph or the authority determines that the
43 developer is not in compliance with the terms of the community
44 benefits agreement based on the reports submitted by the community
45 advisory committee pursuant to paragraph (2) of this subsection, then
46 the authority may rescind an award or recapture all or part of any tax
47 credits awarded.

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

5 (a) a copy of either the developer's approval letter from the
6 authority or a redevelopment agreement applicable to the qualified
7 business facility, provided that the approval letter or redevelopment
8 agreement is certified by the municipality in which the redevelopment
9 project is located, and includes provisions that meet or exceed the
10 standards required for a community benefits agreement in this
11 subsection, as determined by the chief executive officer pursuant to
12 rules adopted by the authority; or

13 (b) a resolution adopted by the governing body of the municipality
14 in which the redevelopment project is located, which resolution shall
15 be adopted after at least one public hearing at which the governing
16 body provides an opportunity for residents, community groups, and
17 other stakeholders to testify, and which resolution shall state that the
18 governing body has determined that the redevelopment project will
19 provide economic and social benefits to the community that fulfill the
20 purposes of this subsection, which benefits render a separate
21 community benefit agreement unnecessary, and explain the reasons
22 supporting the governing body's determination.

23 (c) The developer and the municipality or county shall submit the
24 executed community benefits agreement, redevelopment agreement, or
25 approved resolution to the authority within the same time as all other
26 conditions subsequent required in the approval letter.

27 (5) (a) Notwithstanding any provision of paragraph (1) of this
28 subsection to the contrary, the developer of a redevelopment project
29 shall be required to enter into a community benefits agreement, subject
30 to the requirements of this section, if the redevelopment project is
31 located in a government-restricted municipality, which municipality is
32 also designated as the county seat of a county of the second class, and
33 is located in close proximity, as determined by the authority, to a
34 multi-modal transportation hub, a public or private institution of higher
35 education, and a health care facility licensed pursuant to P.L.1971,
36 c.136 (C.26:2H-1 et seq.) that serves underrepresented populations.

37 g. A developer shall submit, prior to the first disbursement of tax
38 credits under the incentive award agreement, but no later than six
39 months following project completion, satisfactory evidence of actual
40 project costs, as certified by a certified public accountant, evidence of
41 a temporary certificate of occupancy, or other event evidencing project
42 completion that begins the eligibility period indicated in the incentive
43 award agreement. The developer, or an authorized agent of the
44 developer, shall certify that the information provided pursuant to this
45 subsection is true under the penalty of perjury. Claims, records, or
46 statements submitted by a developer to the authority in order to receive
47 tax credits shall not be considered claims, records, or statements made
48 in connection with State tax laws.

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

4 i. The incentive award agreement shall include one or more
5 provisions, as determined by the authority, concerning the terms and
6 conditions for default and the remedies for the developer of a
7 redevelopment project in the event of default. The incentive award
8 agreement shall not allow the authority to declare a cross-default when
9 the developer of a redevelopment project, including any business
10 affiliate of the developer or any other entity with common principals
11 as the developer, is in default with any other assistance program
12 administered by the authority.¹

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

14
15 ¹**[1.]2.**¹ Section 65 of P.L.2020, c.156 (C.34:1B-333) is
16 amended to read as follows:

17 65. a. As used in this section, "transformative project" means a
18 redevelopment project: that has a project financing gap; that has a total
19 project cost of at least \$150,000,000; that includes 200,000 or more
20 square feet of new or substantially renovated industrial, commercial,
21 or residential space for a project located in a government-restricted
22 municipality, that includes 250,000 or more square feet of film studios,
23 professional stages, television studios, recording studios, screening
24 rooms, or other infrastructure for film production, that includes
25 300,000 or more square feet of new or substantially renovated
26 industrial, commercial, or residential space for a project located in an
27 enhanced area, or that includes 500,000 or more square feet of new or
28 substantially renovated industrial, commercial, or residential space for
29 any other project; and, for a commercial project, that is of special
30 economic importance as measured by the level of new jobs, new
31 capital investment, opportunities to leverage leadership in a high-
32 priority targeted industry, or other state priorities as determined by the
33 authority pursuant to rules and regulations promulgated to implement
34 this section. Notwithstanding the provisions of subsection b. of
35 section 14 of P.L.2023, c.98 (C.34:1B-335.1) to the contrary, for
36 applications submitted on and after the effective date of P.L.2023, c.98
37 (C.34:1B-335.1 et al.), if the redevelopment project is located entirely
38 on land designated by the Department of Environmental Protection as
39 a brownfield development area pursuant to section 7 of P.L.2005,
40 c.223 (C.58:10B-25.1), and the eligible project cost of the
41 redevelopment project includes at least \$15,000,000 in environmental
42 remediation costs, the redevelopment project shall constitute a project
43 of special economic importance. For applications submitted on or
44 after the effective date of P.L.2025, c.127, the redevelopment project
45 shall constitute a project of special economic importance if the
46 redevelopment project is a health care or health services center that: is
47 associated with, and located on, the same complex as a new or existing
48 university, academic, or medical research center, institution, or

1 facility; is an establishment that is associated with a National Cancer
2 Institute Designated Comprehensive Cancer Center that is engaged in
3 cancer research; is a transformative expansion of healthcare services
4 by an academic medical and research center located in a distressed
5 municipality that is adjacent to existing clinical facilities; or is a
6 project located at a State-designated trauma center. For applications
7 submitted on or after the effective date of P.L. , c. (pending before
8 the Legislature as this bill), the redevelopment project shall constitute
9 a project of special economic importance if the redevelopment project
10 is located in a government-restricted municipality¹, which
11 municipality is also designated as the county seat of a county of the
12 second class,¹ and is located in close proximity, as determined by the
13 authority, to a multi-modal transportation hub, a public or private
14 institution of higher education, ¹[or] and¹ a health care facility
15 licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) that serves
16 underrepresented populations. A transformative project may be
17 completed in phases, which phases may be determined by the authority
18 based on factors such as written architectural plans and specifications
19 completed before or during the physical work, certificates of
20 occupancy, or financial and operational plans. The criteria developed
21 by the authority shall include, but shall not be limited to:

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

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

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

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

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

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

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

47 (3) the extent to which the proposed project would leverage the
48 competitive economic development advantages of the State's mass

1 transit assets, higher education assets, and other economic
2 development assets in attracting or retaining both employers and
3 skilled workers generally or in targeted industries.

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

7 b. (1) The authority may award incentive awards to
8 transformative projects in accordance with the provisions of sections
9 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through 34:1B-335).

10 (2) (a) For transformative projects completed in phases, the
11 developer shall enter into a transformative phase agreement with the
12 authority.

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

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

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

44 (5) Notwithstanding the provisions of section 60 of P.L.2020,
45 c.156 (C.34:1B-328), or any other section of P.L.2020, c.156
46 (C.34:1B-269 et al.) to the contrary, for a transformative project
47 completed in phases, a review of the project financing gap shall be
48 performed at the certification of completion of each phase, and the

1 authority shall re-evaluate the developer's rate of return in the seventh
2 year and at the end of the eligibility period for the last phase, provided
3 that the authority may also re-evaluate the developer's rate of return
4 during the fifth year of any earlier phase.

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

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

1 second class,¹ and is located in close proximity, as determined by the
2 authority, to a multi-modal transportation hub, a public or private
3 institution of higher education, ¹~~or~~ and¹ a health care facility
4 licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.) that serves
5 underrepresented populations, shall be excluded from the calculation
6 of the net benefit test required pursuant to this subsection.

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

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

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

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

39 (1) (a) (i) 85 percent of the eligible project cost for a
40 transformative project that is located in a government-restricted
41 municipality, which municipality qualified 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

44 (ii) 80 percent of the eligible project cost for a transformative
45 project that is located in a government-restricted municipality, which
46 municipality did not qualify as a government-restricted municipality
47 prior to the effective date of P.L.2025, c.2 (C.34:1B-335.3 et al.);

1 (b) 60 percent of the eligible project cost for a residential
 2 transformative project that receives a four-percent allocation from the
 3 federal Low Income Housing Tax Credit Program administered by the
 4 agency or a transformative project that is located in a qualified
 5 incentive tract, enhanced area, or a municipality with a Municipal
 6 Revitalization Index score of at least 50; or
 7 (c) 50 percent of the eligible project cost for any other
 8 transformative project;
 9 (2) the total value of the project financing gap; or
 10 (3) \$400,000,000 except that for a transformative project that is
 11 developed in phases, the \$400,000,000 limitation on incentive awards
 12 set forth in this paragraph shall apply to the total aggregate award for
 13 all phases of the transformative project.
 14 (cf: P.L.2025, c.127, s.14)

15
 16 ¹**[2.] 3.**¹ This act shall take effect immediately.

17
 18
 19 _____
 20
 21 Modifies provisions concerning net positive benefits test and
 22 special economic importance for certain transformative projects
 23 under New Jersey Aspire Program.