

P.L. 2025, CHAPTER 399, *approved January 20, 2026*
Assembly, No. 6306

1 **AN ACT** concerning State economic development policy, and
2 supplementing 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. (New section) The Legislature finds and declares that:
8 a. Due to its location, population, and pool of talent, New
9 Jersey is well situated to promote and expand its sports and
10 entertainment industry.
11 b. Nationally, sports and entertainment facilities are major
12 drivers of economic activity and are often located in downtown
13 areas of the country’s major cities. In large metropolitan statistical
14 areas, multiple facilities in different states may compete for the
15 same events and visitors, and New Jersey is no exception.
16 c. The New Jersey Economic Development Authority can
17 effectively utilize sports and entertainment facilities as catalysts for
18 broad economic development in targeted communities.
19 d. Sports and entertainment facilities attract visitors and
20 businesses to the State by leveraging the economic and cultural
21 benefits of building and supporting world-class facilities capable of
22 hosting events that can bring communities together.
23 e. Full-scale renovations can extend and expand the lifespan of
24 sports and entertainment facilities, shoring up key infrastructure
25 components and modernizing facilities so they remain safe and
26 competitive, and so they continue to serve the State, the local
27 community, and the purposes for which they were built.
28 f. Governmental support, alongside operator equity, is
29 commonly needed to make the renovation and enhancement of these
30 facilities a reality. Public investment is leveraged to preserve and
31 expand an economic engine that benefits governmental entities
32 through the generation of tax receipts and creation of jobs, the
33 private businesses serving and benefitting from the facility, their
34 customers, employees, and the general public.
35 g. Projects involving the development, redevelopment, or
36 rehabilitation of sports and entertainment facilities are inherently

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

Matter underlined thus is new matter.

1 beneficial to the State because they provide vital contributions to
2 the communities in which they are located.

3 h. The Legislature declares that two principal objectives
4 underscore the policy purposes of P.L. , c. (C.) (pending
5 before the Legislature as this bill): first, that providing spaces for
6 communities to gather will result in thriving communities; and
7 second, although the State must help to provide these spaces
8 through an incentive program that reflects the economics of sports
9 and entertainment facilities, because the current suite of economic
10 development programs cannot succeed in this endeavor, the
11 enactment of P.L. , c. (C.) (pending before the Legislature
12 as this bill) is necessary to encourage the development of sports and
13 entertainment projects that will prevent the loss of events to other
14 states with newer or more newly-renovated facilities, as well as the
15 resulting loss of tax revenues, jobs, and other economic activity.

16

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

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

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

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

46 "Project financing gap" means the part of the total project cost
47 that remains to be financed after all other sources of capital have
48 been accounted for, including, but not limited to, developer

1 contributed capital, which shall not be less than 20 percent of the
2 total project cost, and investor or financial entity capital or loans for
3 which the developer, after making all good faith efforts to raise
4 additional capital, certifies that additional capital cannot be raised
5 from other sources based on incremental revenue generated at the
6 facility by the sports and entertainment project on a non-recourse
7 basis on market terms.

8 "Sports and entertainment facility" means a facility that is an
9 arena that: is used primarily for live sports or entertainment
10 performances, games, contests, or other events; has a seating
11 capacity of at least 15,000 individuals; and has been operating for at
12 least 15 years in a city of the first class, as classified under
13 N.J.S.40A:6-4, that contains an international airport.

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

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

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

33
34 3. (New section) a. (1) Prior to June 30, 2027, a developer
35 seeking tax credits for a sports and entertainment project shall
36 submit an application to the authority in the form and manner
37 prescribed pursuant to sections 55 through 67 of P.L.2020, c.156
38 (C.34:1B-323 through 34:1B-335), as amended and supplemented,
39 except as otherwise provided in this section and section 4 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill).

41 (2) Notwithstanding any provision of law to the contrary, for the
42 purposes of administering sections 1 through 4 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), a "sports
44 and entertainment project," as that term is defined in section 2 of
45 P.L. , c. (C.) (pending before the Legislature as this bill),
46 shall be considered a "redevelopment project," as that term is used
47 in sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through
48 34:1B-335), as amended and supplemented.

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

5 (2) Notwithstanding the provision of any law to the contrary, a
6 sports and entertainment project shall be completed, and the
7 developer shall have completed its expenditure of eligible project
8 costs, within six years of executing the incentive award agreement,
9 except that the authority may, in its discretion, extend this deadline
10 by up to one additional year. For a sports and entertainment project
11 completed in phases, the final phase of the sports and entertainment
12 project shall be completed, and the developer shall have completed
13 its expenditure of eligible project costs, within 10 years of
14 executing the incentive award agreement or the sports and
15 entertainment phase agreement corresponding to the first phase of
16 the sports and entertainment project, whichever was executed later.

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

34 c. (1) In lieu of the requirements of subsection c. of section 58
35 of P.L.2020, c.156 (C.34:1B-326), the authority shall review the
36 project costs of a sports and entertainment project; evaluate and
37 validate the project financing gap, as defined in section 2 of P.L. ,
38 c. (C.) (pending before the Legislature as this bill), estimated
39 by the developer; and conduct a State fiscal impact analysis to
40 ensure that the gross economic benefit of the sports and
41 entertainment facility to the State over the duration of the
42 commitment period is at least 150 percent of the overall public
43 assistance provided to the sports and entertainment project. In
44 determining the gross economic benefits of the sports and
45 entertainment facility, the authority's consideration shall include,
46 but not be limited to, the direct and indirect benefits to the State,
47 including local taxes that may benefit the State, and may include
48 induced benefits to the State, including benefits derived from

1 construction. The determination shall include all such benefits to
2 the State that result from the sports and entertainment facility over
3 the duration of the commitment period. The authority shall assess
4 the cost of these reviews to the applicant. A developer shall pay to
5 the authority the full amount of the direct costs of an analysis
6 concerning the developer's application for tax credits that a third
7 party retained by the authority performs, if the authority deems such
8 retention to be necessary.

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

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

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

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

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

20 f. (1) During the commitment period, each worker employed
21 to perform construction work at the sports and entertainment
22 facility shall be paid not less than the prevailing wage rate for the
23 worker's craft or trade, as determined by the Commissioner of
24 Labor and Workforce Development pursuant to P.L.1963, c.150
25 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

26 (2) During the commitment period, each worker employed to
27 perform building services work at the sports and entertainment
28 facility, whether pursuant to contract by the developer or a
29 commercial tenant, commercial subtenant, or other commercial
30 occupant, shall be paid not less than the prevailing wage rate for the
31 worker's craft or trade, as determined by the Commissioner of
32 Labor and Workforce Development pursuant to P.L.1963, c.150
33 (C.34:11-56.25 et seq.) and P.L.2005, c.379 (C.34:11-56.58 et seq.).

34 (3) During the commitment period, all other requirements of
35 sections 55 through 67 of P.L.2020, c.156 (C.34:1B-323 through
36 34:1B-335), as amended and supplemented, that apply during the
37 eligibility period of a redevelopment project shall apply to the
38 sports and entertainment project during the entirety of the
39 commitment period, except as otherwise provided in this section
40 and section 4 of P.L. , c. (C.) (pending before the
41 Legislature as this bill).

42 g. Notwithstanding the provisions of paragraph (4) of
43 subsection a. of section 57 of P.L. 2020, c.156 (C.34:1B-325) to the
44 contrary, the developer of a sports and entertainment project may
45 have undertaken construction at the sports and entertainment
46 facility before the date of application for tax credits pursuant to
47 P.L. , c. (C.) (pending before the Legislature as this bill),
48 provided that, except for demolition and site remediation activities,

1 the developer has not commenced any construction for the sports
2 and entertainment project before such time.

3 h. In addition to the requirements of sections 55 through 67 of
4 P.L.2020, c.156 (C.34:1B-323 through 34:1B-335), as amended and
5 supplemented, a sports and entertainment project shall exceed the
6 standards established by the authority in accordance with the green
7 building manual prepared by the Commissioner of Community
8 Affairs pursuant to section 1 of P.L.2007, c.132 (C.52:27D-130.6),
9 regarding the use of renewable energy, energy-efficient technology,
10 and non-renewable resources to reduce environmental degradation
11 and encourage long-term cost reduction. The replacement or
12 retrofitting of existing components and infrastructure at the sports
13 and entertainment facility as part of the sports and entertainment
14 project shall result in a material reduction, as determined by the
15 authority in the guidelines developed pursuant to subsection c. of
16 section 4 of P.L. , c. (C.) (pending before the Legislature as
17 this bill), of the energy usage, greenhouse gas emissions, and co-
18 pollutant emissions for the components and infrastructure replaced.

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

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

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

30 (b) \$300,000,000.

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

37
38 4. (New section) a. The authority may award tax credits to the
39 developer of a sports and entertainment project in accordance with
40 the provisions of sections 55 through 67 of P.L.2020, c.156
41 (C.34:1B-323 through 34:1B-335), as amended and supplemented,
42 except as otherwise provided in this section and section 3 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill).

44 b. The authority shall administer the tax credits awarded
45 pursuant to this section and section 3 of P.L. , c. (C.)
46 (pending before the Legislature as this bill) in accordance with the
47 provisions of sections 55 through 67 of P.L.2020, c.156 (C.34:1B-
48 323 through 34:1B-335), as amended and supplemented, except as

1 otherwise provided in this section and section 3 of P.L. ,
2 c. (C.) (pending before the Legislature as this bill).

3 c. In accordance with the purposes and objectives set forth in
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 and with respect to the responsibilities of overseeing and
6 implementing the award of tax credits to sports and entertainment
7 projects, the authority shall develop guidelines governing the terms
8 and conditions under which such tax credits may be awarded
9 pursuant to this section and section 3 of P.L. , c. (C.)
10 (pending before the Legislature as this bill). The provisions of the
11 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
12 seq.) shall not apply to the preparation, publication, or
13 implementation of the guidelines developed pursuant to this section.
14

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

17 98. a. The combined value of all tax credits awarded under the
18 "Historic Property Reinvestment Act," sections 2 through 8 of
19 P.L.2020, c.156 (C.34:1B-270 through 34:1B-276); the
20 "Brownfields Redevelopment Incentive Program Act," sections 9
21 through 19 of P.L.2020, c.156 (C.34:1B-277 through 34:1B-287);
22 the "New Jersey Innovation Evergreen Act," sections 20 through 34
23 of P.L.2020, c.156 (C.34:1B-288 through 34:1B-302); the "Food
24 Desert Relief Act," sections 35 through 42 of P.L.2020, c.156
25 (C.34:1B-303 through 34:1B-310); the "New Jersey Aspire Program
26 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
27 through 34:1B-335); the "Emerge Program Act," sections 68
28 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.); section 6 of
29 P.L.2010, c.57 (C.34:1B-209.4); the "Cultural Arts Incentives
30 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the "Next New
31 Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.);
32 P.L.2025, c.111 (C.55:14K-106 et al.); **[and]** the "Next New Jersey
33 Manufacturing Program Act," P.L.2025, c.123 (C.34:1B-403 et al.);
34 and sections 1 through 4 of P.L. , c. (C.) (pending before
35 the Legislature as this bill) shall not exceed an overall cap of
36 **[\$11.5] \$14** billion over a nine-year period, subject to the
37 conditions and limitations set forth in this section. Of this **[\$11.5]**
38 **\$14** billion, \$2.5 billion shall be reserved for transformative
39 projects approved under the Aspire Program.

40 b. (1) The total value of tax credits awarded under any
41 constituent program of the "New Jersey Economic Recovery Act of
42 2020," P.L.2020, c.156 (C.34:1B-269 et al.); the "Cultural Arts
43 Incentives Program Act," P.L.2023, c.197 (C.34:1B-383 et al.); the
44 "Next New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et
45 al.), P.L.2025, c.111 (C.55:14K-106 et al.); and the "Next New
46 Jersey Manufacturing Program Act," P.L.2025, c.123 (34:1B-403 et
47 al.) shall be subject to the following limitations, except as otherwise
48 provided in subsection c. of this section:

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

6 (b) (i) for tax credits awarded under the "Brownfields
7 Redevelopment Incentive Program Act," sections 9 through 19 of
8 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the total value
9 of tax credits annually awarded during each of the first six years of
10 the nine-year period shall not exceed \$50 million and the total value
11 of tax credits awarded over the entirety of the nine-year period shall
12 not exceed \$100,000,000;

13 (ii) from the tax credits made available to the "Brownfields
14 Redevelopment Incentive Program Act," sections 9 through 19 of
15 P.L.2020, c.156 (C.34:1B-277 through 34:1B-287), the sum of
16 \$200,000,000 in tax credits shall be allocated to the New Jersey
17 Housing and Mortgage Finance Agency, established pursuant to
18 P.L.1983, c.530 (C.55:14K-1 et seq.), which tax credits shall be
19 sold through competitive auctions conducted pursuant to sections 3
20 through 7 of P.L.2025, c.111 (C.55:14K-106 through 55:14K-110).
21 All proceeds of the tax credit auctions shall be used by the New
22 Jersey Housing and Mortgage Finance Agency for the purposes
23 authorized in subsection b. of section 4 of P.L.2025, c.111
24 (C.55:14K-107). Notwithstanding any provision of law or
25 regulation to the contrary, the tax credits reallocated to the New
26 Jersey Housing and Mortgage Finance Agency shall not be subject
27 to any requirements or conditions of the "New Jersey Economic
28 Recovery Act of 2020," P.L.2020, c.156 (C.34:1B-269 et al.), as
29 amended or supplemented;

30 (c) for tax credits awarded under the "New Jersey Innovation
31 Evergreen Act," sections 20 through 34 of P.L.2020, c.156
32 (C.34:1B-288 through 34:1B-302), the total value of tax credits
33 annually awarded during each of the first six years of the nine-year
34 period shall not exceed \$60 million and the total value of tax credits
35 awarded over the entirety of the nine-year period shall not exceed
36 \$300,000,000;

37 (d) for tax credits awarded under the "Food Desert Relief Act,"
38 sections 35 through 42 of P.L.2020, c.156 (C.34:1B-303 through
39 34:1B-310), the total value of tax credits annually awarded during
40 each of the first six years of the nine-year period shall not exceed
41 \$40 million;

42 (e) for tax credits awarded under the "Cultural Arts Incentives
43 Program Act," P.L.2023, c.197 (C.34:1B-383 et al.), the total value
44 of tax credits awarded during the nine-year period shall not exceed
45 \$1,200,000,000;

46 (f) for tax credits awarded under the "New Jersey Aspire
47 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
48 322 through 34:1B-335), and the "Emerge Program Act," sections

1 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
2 including tax credits awarded for transformative projects, the total
3 value of tax credits annually awarded during each of the first six
4 years of the nine-year period shall not exceed \$1.1 billion. If the
5 authority awards tax credits in an amount less than the annual
6 limitation, then the uncommitted portion of the annual limitation
7 shall be made available for qualified offshore wind projects
8 awarded under section 6 of P.L.2010, c.57 (C.34:1B-209.4),
9 pursuant to subparagraph (h) of this paragraph, projects awarded a
10 tax credit pursuant to the "Next New Jersey Program Act,"
11 P.L.2024, c.49 (C.34:1B-394 et al.), pursuant to subparagraph (k) of
12 this paragraph, projects awarded a tax credit pursuant to the "Next
13 New Jersey Manufacturing Program Act," P.L.2025, c.123
14 (C.34:1B-403 et al.), pursuant to subparagraph (l) of this paragraph,
15 cultural arts institutions awarded a tax credit pursuant to the
16 "Cultural Arts Incentives Program Act," P.L.2023, c.197 (C.34:1B-
17 383 et al.), pursuant to subparagraph (l) of this paragraph, or New
18 Jersey studio partners, New Jersey film-lease production
19 companies, and taxpayers, other than New Jersey studio partners
20 and New Jersey film-lease production companies awarded under
21 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
22 12b), pursuant to subparagraph (i) of this paragraph and subsection
23 d. of this section. During each of the first six years of the nine-year
24 period, the authority shall annually award tax credits valuing no
25 greater than \$715 million for projects located in the northern
26 counties of the State, and the authority shall annually award tax
27 credits valuing no greater than \$385 million for projects located in
28 the southern counties of the State under the "New Jersey Aspire
29 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
30 322 through 34:1B-335), and the "Emerge Program Act," sections
31 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.). If during
32 any of the first six years of the nine-year period, the authority
33 awards tax credits under the "New Jersey Aspire Program Act,"
34 sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322 through
35 34:1B-335), and the "Emerge Program Act," sections 68 through 81
36 of P.L.2020, c.156 (C.34:1B-336 et al.), in an amount less than the
37 annual limitation for projects located in northern counties or
38 southern counties, as applicable, the uncommitted portion of the
39 annual limitation shall be available to be deployed by the authority
40 in a subsequent year, provided that the uncommitted portion of tax
41 credits shall be awarded for projects located in the applicable
42 geographic area, except that (i) after the completion of the third
43 year of the nine-year period, the authority may deploy 50 percent of
44 the uncommitted portion of tax credits for any previous year
45 without consideration to the county in which a project is located;
46 and (ii) after the completion of the sixth year of the nine-year
47 period, the authority may deploy all available tax credits, including
48 the uncommitted portion of the annual limitation for any previous

1 year, without consideration to the county in which a project is
2 located;

3 (g) except as provided in **【subparagraph】** subparagraphs (j) and
4 (n) of this paragraph, for tax credits awarded for transformative
5 projects under the "New Jersey Aspire Program Act," sections 54
6 through 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335),
7 the total value of tax credits awarded during the nine-year period
8 shall not exceed \$2.5 billion. The total value of tax credits awarded
9 for transformative projects in a given year shall not be subject to an
10 annual limitation, except that the total value of tax credits awarded
11 to any transformative project shall not exceed \$400 million;

12 (h) from the tax credits made available, pursuant to
13 subparagraph (f) of this paragraph, to the "New Jersey Aspire
14 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
15 322 through 34:1B-335), and the "Emerge Program Act," sections
16 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), not
17 including tax credits awarded for transformative projects, an
18 amount not to exceed \$350,000,000 shall be made available for
19 qualified offshore wind projects awarded a credit pursuant to
20 section 6 of P.L.2010, c.57 (C.34:1B-209.4) during the first three
21 years of the nine-year period;

22 (i) beginning in fiscal year 2023, from the tax credits made
23 available, pursuant to subparagraph (f) of this paragraph, to the
24 "New Jersey Aspire Program Act," sections 54 through 67 of
25 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335), and the
26 "Emerge Program Act," sections 68 through 81 of P.L.2020, c.156
27 (C.34:1B-336 et al.), not including tax credits awarded for
28 transformative projects, additional amounts shall be made available
29 for New Jersey studio partners, New Jersey film-lease production
30 companies, and taxpayers, other than New Jersey studio partners
31 and New Jersey film-lease production companies pursuant to
32 sections 1 and 2 of P.L.2018, c.56 (C.54:10A-5.39b and C.54A:4-
33 12b);

34 (j) beginning in fiscal year 2024, from the tax credits made
35 available, pursuant to subparagraph (f) of this paragraph, to the
36 "New Jersey Aspire Program Act," sections 54 through 67 of
37 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
38 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
39 336 et al.), not including tax credits awarded for transformative
40 projects, an amount not to exceed \$500,000,000 may be annually
41 transferred for the award to transformative projects under the "New
42 Jersey Aspire Program Act," sections 54 through 67 of P.L.2020,
43 c.156 (C.34:1B-322 through 34:1B-335), provided that: (i) the
44 remaining allocation of tax credits otherwise available for
45 transformative projects, pursuant to subparagraph (g) of this
46 paragraph, is less than \$1,000,000,000; and (ii) the authority board
47 determines that the transfer of tax credits is warranted based on
48 such criteria as the authority deems appropriate, which may include

1 the criteria set forth in paragraph (2) of this subsection. If a transfer
2 of tax credits is made pursuant to this subparagraph, the authority
3 shall award no greater than 65 percent of the tax credits transferred
4 pursuant to this subparagraph to transformative projects located in
5 the northern counties of the State and no greater than 35 percent of
6 the tax credits transferred pursuant to this subparagraph to
7 transformative projects located in the southern counties of the State,
8 which allocation based on location in certain counties shall be
9 determined notwithstanding the provisions of subparagraph (f) of
10 this paragraph;

11 (k) beginning in fiscal year 2025, from the tax credits made
12 available, pursuant to subparagraph (f) of this paragraph, to the
13 "New Jersey Aspire Program Act," sections 54 through 67 of
14 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
15 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
16 336 et al.), but not including tax credits awarded for transformative
17 projects, an amount not to exceed \$500,000,000 shall be made
18 available for projects awarded a tax credit pursuant to the "Next
19 New Jersey Program Act," P.L.2024, c.49 (C.34:1B-394 et al.);

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

1 (m) beginning in fiscal year 2026, from the tax credits made
2 available, pursuant to subparagraph (f) of this paragraph, to the
3 "New Jersey Aspire Program Act," sections 54 through 67 of
4 P.L.2020, c.156 (C.34:1B-322 through 34:1B-335) and the "Emerge
5 Program Act," sections 68 through 81 of P.L.2020, c.156 (C.34:1B-
6 336 et al.), but not including tax credits awarded for transformative
7 projects, an amount not to exceed \$500,000,000 shall be made
8 available for projects awarded a tax credit pursuant to the "Next
9 New Jersey Manufacturing Program Act," P.L.2025, c.123
10 (C.34:1B-403 et al.) and an amount not to exceed \$500,000,000
11 shall be made available for cultural arts institutions awarded a tax
12 credit pursuant to the "Cultural Arts Incentives Program Act,"
13 P.L.2023, c.197 (C.34:1B-383 et al.). In accordance with the
14 provisions of subsection g. of section 5 of P.L.2025, c.123
15 (C.34:1B-407), \$100,000,000 of the tax credits made available to
16 the "Next New Jersey Manufacturing Program Act," P.L.2025,
17 c.123 (C.34:1B-403 et al.) pursuant to this subparagraph shall be
18 reserved exclusively for eligible businesses that are clean energy
19 product manufacturers;

20 (n) during each of the seventh and eighth years of the nine-year
21 period, an additional amount of \$1.25 billion in tax credits shall be
22 made available for tax credit awards under the "New Jersey Aspire
23 Program Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-
24 322 through 34:1B-335), and the "Emerge Program Act," sections
25 68 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), in addition
26 to any amounts otherwise available for these purposes. After the
27 completion of the nine-year period, any uncommitted balance of tax
28 credits available for awards under the "New Jersey Aspire Program
29 Act," sections 54 through 67 of P.L.2020, c.156 (C.34:1B-322
30 through 34:1B-335), and the "Emerge Program Act," sections 68
31 through 81 of P.L.2020, c.156 (C.34:1B-336 et al.), shall be
32 available to be deployed by the authority in subsequent years for
33 projects approved under those two programs until all tax credits
34 have been committed; and

35 (o) from the tax credits made available pursuant to subparagraph
36 (n) of this paragraph, an amount not to exceed \$300,000,000 in tax
37 credits shall be made available for tax credit awards under sections
38 1 through 4 of P.L. , c. (C.) (pending before the Legislature
39 as this bill).

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

46 (i) the increased demand for opportunities to create or retain
47 employment and investment in the State as indicated by the volume

1 of project applications and the amount of tax credits being sought
2 by those applications;

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

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

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

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

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

17 (vii) increased development proximate to mass transit facilities;

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

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

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

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

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

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

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

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

24
25 6. Section 89 of P.L.2020, c.156 (C.52:18A-263) is amended to
26 read as follows:

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

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

41 (2) the "New Jersey Aspire Program Act," sections 54 through
42 67 of P.L.2020, c.156 (C.34:1B-322 through C.34:1B-335), as
43 amended and supplemented, for which the director shall pay an
44 amount equal to 85 percent of the credit amount, provided that the
45 issuance date of the tax credit certificate or tax credit transfer
46 certificate to the developer or the holder of such certificate occurred
47 at least one year prior to the date of application to the director, and
48 further provided that, if the application to the director is submitted

1 after the sixth year of the eligibility period, the amount in excess of
2 the reasonable and appropriate rate of return on investment that the
3 developer is required to pay pursuant to subsection c. of section 60
4 of P.L.2020, c.156 (C.34:1B-328) shall increase to 50 percent;

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

11 (4) the "Garden State Film and Digital Media Jobs Act,"
12 P.L.2018, c.56 (C.54:10A-5.39b et al.), for which the director shall
13 pay an amount equal to 95 percent of the credit amount for any
14 original application approved by the authority on or after January 1,
15 2026, provided that the issuance date of the tax credit certificate or
16 tax credit transfer certificate to the taxpayer, which taxpayer is a
17 New Jersey studio partner or the holder of such certificate originally
18 issued to a New Jersey studio partner, occurred at least one year
19 prior to the date of application to the director and provided that the
20 director shall purchase such certificates valued at no more than a
21 cumulative amount of \$80,000,000 in State fiscal year 2026,
22 \$160,000,000 in State fiscal year 2027, \$240,000,000 in State fiscal
23 year 2028, and \$200,000,000 in each State fiscal year thereafter,
24 subject to the conditions in this paragraph. If an application to the
25 director for the purchase of tax credits otherwise qualifies pursuant
26 to this paragraph, but the value of tax credits for which the director
27 receives applications exceeds the maximum cumulative amount for
28 the State fiscal year in which the application is made, the director
29 shall purchase the remaining tax credits in the State fiscal year next
30 following the State fiscal year in which the application is made,
31 provided that the director shall not purchase a cumulative amount
32 above the maximum cumulative amount for the respective State
33 fiscal year. No payments shall be made pursuant to this paragraph
34 unless the following conditions are met: full funding is provided
35 for the fiscal year to satisfy the requirement in Article VIII, Section
36 IV, paragraph 1 of the New Jersey Constitution that the Legislature
37 provide for the maintenance and support of a thorough and efficient
38 system of free public schools for the instruction of children in the
39 State between the ages of five and 18 years; full payment of the
40 contributions required by law for the fiscal year is made to the
41 State-administered retirement systems; and the annual
42 appropriations act for the State fiscal year maintains a budgetary
43 surplus of no less than 12 percent of total appropriations from the
44 General Fund and the Property Tax Relief Fund; or

45 (5) sections 1 through 4 of P.L. , c. (C.) (pending before
46 the Legislature as this bill), for which the director shall pay an
47 amount equal to 85 percent of the credit amount, provided that the
48 issuance date of the tax credit certificate or tax credit transfer

1 certificate to the developer or the holder of such certificate occurred
2 at least one year prior to the date of application to the director.

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

6 (1) the "Historic Property Reinvestment Act," sections 2 through
7 8 of P.L.2020, c.156 (C.34:1B-270 through 34:1B-276);

8 (2) the "Brownfield Redevelopment Incentive Program Act,"
9 sections 9 through 19 of P.L.2020, c.156 (C.34:1B-277 through
10 34:1B-287);

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

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

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

16 (6) the "New Jersey Aspire Program Act," sections 54 through
17 67 of P.L.2020, c.156 (C.34:1B-322 through 34:1B-335);

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

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

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

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

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

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

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

30 (14) the "Garden State Film and Digital Media Jobs Act,"
31 P.L.2018, c.56 (C.54:10A-5.39b et al.); **【and】**

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

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

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

37
38 7. This act shall take effect immediately but shall remain
39 inoperative for 90 days following the date of enactment.
40
41

42 STATEMENT

43
44 This bill authorizes \$2.5 billion in tax credits for certain
45 economic development purposes, including up to \$300 million in
46 tax credits to support the development of certain sports and
47 entertainment projects and the remaining amount of additional tax

1 credits for the New Jersey Aspire (Aspire) Program and Emerge
2 Program.

3

4 *Sports and Entertainment Projects*

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

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

21

22 *Application Deadline and Fees*

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

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

32

33 *Phased Sports and Entertainment Project*

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

43 Additionally, the bill provides that for a sports and entertainment
44 project completed in phases, each phase is required to have a
45 separate eligibility period, and the developer is required to
46 contribute capital of no less than 20 percent of the project costs for
47 each phase. Under the bill, the developer of the project may elect a
48 separate eligibility period for each phase of no less than five years.

1 After completing each phase, the bill requires the developer to
2 submit a certification to the authority attesting that the phase is
3 completed. If the authority approves the certification, the bill
4 provides that the tax credit certificate allowed to the developer
5 would be increased by the tax credit amount corresponding to that
6 phase.

7 However, notwithstanding the different eligibility periods for
8 each phase, the bill provides that all conditions and requirements
9 applicable during an eligibility period for any phase of the project
10 would apply to the entire sports and entertainment project until the
11 end of the eligibility period for the last phase.

12

13 *Sports and Entertainment Project Completion Deadline*

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

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

26

27 *Project Financing Gap*

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

43 The bill also requires the authority to conduct an analysis of the
44 developer's project financing gap in lieu of determining whether the
45 developer's actual rate of return on investment exceeds the
46 reasonable and appropriate rate of return on investment at the time
47 of board approval. The bill requires this analysis to be conducted in
48 the same manner as the analysis conducted under the Aspire

1 Program, except as otherwise provided in this bill, including the
2 guidelines developed by the authority under this bill.

3

4 *Gross Economic Benefit Analysis*

5 The bill requires the developer of a sports and entertainment
6 project to undergo a State fiscal impact analysis, conducted by the
7 authority, to ensure that the gross economic benefit of the sports
8 and entertainment facility to the State over the duration of the
9 commitment period is at least 150 percent of the overall public
10 assistance provided to the sports and entertainment project. In
11 determining the gross economic benefits of the sports and
12 entertainment facility, the bill requires the authority to consider the
13 direct and indirect benefits to the State, including local taxes that
14 may benefit the State, as well as all such benefits to the State that
15 result from the sports and entertainment facility over the duration of
16 the commitment period. The authority may include induced
17 benefits to the State in its analysis, including benefits derived from
18 construction. Under the bill, the requirement to undergo this
19 economic benefit analysis is imposed in lieu of the requirement for
20 the developer of the project to undergo the net positive benefit test,
21 as otherwise required under the Aspire Program.

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

32

33 *Community Benefits Agreement*

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

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

1 of representatives of diverse community groups and residents of the
2 municipality in which the project is located.

3 The bill also authorizes the authority to rescind an award or
4 recapture all or part of any tax credits awarded if: (1) the
5 community advisory committee's annual report determines that the
6 developer of a sports and entertainment project is not in compliance
7 with the terms of the community benefits agreement; or (2) the
8 developer of a sports and entertainment project fails to provide a
9 certification at the time the developer submits its annual report to
10 the authority, as required under the Aspire Program, under the
11 penalty of perjury, that it is in compliance with the terms of the
12 community benefits agreement.

13

14 *Workforce Development Agreement*

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

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

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

43

44 *Prevailing Wage Requirements*

45 The bill provides that during the commitment period, each
46 worker employed to perform construction work at the sports and
47 entertainment facility is required to be paid not less than the
48 prevailing wage rate for the worker's craft or trade. In addition, the

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

7
8 *Green Building Standards*

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

23
24 *Tax Credit Award – Sports and Entertainment Project*

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

34
35 *Additional Tax Credits – Aspire and Emerge Programs*

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

44 The bill authorizes an additional \$1.25 billion in tax credits for
45 the Aspire and Emerge Programs during each of the seventh and
46 eighth years of the nine-year period, of which a total of up to \$300
47 million is authorized for sports and entertainment projects, and
48 which tax credits are authorized in addition to any amounts

1 otherwise available for these purposes. The bill also provides that
2 after the nine-year period, any uncommitted balance of tax credits
3 available from this authorization may be available to be deployed
4 by the authority in subsequent years for projects under those
5 programs until all tax credits have been committed.

6 In addition, the bill amends current law to clarify that if a
7 transfer of tax credits is made to transformative projects approved
8 under the Aspire Program, from the amounts otherwise available
9 under the Aspire Program or Emerge Program, the limitations based
10 on location of a transformative project in certain counties are
11 independent of the restrictions that apply to the award of tax credits
12 otherwise available under the Aspire Program and Emerge Program.

13
14 *State Purchase of Unused Tax Credits*

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

25
26
27 _____
28
29 Authorizes tax credits for certain sports and entertainment
30 projects; authorizes additional tax credits for New Jersey Aspire
31 Program and Emerge Program.