

ASSEMBLY, No. 5709

STATE OF NEW JERSEY 222nd LEGISLATURE

INTRODUCED OCTOBER 22, 2026

Sponsored by:

Assemblywoman MAUREEN ROWAN

District 2 (Atlantic)

SYNOPSIS

Expands eligibility for “Cultural Arts Incentives Program” to include certain convention centers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the “Cultural Arts Incentives Program” and
2 amending P.L.2023, c.197.

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

6
7 1. Section 3 of P.L.2023, c.197 (C.34:1B-385) is amended to
8 read as follows:

9 3. As used in P.L.2023, c.197 (C.34:1B-383 et al.):

10 "Affiliate" means an entity that directly or indirectly controls, is
11 under common control with, or is controlled by a cultural arts
12 institution. Control exists in all cases in which the entity is a member
13 of a controlled group of corporations as defined pursuant to section
14 1563 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the
15 entity is an organization in a group of organizations under common
16 control that is subject to the regulations applicable to organizations
17 pursuant to subsection (b) or (c) of section 414 of the federal Internal
18 Revenue Code (26 U.S.C. s.414). A cultural arts institution may
19 establish by clear and convincing evidence, as determined by the
20 authority, that control exists in situations involving lesser
21 percentages of ownership if the cultural arts institution shall have
22 control, at a minimum, of all aspects of compliance with this
23 program. An affiliate of a cultural arts institution may contribute to
24 the project cost and may satisfy the requirement for site control
25 during construction and the eligibility period, but in no event shall
26 the tax credit certificate be issued to any affiliate.

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

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

32 “Convention center” means a facility that contains at least 400,000
33 square feet of space utilized to house conventions, conferences, trade
34 shows, expositions, or similar events, and that is located within a
35 municipality that, on the effective date of P.L. , c. (pending
36 before the Legislature as this bill), is subject to financial restrictions
37 imposed pursuant to the “Municipal Stabilization and Recovery Act,”
38 P.L.2016, c.4 (C.52:27BBBB-1 et seq.).

39 "Cultural arts institution" means a governmental entity or
40 nonprofit or governmental economic or community development
41 entity incorporated pursuant to Title 15 of the Revised Statutes or
42 Title 15A of the New Jersey Statutes, operating on a not-for-profit
43 basis, and having a mission of, or experience in, cultural, educational,
44 or artistic enrichment of the people of this State, including, but not
45 limited to, the hosting of conventions, conferences, trade shows, and

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 exhibitions. A "cultural arts institution" shall include a for-profit
2 business seeking a tax credit for a cultural arts institution facility
3 open to the public provided that the cultural arts institution facility is
4 receiving a federal historic rehabilitation tax credit pursuant to
5 section 47 of the federal Internal Revenue Code of 1986, 26 U.S.C.
6 s.47, or a tax credit pursuant to the "Historic Property Reinvestment
7 Act," sections 2 through 8 of P.L.2020, c.156 (C.34:1B-270 through
8 C.34:1B-276). A "cultural arts institution" shall include any
9 nonprofit that operates a museum or memorial honoring New Jersey
10 veterans of foreign military conflicts. A "cultural arts institution"
11 shall also include a developer that has a partnership agreement with
12 the National Park Service.

13 "Cultural arts institution facility" means an existing or proposed
14 facility within this State, operated and maintained by a cultural arts
15 institution or the National Park Service. A "cultural arts institution
16 facility" includes, without limitation, an aquarium, botanical society,
17 historical society, library, museum, gallery, performing arts center,
18 national historical park, war memorial or museum, convention
19 center, or any related facility that is principally for the support and
20 benefit of any of the foregoing.

21 "Cultural arts project" means a capital project for the construction
22 or improvement of a cultural arts institution facility that is located in
23 the State for which a cultural arts institution is to be awarded tax
24 credits by the authority under the program pursuant to a tax credit
25 agreement, provided that the project for which the tax credits are
26 awarded will result in a capital investment of at least \$5,000,000.

27 "Director" means the Director of the Division of Taxation in the
28 Department of the Treasury.

29 "Eligibility period" means the period during which a cultural arts
30 institution may claim, sell, transfer, or otherwise use a tax credit
31 under the program, beginning with the tax period in which the
32 authority accepts certification of the cultural arts institution that it
33 has met the capital investment requirements of the program and
34 extending thereafter for a term of at least five years.

35 "Eligible position" means a full-time position in an entity in this
36 State which the entity has filled with a full-time employee. An
37 eligible position shall not include an independent contractor or a
38 consultant.

39 "Government-restricted municipality" means a municipality in
40 this State with a municipal revitalization index distress score of at
41 least 75, that met the criteria for designation as an urban aid
42 municipality in the 2019 State fiscal year, and that, on the effective
43 date of P.L.2020, c.156, is subject to financial restrictions imposed
44 pursuant to the "Municipal Stabilization and Recovery Act,"
45 P.L.2016, c.4 (C.52:27BBBB-1 et seq.), or is restricted in its ability
46 to levy property taxes on property in that municipality as a result of
47 the State of New Jersey owning or controlling property representing
48 at least 25 percent of the total land area of the municipality or as a

1 result of the federal government of the United States owning or
2 controlling at least 50 acres of the total land area of the municipality,
3 which is dedicated as a national natural landmark.

4 "New full-time job" means an eligible position created by a
5 cultural arts institution at a cultural arts project that did not
6 previously exist in this State. For the purposes of determining the
7 number of new full-time jobs, the eligible positions of an affiliate
8 shall be considered eligible positions of the cultural arts institution.

9 "Program" means the Cultural Arts Incentives Program
10 established pursuant to section 4 of P.L.2023, c.197 (C.34:1B-386).

11 "Project cost" means the costs incurred in connection with a
12 cultural arts project by a cultural arts institution until the issuance of
13 a permanent certificate of occupancy, or until such other time
14 specified by the authority, for a specific investment or improvement,
15 including the costs relating to lands, buildings, improvements, real or
16 personal property, or any interest therein, including leases discounted
17 to present value, including lands under water, riparian rights, space
18 rights, and air rights acquired, owned, developed or redeveloped,
19 constructed, reconstructed, rehabilitated, or improved, any
20 environmental remediation costs, plus costs not directly related to
21 construction, including capitalized interest paid to third parties, of an
22 amount not to exceed 20 percent of the total costs, and the cost of
23 infrastructure improvements, including ancillary infrastructure
24 projects. The fees associated with the application or administration
25 of tax credits under P.L.2023, c.197 (C.34:1B-383 et al.) shall not
26 constitute a project cost.

27 "Project financing gap" means the part of the total project cost,
28 including reasonable and appropriate return on investment, that
29 remains to be financed after all other sources of capital have been
30 accounted for, including, but not limited to capital contributed by the
31 cultural arts institution, which shall not be less than 20 percent of the
32 total project cost, and investor or financial entity capital or loans;
33 provided, however, that for a cultural arts project located in a
34 government-restricted municipality, the capital contributed by the
35 cultural arts institution shall not be less than 10 percent of the total
36 project cost.

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

43 "Tax credit agreement" means a tax credit agreement entered into
44 pursuant to section 8 of P.L.2023, c.197 (C.34:1B-390) between the
45 authority and a cultural arts institution.

1 "Work First New Jersey program" means the Work First New
2 Jersey program established pursuant to P.L.1997, c.38 (C.44:10-55
3 et seq.).
4 (cf: P.L.2025, c.127, s.2)

5
6 2. Section 7 of P.L.2023, c.197 (C.34:1B-389) is amended to
7 read as follows:

8 7. a. The authority shall conduct a review of applications on a
9 rolling basis **■**, unless the authority determines that demand is likely
10 to exceed available tax credits, at which time the authority may
11 implement a competitive application process whereby the authority
12 shall evaluate all applications submitted by a date certain as if all
13 were submitted on that date **■**.

14 b. To receive a tax credit award, a cultural arts institution shall
15 be required to meet a minimum score, as determined by the authority
16 pursuant to this section.

17 c. The scoring system developed by the authority pursuant to
18 this section shall assess applications for tax credits based on criteria,
19 which shall include, but shall not be limited to:

20 (1) the amount of tax credits requested by the cultural arts
21 institution compared to the amount of tax credits required for the
22 completion of the cultural arts project;

23 (2) how the cultural arts project will advance State, regional, and
24 local goals concerning the development of arts and cultural facilities
25 in underserved communities;

26 (3) the relationship of the cultural arts project to a comprehensive
27 local development strategy, including its relation to other
28 development and redevelopment projects in the municipality;

29 (4) the degree to which the cultural arts project enhances and
30 promotes job creation and economic development;

31 (5) the extent of economic and related social distress in the
32 municipality and the immediate area surrounding the cultural arts
33 project, including whether the cultural arts project is located in a
34 qualified incentive tract or other areas of the State identified from
35 time to time by the authority in rules;

36 (6) the quality and number of new full-time jobs that will be
37 created by the cultural arts institution; and

38 (7) if the cultural arts institution has a board of directors, the extent
39 to which that board of directors is diverse and representative of the
40 community in which the cultural arts project is located.

41 d. Notwithstanding the provisions of subsection c. of this
42 section, the authority may adopt, pursuant to the provisions of the
43 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
44 seq.), rules and regulations adjusting the criteria required under the
45 program when necessary to respond to conditions in the State.

46 e. Prior to the award of a tax credit, the authority shall confirm
47 with the Department of Labor and Workforce Development, the
48 Department of Environmental Protection, and the Department of the

1 Treasury that the cultural arts institution is in substantial good
2 standing with the respective department, or has entered into an
3 agreement with the respective department that includes a practical
4 corrective action plan for the cultural arts institution and the cultural
5 arts institution shall confirm that any contractors and subcontractors
6 performing work at the cultural arts project: (1) are registered as
7 required by "The Public Works Contractor Registration Act,"
8 P.L.1999, c.238 (C.34:11-56.48 et seq.); (2) have not been debarred
9 by the Department of Labor and Workforce Development from
10 engaging in or bidding on Public Works Contracts in the State; and
11 (3) possess a tax clearance certificate issued by the Division of
12 Taxation in the Department of the Treasury. Provided that all parties
13 are in compliance with this subsection, the authority shall allocate
14 tax credits to cultural arts projects according to the cultural arts
15 projects' scores and until either the available tax credits are exhausted
16 or all cultural arts projects obtaining the minimum score receive a tax
17 credit, whichever occurs first. If insufficient funding exists to fully
18 fund all eligible cultural arts projects, a cultural arts project may be
19 offered a partial tax credit valued at less than what is provided for in
20 paragraph (1) of subsection b. of section 4 of P.L.2023, c.197
21 (C.34:1B-386).

22 f. Applications that do not receive the minimum score
23 established by the authority shall not receive further consideration
24 for a tax credit by the authority for that application; however, a
25 cultural arts institution may submit a new application.

26 g. (Deleted by amendment, P.L.2025, c.127)
27 (cf: P.L.2025, c.127, s.5)
28

29 3. Section 11 of P.L.2023, c.197 (C.34:1B-393) is amended to
30 read as follows:

31 11. a. Notwithstanding the provisions of the "Administrative
32 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
33 the chief executive officer of the authority shall, in consultation with
34 the New Jersey State Council on the Arts, adopt, immediately upon
35 filing with the Office of Administrative Law, such rules and
36 regulations as the chief executive officer deems necessary to
37 implement the provisions of P.L.2023, c.197 (C.34:1B-383 et al.),
38 which rules and regulations shall be effective for a period not to
39 exceed 365 days after the date of the filing. Before the expiration of
40 the rules and regulations, the chief executive officer, in consultation
41 with the New Jersey State Council on the Arts, shall amend, adopt,
42 or readopt the rules and regulations in accordance with the
43 requirements of the "Administrative Procedure Act," P.L.1968, c.410
44 (C.52:14B-1 et seq.).

45 b. Notwithstanding the provisions of the "Administrative
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
47 the chief executive officer of the authority shall, in consultation with
48 the New Jersey State Council on the Arts, adopt, immediately upon

1 filing with the Office of Administrative Law, such rules and
2 regulations as the chief executive officer deems necessary to
3 implement the provisions of P.L.2025, c.127, which rules and
4 regulations shall be effective for a period not to exceed 365 days after
5 the date of the filing. Before the expiration of the rules and
6 regulations, the chief executive officer, in consultation with the New
7 Jersey State Council on the Arts, shall amend, adopt, or readopt the
8 rules and regulations in accordance with the requirements of the
9 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
10 seq.).

11 c. Notwithstanding the provisions of the "Administrative
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
13 the chief executive officer of the authority shall adopt, immediately
14 upon filing with the Office of Administrative Law, such rules and
15 regulations as the chief executive officer deems necessary to
16 implement the provisions of P.L. , c. (pending before the
17 Legislature as this bill), which rules and regulations shall be effective
18 for a period not to exceed 365 days after the date of the filing. Before
19 the expiration of the rules and regulations, the chief executive officer,
20 in consultation with the New Jersey State Council on the Arts, shall
21 amend, adopt, or readopt the rules and regulations in accordance with
22 the requirements of the "Administrative Procedure Act," P.L.1968,
23 c.410 (C.52:14B-1 et seq.).
24 (cf: P.L.2025, c.127, s.9)

25

26 4. This act shall take effect immediately.

27

28

29

STATEMENT

30

31 This bill expands the "Cultural Arts Incentives Program" to
32 include certain convention centers as a type of cultural arts institution
33 facility for which a tax credit may be awarded.

34 Under the Cultural Arts Incentives Program, also known as the
35 Cultural Arts Facilities Expansion Program, the New Jersey
36 Economic Development Authority (EDA) may award tax credits to
37 cultural arts institutions to incentivize the establishment or
38 redevelopment of a cultural arts institution facility.

39 The bill amends the definition of a "cultural arts institution
40 facility" to include convention centers. Specifically, the bill defines
41 "convention center" as a facility that contains at least 400,000 square
42 feet of space utilized to house conventions, conferences, trade shows,
43 expositions, or similar events, and that is located within a
44 municipality subject to the "Municipal Stabilization and Recovery
45 Act." As defined, this specifically includes the Atlantic City
46 Convention Center. The bill also amends the definition of "cultural
47 arts institution" to specify that the mission of such institution may

1 include the hosting of conventions, conferences, trade shows, and
2 exhibitions.

3 Under current law, applications for the program are to be reviewed
4 on a rolling basis, unless the EDA determines that demand is likely
5 to exceed available tax credits, at which time the EDA may
6 implement a competitive application process. The bill amends
7 existing law to require all applications to be reviewed on a rolling
8 basis, regardless of the anticipated demand for the program.