

ASSEMBLY COMMUNITY DEVELOPMENT AND AFFAIRS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 283

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 15, 2021

The Assembly Community Development and Affairs Committee reports favorably and with committee amendments Assembly Bill No. 283.

This bill, as amended, establishes the “Atlantic City Growth Tax Credit Program” (program) in the New Jersey Housing and Mortgage Finance Agency (HMFA). It is in the public interest to reverse the erosion of Atlantic City's residential property tax base by providing incentives to private developers in order to encourage the construction of housing that will attract new homeowners to Atlantic City and thereby increase its residential property tax base.

The program grants eligible developers corporate and gross income tax credits equal to 50 percent of the eligible developer's costs for land acquisition, demolition, and capital improvements for the purpose of providing non-rental housing in the City of Atlantic City. The bill limits the program to an eligible residential project and defines that as a project to be located within a single neighborhood within the boundaries of the City of Atlantic City, including at least eight newly constructed units of residential housing, and that is to be at least 80 percent owner-occupied with no more than 20 percent of the housing units leased as market-rate rental housing. The bill requires that an eligible developer control all of the property within the project prior to applying for a tax credit, and the project can be no more than eight stories in height.

The bill does not allow the HMFA to accept applications for eligibility under the program after January 1, 2027 or after the date the HMFA determines that the percent proportion of rental units to all housing units in Atlantic City has declined to at least 50 percent, whichever date occurs first. The bill directs the HMFA, in consultation with the Division of Taxation in the Department of the Treasury (division), to adopt rules and regulations to implement the program. The bill also requires the division to adopt rules and regulations concerning the transferability of tax credits. The bill directs the HMFA to provide a report to the Legislature, on or before

June 1, 2027, describing the programs results and making recommendations.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS

The committee amendments to the bill update certain deadlines to provide that the program application and reporting timelines are completed in 2027.