



## **LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 1998

**CHAPTER:**94

**NJSA:** 34:1B-165 to 34:1B-174

"Local-State Business Incentive Promotion Act"

**BILL NO:** A196 (Substituted for S455 -- Senate Committee Substitute)

**SPONSOR(S):** Geist and Caraballo

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:**

**ASSEMBLY:** Commerce

**SENATE:** Economic Growth

**AMENDED DURING PASSAGE:**No

**DATE OF PASSAGE:**

**ASSEMBLY:** July 30, 1998

**SENATE:** July 30, 1998

**DATE OF APPROVAL:** September 2, 1998

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### **THE FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL:** Senate Committee Substitute

### **Senate Committee Substitute for A196**

**SPONSORS STATEMENT:** *No*

**COMMITTEE STATEMENT:**

**ASSEMBLY:***No*

**SENATE:***Yes*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**A196**

**SPONSORS STATEMENT:** *Yes* (Begins on page 6 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *Yes*

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

**Senate Committee Substitute for S455**

**SPONSORS STATEMENT:** *No*

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *Yes*

(Identical to Senate Statement for SCS for A196)

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

(Identical to Legislative Fiscal Estimate for SCS for A196)

**S455**

**SPONSORS STATEMENT:** *Yes* (Begins on page 6 of original bill)

(Bill and Sponsors Statement identical to A196)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**VETO MESSAGE:** *No*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *Yes*

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**THE FOLLOWING WERE PRINTED:**

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**REPORTS:**

**974.90 E19 1994g**

New Jersey Economic Master Plan Commission.

**Short and long term recommendations for economic improvement.**

Trenton, N.J.: The Commission, 1994. 3 vols.

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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SENATE COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 196**

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**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

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ADOPTED MAY 14, 1998

**Sponsored by:**

**Assemblyman GEORGE F. GEIST**  
**District 4 (Camden and Gloucester)**  
**Assemblyman WILFREDO CARABALLO**  
**District 28 (Essex)**

**Co-Sponsored by:**

**Assemblymen LeFevre, Luongo, Senators Rice and Allen**

**SYNOPSIS**

Establishes a Local-State Business Incentive Promotion Program within EDA.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Senate Economic Growth Agriculture and Tourism Committee.



**(Sponsorship Updated As Of: 7/31/1998)**

1 AN ACT to provide loans to businesses to assist counties and  
2 municipalities in retaining and attracting business and  
3 supplementing Title 34 of the Revised Statutes.

4

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

7

8 1. This act shall be known and may be cited as the "Local-State  
9 Business Incentive Promotion Act."

10

11 2. As used in this act:

12 "Act" means the "Local-State Business Incentive Promotion Act."

13 "Applicant" means any business within a county or municipality  
14 applying for a loan pursuant to this act.

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

18 "Business" means a corporation; sole proprietorship; partnership;  
19 corporation that has made an election under Subchapter S of Chapter  
20 One of Subtitle A of the Internal Revenue Code of 1986, or any other  
21 business entity through which income flows as a distributive share to  
22 its owners; limited liability company; nonprofit corporation; or any  
23 other form of business organization located either within or outside  
24 this State.

25 "Loan" means money loaned to a business by the authority for the  
26 purpose of retaining existing business or attracting new business to a  
27 county or municipality pursuant to this act.

28 "Program" means the Local-State Business Incentive Promotion  
29 Program established pursuant to section 3 of this act.

30

31 3. a. There is created, in the authority, a "Local-State Business  
32 Incentive Promotion Program." The program shall be established by  
33 the authority. The program shall consist of loans which shall be  
34 provided to qualified applicants in order to retain existing businesses  
35 or to attract new businesses within a county or municipality by  
36 providing the businesses with financing for a project, which may  
37 include, but not limited to; the development of transportation services,  
38 parking facilities or other types of investments needed to assist local  
39 business retention and attraction efforts; the promotion of  
40 environmental, quality of life and public safety projects to make an  
41 area more conducive for existing businesses to expand and to attract  
42 new businesses to an area; and the acquisition of buildings and real  
43 property needed to retain businesses or to attract businesses to locate  
44 within the area.

45 b. In designing and implementing the program, the authority shall  
46 enter into agreements with local agencies, businesses and nonprofit

1 organizations for matching funds in order to leverage its loans with  
2 funds from such entities. The terms and conditions of any agreements  
3 for matching funds shall be determined by the authority.

4  
5 4. a. To implement the act, the authority shall establish and  
6 maintain the program with moneys to be used by the authority for the  
7 purposes specified in this act. Moneys to be utilized by the program  
8 shall include, but not be limited to:

9 (1) such moneys from the "Economic Recovery Fund" established  
10 pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12), that the  
11 authority determines are available and necessary in response to the  
12 demand for the program, and such other business development fund  
13 moneys that the authority determines are available and necessary, in  
14 response to the demand for the program, to effectively implement the  
15 purposes of this act;

16 (2) moneys that shall be received by the authority from the  
17 repayment of loans pursuant to this act and interest thereon;

18 (3) moneys as may be available to the authority from business  
19 development programs administered by other State agencies or  
20 authorities and which the authority determines are necessary in  
21 response to the demand for the program;

22 (4) appropriations made by the Legislature to effectuate the  
23 purposes of this act;

24 (5) fees collected from applicants pursuant to subsection c. of this  
25 section; and

26 (6) such other moneys as may be made available including, but not  
27 limited to, funds provided by agreement with private investors to  
28 effectuate the purposes of this act.

29 b. Moneys in the program which are determined by the authority  
30 not to be needed for current responsibilities of the program, may be  
31 invested by the authority in any direct obligations as to which principal  
32 and interest are guaranteed by the United States of America or any  
33 other obligation deemed appropriate by the authority.

34 c. The authority may charge fees in connection with the provision  
35 of loans from the program.

36 d. The authority is authorized to disburse moneys in the program  
37 for purposes unrelated to this act if, for a period of at least three years,  
38 no moneys are disbursed from the program for the purposes set forth  
39 pursuant to this act.

40  
41 5. a. The authority shall use the moneys from the program to  
42 provide loans to applicants determined to be qualified by the authority  
43 to participate in the program, in accordance with the criteria set forth  
44 in this section, and in accordance with the authority's underwriting  
45 criteria. The authority shall give priority consideration to those  
46 project applicants that have leveraged resources pursuant to paragraph

1 (5) of subsection b. of this section, provided that the authority  
2 determines that the project is fiscally prudent and meets the authority's  
3 underwriting criteria. Moneys received in repayment of loans shall be  
4 deposited in the program. The maximum amount of each loan from  
5 the program that is provided to each qualified applicant shall be  
6 determined in accordance with criteria to be adopted by the authority  
7 pursuant to section 10 of this act.

8 b. In determining the criteria for qualifying applicants for loans,  
9 the authority shall consider:

10 (1) the need to provide assistance for retaining and attracting  
11 businesses and jobs;

12 (2) the level of potential job creation and the longevity of such  
13 jobs;

14 (3) the conduciveness of the economic environment for the  
15 establishment, expansion or relocation of businesses within the  
16 jurisdiction of the project;

17 (4) the geographic representation of all regions of the State,  
18 including both urban and rural municipalities; and

19 (5) the level of financial and other participation by local economic  
20 development agencies, county or municipal government entities,  
21 nonprofit or for-profit organizations and lending institutions.

22 c. The authority shall require applicants to contribute cash from  
23 other sources to leverage the amount of moneys received from the  
24 program. Contributions provided from other sources shall be in a  
25 ratio of at least \$1 from other sources for each \$2 from the program.  
26 These contributions may come from a public or private source other  
27 than the program.

28 d. Loans to stimulate the retention or attraction of businesses in  
29 accordance with this act shall be made by the authority pursuant to a  
30 loan agreement and may be amortization or term loans, bear interest  
31 at less than the market rate, be renewable, be callable, and contain  
32 other terms and conditions considered appropriate by the authority  
33 that are consistent with the purposes of this act and with rules and  
34 regulations adopted by the authority to implement the program.

35 e. The authority may require, as a condition of receiving a loan  
36 under the program, that a business which an applicant seeks to retain  
37 or attract shall continue operating at a location in New Jersey for at  
38 least 1.5 times the number of years of the term of the loan.

39  
40 6. The authority shall have, in addition to the powers set forth in  
41 section 5 of P.L.1974, c.80 (C.34:1B-5), the power to enter into  
42 written agreements with one or more private investors, or with one or  
43 more State agencies or authorities for the purpose of establishing a  
44 pool of moneys to be deposited in the program and to provide moneys  
45 to be used exclusively for loans to stimulate the retention or attraction  
46 of businesses pursuant to this act. The pooled moneys provided as

1 loans by the authority from the program shall be fixed at an interest  
2 rate to be determined by the authority and shall be for a term to be  
3 established by the authority.

4  
5 7. a. The authority shall seek to coordinate its efforts and  
6 activities, to the greatest extent feasible, with the county or  
7 municipality, in order to retain or attract businesses in the applicant's  
8 jurisdiction.

9 b. The authority shall actively seek the advice of county economic  
10 development offices in order to improve the effectiveness of the  
11 program.

12  
13 8. In addition to the duties of the authority required under section  
14 4 of P.L.1974, c.80 (C.34:1B-4), the authority shall prepare a report  
15 within two years following the effective date of this act, and not later  
16 than September 15 of each third year thereafter, which shall describe:  
17 the demand for the program; the number of applicants assisted by the  
18 program; the efforts made by the authority to promote the program  
19 and to establish a pool of funds from private and public sources  
20 pursuant to section 6 of this act; the total number of loans and the  
21 average amount of such loans provided by the authority; and an  
22 assessment of the effectiveness of the program in meeting the goals of  
23 the act. The authority shall submit its report to the Governor and the  
24 Legislature, along with any recommendations for legislation to  
25 improve the effectiveness of the program.

26  
27 9. If a project fails to meet or comply with a condition or  
28 requirement set forth in a loan agreement with the authority or in rules  
29 and regulations of the authority, the authority may cancel or rescind  
30 the agreement or amend the agreement to reduce the amount of the  
31 loan or the term of the loan agreement.

32  
33 10. The authority may adopt, pursuant to the "Administrative  
34 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and  
35 regulations as may be necessary to effectuate the purposes of this act.

36  
37 11. This act shall take effect on the 180th day following  
38 enactment.



SENATE ECONOMIC GROWTH, AGRICULTURE AND  
TOURISM COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 196**

**STATE OF NEW JERSEY**

DATED: MAY 14, 1998

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably a committee substitute for Assembly Bill No. 196.

This committee substitute establishes the "Local-State Business Incentive Promotion Program" within the New Jersey Economic Development Authority ("authority") in order to provide loans to qualified businesses. The intent of the program is to retain existing businesses or to attract new businesses within a county or municipality by providing businesses with financing for projects, which may include, but not limited to: the development of transportation services, parking facilities or other types of investments needed to assist local business retention and attraction efforts; the promotion of environmental, quality of life and public safety projects to make an area more conducive for existing businesses to expand and to attract new businesses to an area; and the acquisition of buildings and real property needed to retain businesses or to attract businesses to locate within the area.

In designing and implementing the program, the authority is to enter into agreements with local agencies, businesses and nonprofit organizations for matching funds in order to leverage its loans with funds from such entities. The terms and conditions of any agreements for matching funds are to be determined by the authority. The substitute bill requires that in determining the criteria for qualifying applicants for loans, the authority shall consider:

(1) the need to provide assistance for retaining and attracting businesses and jobs; (2) the level of potential job creation and the longevity of such jobs; (3) the conduciveness of the economic environment for the establishment, expansion or relocation of businesses within the jurisdiction of the project; (4) the geographic representation of all regions of the State, including both urban and rural municipalities; and (5) the level of financial and other participation by local economic development agencies, county or municipal government entities, nonprofit or for-profit organizations

and lending institutions. The substitute bill requires the authority to give priority consideration to those project applicants that have leveraged resources through the participation of local economic development agencies, county or municipal government entities, nonprofit or for-profit organizations and lending institutions, provided that the authority determines that the project is fiscally prudent and meets the authority's underwriting criteria. Moneys received in repayment of loans are to be deposited in the program.

The substitute bill allows the authority to require, as a condition of receiving a loan under the program, that a business which an applicant seeks to retain or attract shall continue operating at a location in New Jersey for at least 1.5 times the number of years of the term of the loan.

The substitute bill requires the authority to seek to coordinate its efforts and activities, to the greatest extent feasible, with the county or municipality, in order to retain or attract businesses in the applicant's jurisdiction and to actively seek the advice of county economic development offices in order to improve the effectiveness of the program.

The substitute bill requires the authority to prepare a report within two years following the effective date of this act, and not later than September 15 of each third year thereafter, which shall describe: the demand for the program; the number of applicants assisted by the program; the efforts made by the authority to promote the program and to establish a pool of funds from private and public sources; the total number of loans and the average amount of such loans provided by the authority; and an assessment of the effectiveness of the program in meeting the goals of the substitute bill. The authority shall submit its report to the Governor and the Legislature, along with any recommendations for legislation to improve the effectiveness of the program.

As substituted, Assembly Bill No.196 is identical to Senate Bill No. 455, as substituted.

# ASSEMBLY, No. 196

## STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

**Sponsored by:**

**Assemblyman GEORGE F. GEIST**

**District 4 (Camden and Gloucester)**

**Assemblyman WILFREDO CARABALLO**

**District 28 (Essex)**

**SYNOPSIS**

Establishes a Local-State Business Incentive Promotion Program within EDA.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT to provide incentive grants and loans to assist municipalities  
2 and counties in retaining and attracting business and supplementing  
3 Title 34 of the Revised Statutes.

4

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

7

8 1. This act shall be known and may be cited as the "Local-State  
9 Business Incentive Promotion Act."

10

11 2. As used in this act:

12 "Act" means the "Local-State Business Incentive Promotion Act."

13 "Applicant" means any county or municipality applying for a  
14 development loan or incentive grant pursuant to this act.

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

18 "Business" means a corporation; sole proprietorship; partnership;  
19 corporation that has made an election under Subchapter S of Chapter  
20 One of Subtitle A of the Internal Revenue Code of 1986, or any other  
21 business entity through which income flows as a distributive share to  
22 its owners; limited liability company; nonprofit corporation; or any  
23 other form of business organization located either within or outside  
24 this State.

25 "Commissioner" means the Commissioner of Commerce and  
26 Economic Development.

27 "Department" means the Department of Commerce and Economic  
28 Development.

29 "Loan" means money loaned to a county or municipality by the  
30 authority for the purpose of retaining existing business or attracting  
31 new business pursuant to this act.

32 "Incentive grant" or "grant" means money provided by the authority  
33 to a county or municipality on a matching fund basis for the purpose  
34 of retaining existing business or attracting new business.

35 "Program" means the Local-State Business Incentive Promotion  
36 Program established pursuant to section 3 of this act.

37 "Promotion fund" means the Local-State Business Incentive  
38 Promotion Fund established pursuant to section 4 of this act.

39

40 3. a. There is created, in the authority, a "Local-State Business  
41 Incentive Promotion Program." The program shall be established by  
42 the authority in consultation with the department. The program shall  
43 consist of loans and grants which shall be provided to qualified  
44 applicants in order to defray the cost of plans to retain existing  
45 business or to attract new business within a county or municipality, as  
46 the case may be, including, but not limited to, the development of

1 transportation services, parking facilities or other types of investments  
2 needed to assist local business retention and attraction efforts, the  
3 promotion of environmental, quality of life and public safety projects  
4 to make an area more conducive for existing business to expand and  
5 to attract new business to an area, and the acquisition of buildings and  
6 real property needed to retain businesses or to attract businesses to  
7 locate within the area.

8 b. In designing and implementing the program, the authority shall  
9 enter into agreements with local agencies, businesses and non-profit  
10 organizations for matching funds in order to leverage its loans and  
11 grants with funds from such entities. The terms and conditions of any  
12 agreements for matching funds shall be determined by the authority  
13 and subject to the approval of the commissioner.

14

15 4. a. To implement the program, the authority shall establish and  
16 maintain a special account designated the "Local-State Business  
17 Incentive Promotion Fund," into which shall be deposited moneys to  
18 be used by the authority for the purposes specified in this act. Moneys  
19 deposited into the promotion fund shall include, but not be limited to:

20 (1) such moneys from the "Economic Recovery Fund" established  
21 pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12), and such  
22 other business development fund moneys that the authority determines  
23 are available and necessary, in response to the demand for the  
24 program, to effectively implement the purposes of this act;

25 (2) moneys that shall be received by the authority from the  
26 repayment of development loans and interest thereon;

27 (3) moneys as may be available to the authority from business  
28 development programs administered by other State agencies or  
29 authorities;

30 (4) appropriations made by the Legislature to effectuate the  
31 purposes of this act;

32 (5) fees collected from applicants pursuant to subsection c. of this  
33 section; and

34 (6) such other moneys as may be made available including, but not  
35 limited to, funds provided by agreement with private investors to  
36 effectuate the purposes of this act.

37 b. Moneys in the promotion fund which are determined by the  
38 authority not to be needed for current responsibilities of the promotion  
39 fund, may be invested by the authority in any direct obligations as to  
40 which principal and interest are guaranteed by the United States of  
41 America or any other obligation deemed appropriate by the authority.

42 c. The authority may charge fees in connection with the provision  
43 of loans and incentive grants from the promotion fund.

44 d. The authority is authorized to disburse moneys in the promotion  
45 fund for purposes unrelated to this act if, for a period of at least three  
46 years, no moneys are disbursed from the promotion fund for the

1 purposes set forth pursuant to this act.

2

3 5. a. The authority shall use the moneys in the promotion fund to  
4 provide loans and incentive grants to applicants determined to be  
5 qualified by the authority to participate in the program in accordance  
6 with the criteria set forth in this section. Moneys received in  
7 repayment of loans shall be deposited in the promotion fund. The  
8 maximum amount of each loan from the promotion fund that is  
9 provided to each qualified applicant shall be determined in accordance  
10 with criteria to be adopted jointly by the authority and department  
11 pursuant to section 10 of this act.

12 b. In determining the criteria for qualifying applicants for loans and  
13 incentive grants, the authority shall consider:

14 (1) the need to provide assistance for retaining and attracting  
15 businesses and jobs;

16 (2) the viability of the plan to retain and attract business submitted  
17 by an applicant;

18 (3) the level of potential job creation and the longevity of such  
19 jobs;

20 (4) the conduciveness of the economic environment for the  
21 establishment, expansion or relocation of businesses within the  
22 applicant's jurisdiction;

23 (5) the geographic representation of all regions of the State,  
24 including both urban and rural municipalities; and

25 (6) the level of financial and other participation by local economic  
26 development agencies, county or municipal government entities, non-  
27 profit or for-profit organizations and lending institutions.

28 c. The authority shall require applicants for incentive grants to  
29 contribute cash from other sources to leverage the amount of moneys  
30 received from the promotion fund. Contributions provided from other  
31 sources shall be in a ratio of at least \$1 from other sources for each \$2  
32 from the program. These contributions may come from a public or  
33 private source other than the program.

34 d. Loans to stimulate the retention or attraction of business in  
35 accordance with this act shall be made by the authority pursuant to a  
36 loan agreement and may be amortization or term loans, bear interest  
37 at less than the market rate, be renewable, be callable, and contain  
38 other terms and conditions considered appropriate by the authority  
39 that are consistent with the purposes of this act and with rules and  
40 regulations jointly adopted by the authority and the department to  
41 implement the program.

42 e. The authority shall require, as a condition of receiving a grant  
43 or loan under the program, that a business which the applicant seeks  
44 to retain or attract continue operating at a location in New Jersey for  
45 at least 1.5 times the number of years of the term of the grant or loan.

1       6. The authority shall have, in addition to the powers set forth in  
2 section 5 of P.L.1974, c.80 (C.34:1B-5), the power to enter into  
3 written agreements with one or more private investors, or with one or  
4 more State agencies or authorities for the purpose of establishing a  
5 pool of moneys to be deposited in the promotion fund and to provide  
6 moneys to be used exclusively for loans and grants to stimulate the  
7 retention or attraction of business pursuant to this act. The pooled  
8 moneys provided as loans by the authority from the promotion fund  
9 shall be fixed at an interest rate to be determined by the authority and  
10 shall be for a term not exceeding one year.

11

12       7. a. The authority, the department and a county or municipality  
13 approved for a loan or grant from the program, shall seek to  
14 coordinate their efforts and activities, to the greatest extent feasible,  
15 to retain or attract businesses in the applicant's jurisdiction.

16       b. The authority shall actively seek the advice of county economic  
17 development offices in order to improve the effectiveness of the  
18 program.

19

20       8. In addition to the duties of the authority required under section  
21 4 of P.L.1974, c.80 (C.34:1B-4), the authority shall prepare a report  
22 within two years following the effective date of this act, and not later  
23 than September 15 of each third year thereafter, which shall describe  
24 the demand for the program, the number of applicants assisted by the  
25 program, the efforts made by the authority to promote the program  
26 and to establish a pool of funds from private and public sources  
27 pursuant to section 6 of this act, the total number of loans and  
28 incentive grants and the average amount of such loans and grants  
29 provided by the authority and an assessment of the effectiveness of the  
30 program in meeting the goals of the act. The authority shall submit its  
31 report to the Governor and the Legislature, along with any  
32 recommendations for legislation to improve the effectiveness of the  
33 program.

34

35       9. If the applicant receiving a grant or loan fails to meet or comply  
36 with a condition or requirement set forth in a grant or loan agreement  
37 with the authority or in rules and regulations of the authority, the  
38 authority may cancel or rescind the agreement or amend the  
39 agreement to reduce the amount of the grant or loan or the term of the  
40 grant or loan agreement.

41

42       10. The authority and the department shall jointly adopt, pursuant  
43 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
44 et seq.), rules and regulations as may be necessary to effectuate the  
45 purposes of this act.

1       11. This act shall take effect on the 180th day following enactment.

2

3

4

STATEMENT

5

6       This bill establishes the "Local-State Business Incentive Promotion  
7 Program" within the New Jersey Economic Development Authority  
8 (EDA) in order to assist counties and municipalities with plans to  
9 retain existing businesses or attract new businesses. The plans to be  
10 submitted by counties and municipalities to the EDA may be eligible  
11 for funding with loans or grants from the "Local-State Business  
12 Incentive Promotion Fund," administered by the EDA to assist local  
13 governments in their efforts to stimulate new business development  
14 and retain existing business.

15       Such plans could include the development of transportation  
16 services, parking facilities or other types of investments needed to  
17 assist local business retention and development efforts, the promotion  
18 of environmental, quality of life and public safety projects to make an  
19 area more conducive for existing business to expand and to attract new  
20 business to an area, and the acquisition of buildings and real property  
21 needed to retain businesses or to attract businesses to locate within the  
22 area.

23       The program is intended to complement existing business  
24 development programs such as the "Business Employment Incentive  
25 Program Act," P.L.1996, c.26 (C.34:1B-124 et seq.) and the "Business  
26 Relocation Assistance Act," P.L.1996, c.25 (C.34:1B-112 et seq.).

27       The bill directs the EDA to establish the Local-State Business  
28 Incentive Promotion Fund to provide loans and incentive grants to  
29 counties and municipalities to implement plans to retain existing  
30 business and to attract new business. The incentive grants shall be  
31 provided by the authority on a matching fund basis with \$1 coming  
32 from outside sources for every \$2 coming from the program.

33       The bill requires the EDA to report to the Governor and the  
34 Legislature on the effectiveness of the program within two years  
35 following the effective date of the bill and every third year thereafter  
36 and to recommend legislation to improve the operation of the  
37 program. In that regard, the authority and the department shall seek  
38 the input of county economic development offices.



ASSEMBLY COMMERCE, TOURISM, GAMING AND  
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 196**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 29, 1998

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably Assembly Bill No. 196 with committee amendments.

As amended, this bill establishes the "Local-State Business Incentive Promotion Program" within the New Jersey Economic Development Authority (EDA) in order to assist counties and municipalities with plans to retain existing businesses or attract new businesses. The plans to be submitted by counties and municipalities to the EDA may be eligible for funding with loans or grants from the "Local-State Business Incentive Promotion Program," administered by the EDA to assist local governments in their efforts to stimulate new business development and retain existing business.

Such plans could include the development of transportation services, parking facilities or other types of investments needed to assist local business retention and development efforts, the promotion of environmental, quality of life and public safety projects to make an area more conducive for existing business to expand and to attract new business to an area, and the acquisition of buildings and real property needed to retain businesses or to attract businesses to locate within the area.

The program is intended to complement existing business development programs such as the "Business Employment Incentive Program Act," P.L.1996, c.26 (C.34:1B-124 et seq.) and the "Business Relocation Assistance Act," P.L.1996, c.25 (C.34:1B-112 et seq.).

The bill directs the EDA to establish the Local-State Business Incentive Promotion Program to provide loans or incentive grants to counties and municipalities to implement plans to retain existing business and to attract new business. The incentive grants shall be provided by the authority on a matching fund basis with \$1 coming from outside sources for every \$2 coming from the program.

The bill requires the EDA to report to the Governor and the Legislature on the effectiveness of the program within two years following the effective date of the bill and every third year thereafter

and to recommend legislation to improve the operation of the program. In that regard, the authority and the department shall seek the input of county economic development offices.

The committee adopted amendments to clarify that the Local-State Business Employment Incentive Program will consist of loans or grants to be provided to qualified applicants in response to the demand for the program. The amendments further clarify that the bill gives the authority the flexibility to provide either loans or incentive grants or a combination of both loans and incentive grants to applicants who qualify under the eligibility requirements.

The amendments also redesignate the special account to be established by the authority to fund the program as the "Local-State Business Incentive Promotion Program."

The amendments also provide that the authority shall determine terms and conditions of matching fund agreements without having to obtain a separate approval from the Commissioner of Commerce and Economic Development and shall determine applicant eligibility for program funds in accordance with the authority's underwriting criteria in addition to criteria specified in the bill.

This bill was pre-filed for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## **ASSEMBLY, No. 196**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: MARCH 4, 1998

Assembly Bill No. 196 (1R) of 1998 establishes the "Local-State Business Incentive Promotion Program" within the New Jersey Economic Development Authority (EDA) to assist counties and municipalities with their plans to retain existing businesses or attract new businesses. To implement the program, the EDA is directed to establish and maintain a special account designated as the "Local-State Business Incentive Promotion Program," from which loans or grants may be awarded to qualified counties and municipalities to defray the cost of implementing such business retention and attraction plans.

The Office of Legislative Services notes that the bill does not appropriate any State funds to the EDA for the purposes of the proposed program. However, the bill provides the EDA with the discretion to establish funding from among a variety of sources, although neither the Department of Commerce and Economic Development nor the EDA has indicated the degree to which such resources may be available. Pursuant to section four of the bill, the identified resources include, but are not limited to, monies derived from: the "Economic Recovery Fund," P.L.1992, c.16 (C.34.1B-7.12), or such other available business development funds; the repayment of development loans; business development programs administered by other State agencies; appropriations made by the Legislature; fees collected from applicants pursuant to the bill; and such other monies as may be made available, including, but not limited to, funds provided by private investors.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

SENATE ECONOMIC GROWTH, AGRICULTURE AND  
TOURISM COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE, No. 455**

**STATE OF NEW JERSEY**

DATED: MAY 14, 1998

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably a committee substitute for Senate Bill, No. 455.

This committee substitute establishes the "Local-State Business Incentive Promotion Program" within the New Jersey Economic Development Authority ("authority") in order to provide loans to qualified businesses. The intent of the program is to retain existing businesses or to attract new businesses within county or municipality by providing businesses with financing for projects, which may include, but not limited to: the development of transportation services, parking facilities or other types of investments needed to assist local business retention and attraction efforts; the promotion of environmental, quality of life and public safety projects to make an area more conducive for existing businesses to expand and to attract new businesses to an area; and the acquisition of buildings and real property needed to retain businesses or to attract businesses to locate within the area.

In designing and implementing the program, the authority is to enter into agreements with local agencies, businesses and nonprofit organizations for matching funds in order to leverage its loans with funds from such entities. The terms and conditions of any agreements for matching funds are to be determined by the authority.

The substitute bill requires that in determining the criteria for qualifying applicants for loans, the authority shall consider:

(1) the need to provide assistance for retaining and attracting businesses and jobs; (2) the level of potential job creation and the longevity of such jobs; (3) the conduciveness of the economic environment for the establishment, expansion or relocation of businesses within the jurisdiction of the project; (4) the geographic representation of all regions of the State, including both urban and rural municipalities; and (5) the level of financial and other participation by local economic development agencies, county or municipal government entities, nonprofit or for-profit organizations

and lending institutions. The substitute bill requires the authority to give priority consideration to those project applicants that have leveraged resources through the participation of local economic development agencies, county or municipal government entities, nonprofit or for-profit organizations and lending institutions, provided that the authority determines that the project is fiscally prudent and meets the authority's underwriting criteria. Moneys received in repayment of loans are to be deposited in the program.

The substitute bill allows the authority to require, as a condition of receiving a loan under the program, that a business which an applicant seeks to retain or attract shall continue operating at a location in New Jersey for at least 1.5 times the number of years of the term of the loan.

The substitute bill requires the authority to seek to coordinate its efforts and activities, to the greatest extent feasible, with the county or municipality, in order to retain or attract businesses in the applicant's jurisdiction and to actively seek the advice of county economic development offices in order to improve the effectiveness of the program.

The substitute bill requires the authority to prepare a report within two years following the effective date of this act, and not later than September 15 of each third year thereafter, which shall describe: the demand for the program; the number of applicants assisted by the program; the efforts made by the authority to promote the program and to establish a pool of funds from private and public sources; the total number of loans and the average amount of such loans provided by the authority; and an assessment of the effectiveness of the program in meeting the goals of the bill. The authority shall submit its report to the Governor and the Legislature, along with any recommendations for legislation to improve the effectiveness of the program.

As substituted, Senate Bill, No. 455 is identical to Assembly Bill, No. 196 (1R), as substituted.

# LEGISLATIVE FISCAL ESTIMATE

## SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 455**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: AUGUST 20, 1998

Senate Committee Substitute for Senate Bill No. 455 of 1998 establishes the "Local-State Business Incentive Promotion Program" within the New Jersey Economic Development Authority (EDA) to provide loans to qualified businesses. The objective of the program is to retain existing businesses or to attract new businesses within a county or municipality by providing businesses with financing for projects, which may include, but are not limited to: the development of transportation services, parking facilities or other types of investments needed to assist local business retention and attraction efforts; the promotion of environmental, quality of life and public safety projects to make an area more conducive for existing businesses to expand and to attract new businesses to an area; and the acquisition of buildings and real property needed to retain businesses or to attract businesses to locate within the area.

The Office of Legislative Services notes that the bill does not appropriate any State funds to the EDA for the purposes of this proposed program. However, the bill allows the EDA to utilize funds from a variety of sources, although the EDA has not indicated the degree to which such resources may be available. The resources identified by the bill include, but are not limited to, monies derived from: the "Economic Recovery Fund," established pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12), or other available business development funds; the repayment of development loans; business development programs administered by other State agencies; appropriations made by the Legislature; fees collected from applicants pursuant to the bill; and other such monies as may be made available, including, but not limited to, funds provided by private investors.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

**SENATE, No. 455**

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**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

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INTRODUCED FEBRUARY 10, 1998

**Sponsored by:**  
**Senator RONALD L. RICE**  
**District 28 (Essex)**

**SYNOPSIS**

Establishes a Local-State Business Incentive Promotion Program within EDA.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT to provide incentive grants and loans to assist municipalities  
2 and counties in retaining and attracting business and supplementing  
3 Title 34 of the Revised Statutes.

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

7  
8 1. This act shall be known and may be cited as the "Local-State  
9 Business Incentive Promotion Act."

10  
11 2. As used in this act:

12 "Act" means the "Local-State Business Incentive Promotion Act."

13 "Applicant" means any county or municipality applying for a  
14 development loan or incentive grant pursuant to this act.

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

18 "Business" means a corporation; sole proprietorship; partnership;  
19 corporation that has made an election under Subchapter S of Chapter  
20 One of Subtitle A of the Internal Revenue Code of 1986, or any other  
21 business entity through which income flows as a distributive share to  
22 its owners; limited liability company; nonprofit corporation; or any  
23 other form of business organization located either within or outside  
24 this State.

25 "Commissioner" means the Commissioner of Commerce and  
26 Economic Development.

27 "Department" means the Department of Commerce and Economic  
28 Development.

29 "Loan" means money loaned to a county or municipality by the  
30 authority for the purpose of retaining existing business or attracting  
31 new business pursuant to this act.

32 "Incentive grant" or "grant" means money provided by the authority  
33 to a county or municipality on a matching fund basis for the purpose  
34 of retaining existing business or attracting new business.

35 "Program" means the Local-State Business Incentive Promotion  
36 Program established pursuant to section 3 of this act.

37 "Promotion fund" means the Local-State Business Incentive  
38 Promotion Fund established pursuant to section 4 of this act.

39  
40 3. a. There is created, in the authority, a "Local-State Business  
41 Incentive Promotion Program." The program shall be established by  
42 the authority in consultation with the department. The program shall  
43 consist of loans and grants which shall be provided to qualified  
44 applicants in order to defray the cost of plans to retain existing  
45 business or to attract new business within a county or municipality, as  
46 the case may be, including, but not limited to, the development of



1 transportation services, parking facilities or other types of investments  
2 needed to assist local business retention and attraction efforts, the  
3 promotion of environmental, quality of life and public safety projects  
4 to make an area more conducive for existing business to expand and  
5 to attract new business to an area, and the acquisition of buildings and  
6 real property needed to retain businesses or to attract businesses to  
7 locate within the area.

8 b. In designing and implementing the program, the authority shall  
9 enter into agreements with local agencies, businesses and non-profit  
10 organizations for matching funds in order to leverage its loans and  
11 grants with funds from such entities. The terms and conditions of any  
12 agreements for matching funds shall be determined by the authority  
13 and subject to the approval of the commissioner.

14

15 4. a. To implement the program, the authority shall establish and  
16 maintain a special account designated the "Local-State Business  
17 Incentive Promotion Fund," into which shall be deposited moneys to  
18 be used by the authority for the purposes specified in this act. Moneys  
19 deposited into the promotion fund shall include, but not be limited to:

20 (1) such moneys from the "Economic Recovery Fund" established  
21 pursuant to section 3 of P.L.1992, c.16 (C.34:1B-7.12), and such  
22 other business development fund moneys that the authority determines  
23 are available and necessary, in response to the demand for the  
24 program, to effectively implement the purposes of this act;

25 (2) moneys that shall be received by the authority from the  
26 repayment of development loans and interest thereon;

27 (3) moneys as may be available to the authority from business  
28 development programs administered by other State agencies or  
29 authorities;

30 (4) appropriations made by the Legislature to effectuate the  
31 purposes of this act;

32 (5) fees collected from applicants pursuant to subsection c. of this  
33 section; and

34 (6) such other moneys as may be made available including, but not  
35 limited to, funds provided by agreement with private investors to  
36 effectuate the purposes of this act.

37 b. Moneys in the promotion fund which are determined by the  
38 authority not to be needed for current responsibilities of the promotion  
39 fund, may be invested by the authority in any direct obligations as to  
40 which principal and interest are guaranteed by the United States of  
41 America or any other obligation deemed appropriate by the authority.

42 c. The authority may charge fees in connection with the provision  
43 of loans and incentive grants from the promotion fund.

44 d. The authority is authorized to disburse moneys in the promotion  
45 fund for purposes unrelated to this act if, for a period of at least three  
46 years, no moneys are disbursed from the promotion fund for the

1 purposes set forth pursuant to this act.

2

3 5. a. The authority shall use the moneys in the promotion fund to  
4 provide loans and incentive grants to applicants determined to be  
5 qualified by the authority to participate in the program in accordance  
6 with the criteria set forth in this section. Moneys received in  
7 repayment of loans shall be deposited in the promotion fund. The  
8 maximum amount of each loan from the promotion fund that is  
9 provided to each qualified applicant shall be determined in accordance  
10 with criteria to be adopted jointly by the authority and department  
11 pursuant to section 10 of this act.

12 b. In determining the criteria for qualifying applicants for loans and  
13 incentive grants, the authority shall consider:

14 (1) the need to provide assistance for retaining and attracting  
15 businesses and jobs;

16 (2) the viability of the plan to retain and attract business submitted  
17 by an applicant;

18 (3) the level of potential job creation and the longevity of such  
19 jobs;

20 (4) the conduciveness of the economic environment for the  
21 establishment, expansion or relocation of businesses within the  
22 applicant's jurisdiction;

23 (5) the geographic representation of all regions of the State,  
24 including both urban and rural municipalities; and

25 (6) the level of financial and other participation by local economic  
26 development agencies, county or municipal government entities, non-  
27 profit or for-profit organizations and lending institutions.

28 c. The authority shall require applicants for incentive grants to  
29 contribute cash from other sources to leverage the amount of moneys  
30 received from the promotion fund. Contributions provided from other  
31 sources shall be in a ratio of at least \$1 from other sources for each \$2  
32 from the program. These contributions may come from a public or  
33 private source other than the program.

34 d. Loans to stimulate the retention or attraction of business in  
35 accordance with this act shall be made by the authority pursuant to a  
36 loan agreement and may be amortization or term loans, bear interest  
37 at less than the market rate, be renewable, be callable, and contain  
38 other terms and conditions considered appropriate by the authority  
39 that are consistent with the purposes of this act and with rules and  
40 regulations jointly adopted by the authority and the department to  
41 implement the program.

42 e. The authority shall require, as a condition of receiving a grant  
43 or loan under the program, that a business which the applicant seeks  
44 to retain or attract continue operating at a location in New Jersey for  
45 at least 1.5 times the number of years of the term of the grant or loan.

1       6. The authority shall have, in addition to the powers set forth in  
2 section 5 of P.L.1974, c.80 (C.34:1B-5), the power to enter into  
3 written agreements with one or more private investors, or with one or  
4 more State agencies or authorities for the purpose of establishing a  
5 pool of moneys to be deposited in the promotion fund and to provide  
6 moneys to be used exclusively for loans and grants to stimulate the  
7 retention or attraction of business pursuant to this act. The pooled  
8 moneys provided as loans by the authority from the promotion fund  
9 shall be fixed at an interest rate to be determined by the authority and  
10 shall be for a term not exceeding one year.

11

12       7. a. The authority, the department and a county or municipality  
13 approved for a loan or grant from the program, shall seek to  
14 coordinate their efforts and activities, to the greatest extent feasible,  
15 to retain or attract businesses in the applicant's jurisdiction.

16       b. The authority shall actively seek the advice of county economic  
17 development offices in order to improve the effectiveness of the  
18 program.

19

20       8. In addition to the duties of the authority required under section  
21 4 of P.L.1974, c.80 (C.34:1B-4), the authority shall prepare a report  
22 within two years following the effective date of this act, and not later  
23 than September 15 of each third year thereafter, which shall describe  
24 the demand for the program, the number of applicants assisted by the  
25 program, the efforts made by the authority to promote the program  
26 and to establish a pool of funds from private and public sources  
27 pursuant to section 6 of this act, the total number of loans and  
28 incentive grants and the average amount of such loans and grants  
29 provided by the authority and an assessment of the effectiveness of the  
30 program in meeting the goals of the act. The authority shall submit its  
31 report to the Governor and the Legislature, along with any  
32 recommendations for legislation to improve the effectiveness of the  
33 program.

34

35       9. If the applicant receiving a grant or loan fails to meet or comply  
36 with a condition or requirement set forth in a grant or loan agreement  
37 with the authority or in rules and regulations of the authority, the  
38 authority may cancel or rescind the agreement or amend the  
39 agreement to reduce the amount of the grant or loan or the term of the  
40 grant or loan agreement.

41

42       10. The authority and the department shall jointly adopt, pursuant  
43 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
44 et seq.), rules and regulations as may be necessary to effectuate the  
45 purposes of this act.

1 11. This act shall take effect on the 180th day following enactment.

2

3

4

STATEMENT

5

6 This bill establishes the "Local-State Business Incentive Promotion  
7 Program" within the New Jersey Economic Development Authority  
8 (EDA) in order to assist counties and municipalities with plans to  
9 retain existing businesses or attract new businesses. The plans to be  
10 submitted by counties and municipalities to the EDA may be eligible  
11 for funding with loans or grants from the "Local-State Business  
12 Incentive Promotion Fund," administered by the EDA to assist local  
13 governments in their efforts to stimulate new business development  
14 and retain existing business.

15 Such plans could include the development of transportation  
16 services, parking facilities or other types of investments needed to  
17 assist local business retention and development efforts, the promotion  
18 of environmental, quality of life and public safety projects to make an  
19 area more conducive for existing business to expand and to attract new  
20 business to an area, and the acquisition of buildings and real property  
21 needed to retain businesses or to attract businesses to locate within the  
22 area.

23 The program is intended to complement existing business  
24 development programs such as the "Business Employment Incentive  
25 Program Act," P.L.1996, c.26 (C.34:1B-124 et seq.) and the "Business  
26 Relocation Assistance Act," P.L.1996, c.25 (C.34:1B-112 et seq.).

27 The bill directs the EDA to establish the Local-State Business  
28 Incentive Promotion Fund to provide loans and incentive grants to  
29 counties and municipalities to implement plans to retain existing  
30 business and to attract new business. The incentive grants shall be  
31 provided by the authority on a matching fund basis with \$1 coming  
32 from outside sources for every \$2 coming from the program.

33 The bill requires the EDA to report to the Governor and the  
34 Legislature on the effectiveness of the program within two years  
35 following the effective date of the bill and every third year thereafter  
36 and to recommend legislation to improve the operation of the  
37 program. In that regard, the authority and the department shall seek  
38 the input of county economic development offices.

*Office of the Governor*  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Jayne O'Connor  
609-777-2600

RELEASE: September 3, 1998

**Gov. Christie Whitman has signed the following legislation:**

**S-170**, sponsored by Senator John Bennett (R-Monmouth), clarifies various provisions of the Municipal Land Use Law and streamlines practices for municipal planning and zoning boards. Specifically, the bill clarifies the procedures for the adoption of memorializing resolutions, addresses how much a municipality may charge to provide a transcript or tape of a master plan hearing, and provides that new members of a municipal agency shall be eligible to vote on matters upon which a hearing was already conducted under certain circumstances.

SCS for **A-196**, sponsored by Assembly Members George Geist (R-Camden/Gloucester) and Wilfredo Carabello (D-Essex) and Senator Ronald Rice (D-Essex), establishes a Local-State Business Incentive Promotion Program within the New Jersey Economic Development Authority (EDA). This is loan program designed to encourage business retention and attraction in New Jersey. Although EDA currently provides loans to businesses, this bill formalizes a linkage between the EDA and local economic development efforts.

**A-1742**, sponsored by Assembly Members James Holzapfel (R-Monmouth/Ocean) and Jeffrey Moran (R-Atlantic/Burlington/Ocean) and Senator Gerald Cardinale (R-Bergen), establishes requirements for apprentice and journeymen plumbers.