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**REPORTS:**

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**NEWSPAPER ARTICLES:**

No

IS 5/23/08

Title 52.  
Chapter 39. (New)  
Development  
Subsidies  
§§1-12 -  
C.52:39-1 to  
52:39-12  
§13 - Note to §§1-  
12

P.L. 2007, CHAPTER 200, *approved November 2, 2007*  
Senate, No. 1213 (*First Reprint*)

1 **AN ACT** concerning disclosure of information related to  
2 development subsidies and supplementing Title 52 of the  
3 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  
9 Development Subsidy Job Goals Accountability Act.”

10  
11 2. The Legislature finds and declares that:

12 a. Although the State has granted numerous tax incentives,  
13 grants and other economic development subsidies during the last 25  
14 years, the inflation-adjusted wage level for a large portion of New  
15 Jersey workers has declined, as has the percentage of working  
16 families in New Jersey with health care coverage;

17 b. Some programs providing economic development subsidies  
18 lack measurable job creation goals, and in some cases, businesses  
19 have closed, relocated or outsourced facilities or jobs for which  
20 subsidies were provided to sites outside of the State;

21 c. Citizen participation in economic development has been  
22 impeded by a lack of readily accessible information regarding  
23 expenditures and outcomes; and

24 d. It is therefore appropriate, in order to improve the  
25 effectiveness of expenditures for economic development and to  
26 ensure that they achieve the goal of raising living standards for  
27 working families, that the State collect, analyze and make public  
28 information regarding those expenditures.

29  
30 3. For the purposes of this act:

31 “Corporate parent” means either: a person, association,  
32 corporation, joint venture, partnership, or other business entity, that  
33 owns or controls 50% or more of a recipient corporation; or the  
34 recipient corporation itself, if no other person, association,  
35 corporation, joint venture, partnership, or other entity, owns or

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ACE committee amendments adopted May 10, 2007.

1 controls 50% or more of the recipient corporation.

2 “Date of development subsidy” means the initial date that a  
3 granting body provides the monetary value of a development  
4 subsidy to a recipient corporation provided, however, that if the  
5 development subsidy is for the installation of new equipment, the  
6 date shall be the date the recipient corporation puts the equipment  
7 into service and provided, further, that if the development subsidy is  
8 for improvements to property, the date shall be the date the  
9 improvements are finished or the date the recipient corporation  
10 occupies the property, whichever is earlier.

11 “Development subsidy” means the authorizing of the provision  
12 or providing to a recipient corporation of an amount of funds by or  
13 from a public body with a value of not less than \$25,000 for the  
14 purpose of stimulating economic development in New Jersey,  
15 including, but not limited to, any bond, grant, loan, loan guarantee,  
16 ‘[tax increment financing, fee waiver, land price subsidy,]’  
17 matching fund or any tax expenditure. “Development subsidy”  
18 does not refer to any contract under which a public body purchases  
19 or otherwise procures goods, services or construction on an  
20 unsubsidized basis, including any contract solely for the  
21 construction or renovation of a facility owned by a public body.  
22 “Development subsidy” does not mean any authorizing or providing  
23 of funds by or from a public body to a recipient corporation,  
24 including by means of a tax expenditure, for the exclusive purpose  
25 of the development or production of affordable housing, for the  
26 exclusive purpose of subsidizing site remediation, recycling,  
27 commuter transportation assistance, pollution reduction, energy  
28 conservation or other programs to improve the environment, or for  
29 the exclusive purpose of providing benefits to employees of the  
30 recipient corporation. “Development subsidy” does not mean any  
31 authorizing or providing of funds by or from a public body to a non-  
32 profit organization, including by means of a tax expenditure, for the  
33 exclusive purpose of subsidizing the development of facilities used  
34 to provide recreational, educational, arts or cultural programs or  
35 childcare or healthcare services.

36 “Employee benefits” means the average rate of benefit costs paid  
37 by a recipient corporation to or for its employees, including, but not  
38 limited to, the cost to the recipient corporation of health care  
39 benefits, pension benefits and apprenticeship or other training and  
40 education benefits, but excluding any costs to the recipient  
41 corporation of unemployment compensation, workers’  
42 compensation or temporary disability benefits, Social Security  
43 benefits, or any other employee benefits which the recipient  
44 corporation is required by State or federal law to pay. “Employee  
45 benefits” do not include any payroll deductions or other costs paid  
46 by employees for the benefits.

47 “Full-time job” means a job in which an individual is employed  
48 by a recipient corporation for at least 35 hours per week.

1       “Granting body” means a public body that provides or authorizes  
2 a development subsidy and, in the case of a tax expenditure related  
3 to any tax paid to the State, means the State Treasurer.

4       "Health benefits" means health benefits provided under a group  
5 health plan as defined in section 14 of P.L.1997, c.146 (C.17B:27-  
6 54), a health benefits plan as defined in section 1 of P.L.1992, c.162  
7 (C.17B:27A-17), or a policy or contract of health insurance  
8 covering more than one person issued pursuant to Title 17B of the  
9 New Jersey Statutes.

10       “Part-time job” means a job in which an individual is employed  
11 by a recipient corporation for less than 35 hours per week.

12       “Project site” means the site of a project inside New Jersey for  
13 which any development subsidy is provided.

14       “Public body” or "State" means the State of New Jersey or any  
15 agency, instrumentality or authority of the State, but not a political  
16 subdivision of the State.

17       “Recipient corporation” means any non-governmental person,  
18 association, corporation, joint venture, partnership or other entity  
19 that receives a development subsidy.

20       “Tax expenditure” means the amount of foregone tax collections  
21 due to any abatement, reduction, exemption or credit against any  
22 State tax, including, but not limited to, taxes on ‘[real property,]’  
23 raw materials, inventories or other assets, taxes on gross receipts,  
24 income or sales, and any use, excise or utility tax. “Tax  
25 expenditure” does not refer to any credit against any tax liability of  
26 an employee or any personal exemption, homestead rebate, credit or  
27 deduction for the expenses of a household or individual, or other  
28 reduction of the tax liability of an individual or household.

29       “Temporary job” means a job for which an individual is hired for  
30 a limited period of time, which shall include all jobs for  
31 construction at the project site.

32       “Value of a development subsidy” means the dollar value of the  
33 development subsidy provided to the recipient corporation. In the  
34 case of a loan or loan guarantee provided by a public body to a  
35 recipient corporation or tax-exempt financing authorized by a  
36 public body, the "value of a development subsidy" means the  
37 amount loaned.

38

39       4. a. Each applicant for a development subsidy shall submit to  
40 the granting body an application for the development subsidy on a  
41 form prepared by the State Treasurer. The information required on  
42 the application, or in supplements accompanying the application,  
43 shall include the following:

44       (1) An application tracking number provided by the granting  
45 body;

46       (2) The names, street and mailing addresses and phone numbers  
47 of the chief officer of the granting body, the chief officer of the  
48 applicant's corporate parent and the applicant and the street address

- 1 and three-digit North American Industry Classification System  
2 number of the project site;
- 3 (3) The start date and the end date, if any, of the development  
4 subsidy;
- 5 (4) A list of all development subsidies that the applicant is  
6 requesting or receiving, the name of any other granting body from  
7 which development subsidies are sought or obtained, the value of  
8 each development subsidy and the aggregate value of all  
9 development subsidies requested or received from all sources;
- 10 (5) A signed certification by the chief officer of the recipient  
11 corporation that the application is accurate and meets the  
12 requirements of this act;
- 13 (6) The total number of individuals employed by the applicant at  
14 the project site on the date of the application, the anticipated  
15 number of jobs that will be retained as a result of the development  
16 subsidy and the number of new jobs to be created by the applicant  
17 at the project site if the development subsidy is granted, broken  
18 down by full-time, part-time and temporary jobs;
- 19 (7) The average annual wage and benefit rates of current  
20 employees and the anticipated average annual wage and benefit  
21 rates of new employees;
- 22 (8) The number of current employees provided health benefits,  
23 and the number of new employees anticipated to be provided health  
24 benefits.
- 25 (9) How many of the current employees and how many of the  
26 anticipated new employees are represented by a collective  
27 bargaining.
- 28 (10) The average total number of individuals employed in New  
29 Jersey during the calendar year preceding the submission of the  
30 application by the applicant's corporate parent and all subsidiaries  
31 thereof, broken down by full-time, part-time and temporary jobs;
- 32 (11) A statement as to whether the development subsidy may  
33 reduce employment at any other site controlled by the applicant or  
34 its corporate parent, inside the State, resulting from automation,  
35 merger, acquisition, corporate restructuring or other business  
36 activity;
- 37 (12) A statement as to whether or not the project involves the  
38 relocation of work from another address and if so, the number of  
39 jobs to be relocated and the address from which they are to be  
40 relocated; and
- 41 (13) Any other information deemed useful or necessary by the  
42 State Treasurer for the implementation of this act.
- 43 b. Any granting body, other than the State Treasurer approving  
44 the application, shall send a copy to the State Treasurer not more  
45 than 15 business days after approval. If the application is not  
46 approved, the granting body shall retain the application.
- 47
- 48 5. a. Each recipient corporation of a development subsidy shall

1 file with the granting body, on a form prepared by the State  
2 Treasurer, a progress report no later than 30 business days after the  
3 end of each State fiscal year, beginning with the end of the first full  
4 State fiscal year after the date of the development subsidy, for the  
5 duration of the development subsidy or for five years, whichever  
6 period is longer. The report shall include the following information  
7 for the State fiscal year just ended:

8 (1) The application tracking number, except in the case of a  
9 development subsidy which has no application tracking number  
10 because the development subsidy was in effect prior to the 180th  
11 day after the effective date of this act;

12 (2) The name, street and mailing addresses, phone number and  
13 chief officers of the granting body and the recipient corporation;

14 (3) A summary of the number of jobs created, retained or lost  
15 inside New Jersey, broken down by full-time, part-time and  
16 temporary jobs, and the average annual rates of pay and benefits;

17 (4) The number of current employees provided health benefits,  
18 and the number of new employees anticipated to be provided health  
19 benefits;

20 (5) The comparison of the total employment in New Jersey by  
21 the corporate parent of the recipient corporation on the date of the  
22 application and the date of the report, broken down by full-time,  
23 part-time and temporary jobs;

24 (6) A statement as to whether the use of the development  
25 subsidy during the previous fiscal year has reduced employment at  
26 any New Jersey site controlled by the recipient corporation or its  
27 corporate parent; and

28 (7) A signed certification by the chief officer of the recipient  
29 corporation that the progress report is accurate.

30 b. Not later than 30 days after the end of the second full State  
31 fiscal year after the date of the development subsidy, the recipient  
32 corporation shall file with the granting body a two-year progress  
33 report, certified by the chief officer of the recipient corporation,  
34 which shall include:

35 (1) The same information as required to be included in reports  
36 filed pursuant to subsection a. of this section;

37 (2) A statement of whether the recipient corporation has  
38 achieved the job creation and retention and wage and benefit rate  
39 goals projected in the recipient corporation's application; and

40 (3) If the goals are not met, a full disclosure of the amount of  
41 any shortfall in job creation and retention rates at the project site  
42 inside New Jersey and wage and benefit rates compared to the goals  
43 and compared to job creation and retention goals and wage and  
44 benefit rates projected in the recipient corporation's application.

45 c. The granting body shall review each report filed by the  
46 recipient corporation and conduct such further investigations as  
47 may be required to verify or correct the information in the report  
48 and submit the verified or corrected report to the State Treasurer not

1 later than 30 business days after the report is filed by the recipient  
2 corporation.

3 d. The recipient corporation shall provide the granting body  
4 and the State Treasurer access to the project site and records at  
5 reasonable times as needed to monitor the project and verify the  
6 accuracy of the information provided in reports made by the  
7 recipient corporation. If a recipient corporation fails to file a report  
8 by the required due date, the granting body may impose an  
9 administrative fine of not more than \$500 per day to commence  
10 upon the tenth working day after the due date, and not more than  
11 \$1,000 per day to commence on the twentieth working day after the  
12 due date. If a recipient corporation fails to provide the required  
13 access, the granting body may impose an administrative fine of not  
14 more than \$500 per day to commence upon the fifth working day  
15 that access is denied, and of not more than \$1,000 per day to  
16 commence upon the tenth working day that access is denied.

17 e. A granting body may assess from recipient corporations  
18 whatever fees it determines to be necessary, but in no case fees  
19 greater than 0.25% of the value of a development subsidy if the  
20 development subsidy is a loan provided by the granting body, 0.1%  
21 of the value of the development subsidy if the development subsidy  
22 is a loan guarantee provided by the granting body or tax-exempt  
23 financing authorized by the granting body, or greater than 1.0% of  
24 the value if the development subsidy is not a loan, tax-exempt  
25 financing or loan guarantee, to pay for the costs of the granting  
26 body to carry out its responsibilities under this act, including the  
27 processing of applications for development subsidies, reviewing and  
28 verifying reports of recipient corporations and monitoring the  
29 compliance of recipient corporations with the requirements of this  
30 act, maintaining and making available records and, in the case of  
31 the State Treasurer, producing the annual Unified Economic  
32 Development Budget Report as provided in section 6 of this act and  
33 providing, as part of the annual budget request of the Governor, a  
34 comprehensive presentation of the costs of all development  
35 subsidies to the State.

36  
37 6. a. The State Treasurer shall, not more than four months after  
38 the end of each State fiscal year, compile and publish, in printed  
39 and electronic form, including on the Internet, an annual Unified  
40 Economic Development Budget Report with regard to the fiscal  
41 year just concluded. The report shall provide the following  
42 comprehensive information regarding the costs and benefits of all  
43 development subsidies of the State:

44 (1) Information regarding tax expenditures resulting from any  
45 development subsidy, including the name of each recipient  
46 corporation receiving one or more tax expenditures with a  
47 combined total value equal to or greater than \$100,000, the value of  
48 all tax expenditures received by each recipient corporation and



1 summaries of the number of full-time and part-time jobs created or  
2 retained, employee benefits provided and the degree to which job  
3 creation and retention, wage and benefit goals and requirements of  
4 recipient corporations and parent corporations have been met. Any  
5 tax expenditure received by a corporation receiving tax  
6 expenditures with a total value of less than \$100,000 shall not be  
7 itemized. The report shall include aggregate dollar amounts for  
8 each category of tax expenditure, each geographical area, the  
9 number of companies for each category of tax expenditure, the  
10 number of full-time and part-time jobs created or retained, the  
11 employee benefits provided, and the degree to which job creation  
12 and retention, wage and benefit rate goals and requirements have  
13 been met for each category of tax expenditure; and

14 (2) The costs of all expenditures of development subsidies  
15 appropriated by any granting body, including, but not limited to, the  
16 Department of Labor and Workforce Development, the Department  
17 of Education, the New Jersey Economic Development Authority,  
18 the New Jersey Commerce and Economic Growth and Tourism  
19 Commission, the New Jersey Commission on Higher Education, the  
20 New Jersey Commission on Science and Technology, <sup>1</sup>and<sup>1</sup>  
21 research and business assistance programs of public institutions of  
22 higher education, <sup>1</sup>[Workforce Investment Boards, local and  
23 regional economic development agencies, county improvement  
24 authorities,]<sup>1</sup> together with the cost to the granting bodies and the  
25 value of the development subsidies received by each recipient  
26 corporation, and summaries of the number of full-time and part-  
27 time jobs created or retained, employee benefits provided, and the  
28 degree to which job creation and retention, wage and benefit rate  
29 goals and requirements of recipient corporations and parent  
30 corporations have been met.

31 b. The State Treasurer shall provide to the Legislature, as part  
32 of the annual budget request of the Governor, a comprehensive  
33 presentation of the costs of all development subsidies to the State  
34 during the prior fiscal year, an estimate of the anticipated costs of  
35 development subsidies for the then current fiscal year and an  
36 estimate of the costs of all development subsidies for the fiscal year  
37 of the requested budget, including, but not limited to:

38 (1) The total cost to the State of tax expenditures resulting from  
39 the development subsidies, the costs for each category of tax  
40 expenditure, and the amounts of tax expenditures by geographical  
41 area; and

42 (2) The cost to the State of all appropriated expenditures for  
43 development subsidies, including line-item budgets for every State-  
44 funded entity concerned with economic development, including, but  
45 not limited to, the Department of Labor and Workforce  
46 Development, the Department of Education, the New Jersey  
47 Economic Development and Tourism Authority, the New Jersey  
48 Commerce and Economic Growth Commission, the New Jersey

1 Commission on Higher Education, the New Jersey Commission on  
2 Science and Technology, 'and' research and business assistance  
3 programs of public institutions of higher education '[, Workforce  
4 Investment Boards, local and regional economic development  
5 agencies, county improvement authorities]'

6  
7 7. All documents or records submitted to or maintained by the  
8 State Treasurer or any granting body pursuant to this act, including,  
9 but not limited to, applications, progress reports, recapture notices  
10 and any other related records or proceedings, shall be available in a  
11 manner consistent with the provisions of P.L.2001, c.404 (C.47:1A-  
12 5 et seq.) for review by any member of the public, and copies of the  
13 records shall be provided upon request.

14  
15 8. Each granting body shall, not later than 60 days after the  
16 effective date of this act, provide, to every recipient corporation  
17 receiving a development subsidy from the granting body which was  
18 awarded during the three years prior to the effective date of this act,  
19 written notification that the recipient corporation is required to  
20 submit to the granting body, not less than 120 days after receiving  
21 the notification, the information required of applicants pursuant to  
22 section 4 of this act and that the recipient corporation is required to  
23 comply with the reporting requirements of section 5 of this act.

24  
25 9. If a granting body fails to submit any report required by this  
26 act to the State Treasurer within the time prescribed by this act, the  
27 State Treasurer may, to the extent possible, withhold payments of  
28 any State-funded development subsidy to the granting body or any  
29 recipient corporation which has a project site located in the  
30 jurisdiction of the granting body until the public body submits the  
31 report with the State Treasurer.

32  
33 10. Any recipient corporation that knowingly makes a false  
34 material misrepresentation in any application, report or other  
35 disclosure that the recipient corporation is required to make  
36 pursuant to this act shall refund any development subsidy to the  
37 granting body. The granting body may include provisions for the  
38 refund as part of an agreement to provide a development subsidy  
39 and may pursue an action to collect the amount of the refund plus  
40 any attorney fees and other costs of the action.

41  
42 11. Nothing in this act shall be construed as requiring a recipient  
43 corporation to reduce wage or benefit rates of any employee or be  
44 construed as permitting a recipient corporation:

45 a. To reduce wage or benefit rates established by a collective  
46 bargaining agreement or required by any law or regulation; or

47 b. To provide, in return for a development subsidy, jobs with  
48 lower wage or benefit rates, a smaller number of jobs, or jobs for a

**S1213 [1R]**

1 shorter period of time, than is required with respect to the  
2 development subsidy by any other law or regulation.

3

4 12. The State Treasurer shall, in consultation with the  
5 Commissioner of Labor and Workforce Development, and pursuant  
6 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
7 1 et seq.), promulgate any rules and regulations necessary to  
8 implement the provisions of this act.

9

10 13. This act shall take effect immediately, but the provisions of  
11 sections 3 through 10 of this act shall remain inoperative until the  
12 180th day after its enactment.

13

14

15

16

17 \_\_\_\_\_  
18 Requires certain disclosures of information on development  
subsidies.

# SENATE, No. 1213

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JANUARY 30, 2006

**Sponsored by:**  
**Senator SHIRLEY K. TURNER**  
**District 15 (Mercer)**

### **SYNOPSIS**

Requires certain disclosures of information on development subsidies.

### **CURRENT VERSION OF TEXT**

As introduced.



S1213 TURNER

2

1 AN ACT concerning disclosure of information related to  
2 development subsidies and supplementing Title 52 of the  
3 Revised Statutes.

4

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

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8 1. This act shall be known and may be cited as “The  
9 Development Subsidy Job Goals Accountability Act.”

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11 2. The Legislature finds and declares that:

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14 years, the inflation-adjusted wage level for a large portion of New  
15 Jersey workers has declined, as has the percentage of working  
16 families in New Jersey with health care coverage;

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18 lack measurable job creation goals, and in some cases, businesses  
19 have closed, relocated or outsourced facilities or jobs for which  
20 subsidies were provided to sites outside of the State;

21 c. Citizen participation in economic development has been  
22 impeded by a lack of readily accessible information regarding  
23 expenditures and outcomes; and

24 d. It is therefore appropriate, in order to improve the  
25 effectiveness of expenditures for economic development and to  
26 ensure that they achieve the goal of raising living standards for  
27 working families, that the State collect, analyze and make public  
28 information regarding those expenditures.

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43 for improvements to property, the date shall be the date the  
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**S1213 TURNER**

1 purpose of stimulating economic development in New Jersey,  
2 including, but not limited to, any bond, grant, loan, loan guarantee,  
3 tax increment financing, fee waiver, land price subsidy, matching  
4 fund or any tax expenditure. "Development subsidy" does not refer  
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25 limited to, the cost to the recipient corporation of health care  
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27 education benefits, but excluding any costs to the recipient  
28 corporation of unemployment compensation, workers'  
29 compensation or temporary disability benefits, Social Security  
30 benefits, or any other employee benefits which the recipient  
31 corporation is required by State or federal law to pay. "Employee  
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14 deduction for the expenses of a household or individual, or other  
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33       (2) The names, street and mailing addresses and phone numbers  
34 of the chief officer of the granting body, the chief officer of the  
35 applicant's corporate parent and the applicant and the street address  
36 and three-digit North American Industry Classification System  
37 number of the project site;

38       (3) The start date and the end date, if any, of the development  
39 subsidy;

40       (4) A list of all development subsidies that the applicant is  
41 requesting or receiving, the name of any other granting body from  
42 which development subsidies are sought or obtained, the value of  
43 each development subsidy and the aggregate value of all  
44 development subsidies requested or received from all sources;

45       (5) A signed certification by the chief officer of the recipient  
46 corporation that the application is accurate and meets the  
47 requirements of this act;

48       (6) The total number of individuals employed by the applicant at

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1 the project site on the date of the application, the anticipated  
2 number of jobs that will be retained as a result of the development  
3 subsidy and the number of new jobs to be created by the applicant  
4 at the project site if the development subsidy is granted, broken  
5 down by full-time, part-time and temporary jobs;

6 (7) The average annual wage and benefit rates of current  
7 employees and the anticipated average annual wage and benefit  
8 rates of new employees;

9 (8) The number of current employees provided health benefits,  
10 and the number of new employees anticipated to be provided health  
11 benefits.

12 (9) How many of the current employees and how many of the  
13 anticipated new employees are represented by a collective  
14 bargaining.

15 (10) The average total number of individuals employed in New  
16 Jersey during the calendar year preceding the submission of the  
17 application by the applicant's corporate parent and all subsidiaries  
18 thereof, broken down by full-time, part-time and temporary jobs;

19 (11) A statement as to whether the development subsidy may  
20 reduce employment at any other site controlled by the applicant or  
21 its corporate parent, inside the State, resulting from automation,  
22 merger, acquisition, corporate restructuring or other business  
23 activity;

24 (12) A statement as to whether or not the project involves the  
25 relocation of work from another address and if so, the number of  
26 jobs to be relocated and the address from which they are to be  
27 relocated; and

28 (13) Any other information deemed useful or necessary by the  
29 State Treasurer for the implementation of this act.

30 b. Any granting body, other than the State Treasurer approving  
31 the application, shall send a copy to the State Treasurer not more  
32 than 15 business days after approval. If the application is not  
33 approved, the granting body shall retain the application.

34  
35 5. a. Each recipient corporation of a development subsidy shall  
36 file with the granting body, on a form prepared by the State  
37 Treasurer, a progress report no later than 30 business days after the  
38 end of each State fiscal year, beginning with the end of the first full  
39 State fiscal year after the date of the development subsidy, for the  
40 duration of the development subsidy or for five years, whichever  
41 period is longer. The report shall include the following information  
42 for the State fiscal year just ended:

43 (1) The application tracking number, except in the case of a  
44 development subsidy which has no application tracking number  
45 because the development subsidy was in effect prior to the 180th  
46 day after the effective date of this act;

47 (2) The name, street and mailing addresses, phone number and  
48 chief officers of the granting body and the recipient corporation;



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- 1 (3) A summary of the number of jobs created, retained or lost  
2 inside New Jersey, broken down by full-time, part-time and  
3 temporary jobs, and the average annual rates of pay and benefits;
  - 4 (4) The number of current employees provided health benefits,  
5 and the number of new employees anticipated to be provided health  
6 benefits;
  - 7 (5) The comparison of the total employment in New Jersey by  
8 the corporate parent of the recipient corporation on the date of the  
9 application and the date of the report, broken down by full-time,  
10 part-time and temporary jobs;
  - 11 (6) A statement as to whether the use of the development subsidy  
12 during the previous fiscal year has reduced employment at any New  
13 Jersey site controlled by the recipient corporation or its corporate  
14 parent; and
  - 15 (7) A signed certification by the chief officer of the recipient  
16 corporation that the progress report is accurate.
- 17 b. Not later than 30 days after the end of the second full State  
18 fiscal year after the date of the development subsidy, the recipient  
19 corporation shall file with the granting body a two-year progress  
20 report, certified by the chief officer of the recipient corporation,  
21 which shall include:
- 22 (1) The same information as required to be included in reports  
23 filed pursuant to subsection a. of this section;
  - 24 (2) A statement of whether the recipient corporation has  
25 achieved the job creation and retention and wage and benefit rate  
26 goals projected in the recipient corporation's application; and
  - 27 (3) If the goals are not met, a full disclosure of the amount of any  
28 shortfall in job creation and retention rates at the project site inside  
29 New Jersey and wage and benefit rates compared to the goals and  
30 compared to job creation and retention goals and wage and benefit  
31 rates projected in the recipient corporation's application.
- 32 c. The granting body shall review each report filed by the  
33 recipient corporation and conduct such further investigations as  
34 may be required to verify or correct the information in the report  
35 and submit the verified or corrected report to the State Treasurer not  
36 later than 30 business days after the report is filed by the recipient  
37 corporation.
- 38 d. The recipient corporation shall provide the granting body and  
39 the State Treasurer access to the project site and records at  
40 reasonable times as needed to monitor the project and verify the  
41 accuracy of the information provided in reports made by the  
42 recipient corporation. If a recipient corporation fails to file a report  
43 by the required due date, the granting body may impose an  
44 administrative fine of not more than \$500 per day to commence  
45 upon the tenth working day after the due date, and not more than  
46 \$1,000 per day to commence on the twentieth working day after the  
47 due date. If a recipient corporation fails to provide the required  
48 access, the granting body may impose an administrative fine of not

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1 more than \$500 per day to commence upon the fifth working day  
2 that access is denied, and of not more than \$1,000 per day to  
3 commence upon the tenth working day that access is denied.

4 e. A granting body may assess from recipient corporations  
5 whatever fees it determines to be necessary, but in no case fees  
6 greater than 0.25% of the value of a development subsidy if the  
7 development subsidy is a loan provided by the granting body, 0.1%  
8 of the value of the development subsidy if the development subsidy  
9 is a loan guarantee provided by the granting body or tax-exempt  
10 financing authorized by the granting body, or greater than 1.0% of  
11 the value if the development subsidy is not a loan, tax-exempt  
12 financing or loan guarantee, to pay for the costs of the granting  
13 body to carry out its responsibilities under this act, including the  
14 processing of applications for development subsidies, reviewing and  
15 verifying reports of recipient corporations and monitoring the  
16 compliance of recipient corporations with the requirements of this  
17 act, maintaining and making available records and, in the case of  
18 the State Treasurer, producing the annual Unified Economic  
19 Development Budget Report as provided in section 6 of this act and  
20 providing, as part of the annual budget request of the Governor, a  
21 comprehensive presentation of the costs of all development  
22 subsidies to the State.

23

24 6. a. The State Treasurer shall, not more than four months after  
25 the end of each State fiscal year, compile and publish, in printed  
26 and electronic form, including on the Internet, an annual Unified  
27 Economic Development Budget Report with regard to the fiscal  
28 year just concluded. The report shall provide the following  
29 comprehensive information regarding the costs and benefits of all  
30 development subsidies of the State:

31 (1) Information regarding tax expenditures resulting from any  
32 development subsidy, including the name of each recipient  
33 corporation receiving one or more tax expenditures with a  
34 combined total value equal to or greater than \$100,000, the value of  
35 all tax expenditures received by each recipient corporation and  
36 summaries of the number of full-time and part-time jobs created or  
37 retained, employee benefits provided and the degree to which job  
38 creation and retention, wage and benefit goals and requirements of  
39 recipient corporations and parent corporations have been met. Any  
40 tax expenditure received by a corporation receiving tax  
41 expenditures with a total value of less than \$100,000 shall not be  
42 itemized. The report shall include aggregate dollar amounts for  
43 each category of tax expenditure, each geographical area, the  
44 number of companies for each category of tax expenditure, the  
45 number of full-time and part-time jobs created or retained, the  
46 employee benefits provided, and the degree to which job creation  
47 and retention, wage and benefit rate goals and requirements have  
48 been met for each category of tax expenditure; and

1 (2) The costs of all expenditures of development subsidies  
2 appropriated by any granting body, including, but not limited to, the  
3 Department of Labor and Workforce Development, the Department  
4 of Education, the New Jersey Economic Development Authority,  
5 the New Jersey Commerce and Economic Growth and Tourism  
6 Commission, the New Jersey Commission on Higher Education, the  
7 New Jersey Commission on Science and Technology, research and  
8 business assistance programs of public institutions of higher  
9 education, Workforce Investment Boards, local and regional  
10 economic development agencies, county improvement authorities,  
11 together with the cost to the granting bodies and the value of the  
12 development subsidies received by each recipient corporation, and  
13 summaries of the number of full-time and part-time jobs created or  
14 retained, employee benefits provided, and the degree to which job  
15 creation and retention, wage and benefit rate goals and requirements  
16 of recipient corporations and parent corporations have been met.

17 b. The State Treasurer shall provide to the Legislature, as part of  
18 the annual budget request of the Governor, a comprehensive  
19 presentation of the costs of all development subsidies to the State  
20 during the prior fiscal year, an estimate of the anticipated costs of  
21 development subsidies for the then current fiscal year and an  
22 estimate of the costs of all development subsidies for the fiscal year  
23 of the requested budget, including, but not limited to:

24 (1) The total cost to the State of tax expenditures resulting from  
25 the development subsidies, the costs for each category of tax  
26 expenditure, and the amounts of tax expenditures by geographical  
27 area; and

28 (2) The cost to the State of all appropriated expenditures for  
29 development subsidies, including line-item budgets for every State-  
30 funded entity concerned with economic development, including, but  
31 not limited to, the Department of Labor and Workforce  
32 Development, the Department of Education, the New Jersey  
33 Economic Development and Tourism Authority, the New Jersey  
34 Commerce and Economic Growth Commission, the New Jersey  
35 Commission on Higher Education, the New Jersey Commission on  
36 Science and Technology, research and business assistance programs  
37 of public institutions of higher education, Workforce Investment  
38 Boards, local and regional economic development agencies, county  
39 improvement authorities.

40

41 7. All documents or records submitted to or maintained by the  
42 State Treasurer or any granting body pursuant to this act, including,  
43 but not limited to, applications, progress reports, recapture notices  
44 and any other related records or proceedings, shall be available in a  
45 manner consistent with the provisions of P.L.2001, c.404 (C.47:1A-  
46 5 et seq.) for review by any member of the public, and copies of the  
47 records shall be provided upon request.

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1       8. Each granting body shall, not later than 60 days after the  
2 effective date of this act, provide, to every recipient corporation  
3 receiving a development subsidy from the granting body which was  
4 awarded during the three years prior to the effective date of this act,  
5 written notification that the recipient corporation is required to  
6 submit to the granting body, not less than 120 days after receiving  
7 the notification, the information required of applicants pursuant to  
8 section 4 of this act and that the recipient corporation is required to  
9 comply with the reporting requirements of section 5 of this act.

10

11       9. If a granting body fails to submit any report required by this  
12 act to the State Treasurer within the time prescribed by this act, the  
13 State Treasurer may, to the extent possible, withhold payments of  
14 any State-funded development subsidy to the granting body or any  
15 recipient corporation which has a project site located in the  
16 jurisdiction of the granting body until the public body submits the  
17 report with the State Treasurer.

18

19       10. Any recipient corporation that knowingly makes a false  
20 material misrepresentation in any application, report or other  
21 disclosure that the recipient corporation is required to make  
22 pursuant to this act shall refund any development subsidy to the  
23 granting body. The granting body may include provisions for the  
24 refund as part of an agreement to provide a development subsidy  
25 and may pursue an action to collect the amount of the refund plus  
26 any attorney fees and other costs of the action.

27

28       11. Nothing in this act shall be construed as requiring a recipient  
29 corporation to reduce wage or benefit rates of any employee or be  
30 construed as permitting a recipient corporation:

31       a. To reduce wage or benefit rates established by a collective  
32 bargaining agreement or required by any law or regulation; or

33       b. To provide, in return for a development subsidy, jobs with  
34 lower wage or benefit rates, a smaller number of jobs, or jobs for a  
35 shorter period of time, than is required with respect to the  
36 development subsidy by any other law or regulation.

37

38       12. The State Treasurer shall, in consultation with the  
39 Commissioner of Labor and Workforce Development, and pursuant  
40 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
41 1 et seq.), promulgate any rules and regulations necessary to  
42 implement the provisions of this act.

43

44       13. This act shall take effect immediately, but the provisions of  
45 sections 3 through 10 of this act shall remain inoperative until the  
46 180th day after its enactment.

STATEMENT

1

2

3       This bill sets disclosure requirements for certain businesses  
4 which receive development subsidies, including tax incentives,  
5 from any State agency. The substitute specifies what information a  
6 business is required to submit when applying for a development  
7 subsidy, including information regarding employment which is  
8 expected to be created, or reduced, at any location in the State in  
9 connection with the subsidy, and any other development subsidies  
10 sought or received by the applicant. Each recipient of a subsidy is  
11 required, for the duration of the subsidy or five years, whichever is  
12 longer, to submit annual reports on the progress of the recipient in  
13 attaining the job creation or retention goals stated in the application.

14       The State Treasurer is directed to publish an annual Unified  
15 Economic Development Budget Report providing comprehensive  
16 information about the costs and benefits of all development  
17 subsidies of the State and its political subdivisions. The Treasurer  
18 is also required to provide to the Legislature, as part of the  
19 Governor's annual budget request, a comprehensive presentation of  
20 the costs of all development subsidies to the State, including the  
21 cost of tax incentives.

[Corrected Copy]

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**SENATE, No. 1213**

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 26, 2007

The Assembly Labor Committee reports favorably Senate Bill No. 1213.

This bill sets disclosure requirements for certain businesses which receive development subsidies, including tax incentives, from any State agency. The bill specifies what information a business is required to submit when applying for a development subsidy, including information regarding employment which is expected to be created, or reduced, at any location in the State in connection with the subsidy, and any other development subsidies sought or received by the applicant. Each recipient of a subsidy is required, for the duration of the subsidy or five years, whichever is longer, to submit annual reports on the progress of the recipient in attaining the job creation or retention goals stated in the application.

The State Treasurer is directed to publish an annual Unified Economic Development Budget Report providing comprehensive information about the costs and benefits of all development subsidies of the State. The Treasurer is also required to provide to the Legislature, as part of the Governor's annual budget request, a comprehensive presentation of the costs of all development subsidies to the State, including the cost of tax incentives.

As reported, the bill is identical to Assembly Bill No. 3450.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

**SENATE, No. 1213**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 10, 2007

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Senate Bill No. 1213.

This bill sets disclosure requirements for certain businesses which receive development subsidies, including tax incentives, from any State agency. The substitute specifies what information a business is required to submit when applying for a development subsidy, including information regarding employment which is expected to be created, or reduced, at any location in the State in connection with the subsidy, and any other development subsidies sought or received by the applicant. Each recipient of a subsidy is required, for the duration of the subsidy or five years, whichever is longer, to submit annual reports on the progress of the recipient in attaining the job creation or retention goals stated in the application.

The State Treasurer is directed to publish an annual Unified Economic Development Budget Report providing comprehensive information about the costs and benefits of all development subsidies of the State and its political subdivisions. The Treasurer is also required to provide to the Legislature, as part of the Governor's annual budget request, a comprehensive presentation of the costs of all development subsidies to the State, including the cost of tax incentives.

COMMITTEE AMENDMENTS

The committee amended the definition of "development subsidy" in section 3 of the bill, to remove tax increment financing, fee waiver or land price subsidy from that definition and amended the definition of "tax expenditure" in section 3 to remove taxes in real property from that definition.

The committee also amended language in section 6 of the bill, to remove workforce Investment Boards, local and regional economic development agencies and county improvement authorities from the list of expenditures of development subsidies appropriated by a

granting body that should be reported in the annual Unified Economic Development Budget Report, and in the comprehensive presentation of the costs of all development subsidies to the State during the prior fiscal year provided to the Legislature by the State Treasurer, as part of the annual budget request of the Governor.

As amended, this bill is identical to Assembly, No. 3450 (1R).



SENATE LABOR COMMITTEE

STATEMENT TO

**SENATE, No. 1213**

**STATE OF NEW JERSEY**

DATED: MAY 4, 2006

The Senate Labor Committee reports favorably Senate Bill No. 1213.

This bill sets disclosure requirements for certain businesses which receive development subsidies, including tax incentives, from any State agency. The bill specifies what information a business is required to submit when applying for a development subsidy, including information regarding employment which is expected to be created, or reduced, at any location in the State in connection with the subsidy, and any other development subsidies sought or received by the applicant. Each recipient of a subsidy is required, for the duration of the subsidy or five years, whichever is longer, to submit annual reports on the progress of the recipient in attaining the job creation or retention goals stated in the application.

The State Treasurer is directed to publish an annual Unified Economic Development Budget Report providing comprehensive information about the costs and benefits of all development subsidies of the State and its political subdivisions. The Treasurer is also required to provide to the Legislature, as part of the Governor's annual budget request, a comprehensive presentation of the costs of all development subsidies to the State, including the cost of tax incentives.

# ASSEMBLY, No. 3450

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED OCTOBER 19, 2006

**Sponsored by:**

**Assemblyman REED GUSCIORA**

**District 15 (Mercer)**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**SYNOPSIS**

Requires certain disclosures of information on development subsidies.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/27/2007)

1 AN ACT concerning disclosure of information related to  
2 development subsidies and supplementing Title 52 of the  
3 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  
9 Development Subsidy Job Goals Accountability Act.”

10  
11 2. The Legislature finds and declares that:

12 a. Although the State has granted numerous tax incentives,  
13 grants and other economic development subsidies during the last 25  
14 years, the inflation-adjusted wage level for a large portion of New  
15 Jersey workers has declined, as has the percentage of working  
16 families in New Jersey with health care coverage;

17 b. Some programs providing economic development subsidies  
18 lack measurable job creation goals, and in some cases, businesses  
19 have closed, relocated or outsourced facilities or jobs for which  
20 subsidies were provided to sites outside of the State;

21 c. Citizen participation in economic development has been  
22 impeded by a lack of readily accessible information regarding  
23 expenditures and outcomes; and

24 d. It is therefore appropriate, in order to improve the  
25 effectiveness of expenditures for economic development and to  
26 ensure that they achieve the goal of raising living standards for  
27 working families, that the State collect, analyze and make public  
28 information regarding those expenditures.

29  
30 3. For the purposes of this act:

31 “Corporate parent” means either: a person, association,  
32 corporation, joint venture, partnership, or other business entity, that  
33 owns or controls 50% or more of a recipient corporation; or the  
34 recipient corporation itself, if no other person, association,  
35 corporation, joint venture, partnership, or other entity, owns or  
36 controls 50% or more of the recipient corporation.

37 “Date of development subsidy” means the initial date that a  
38 granting body provides the monetary value of a development  
39 subsidy to a recipient corporation provided, however, that if the  
40 development subsidy is for the installation of new equipment, the  
41 date shall be the date the recipient corporation puts the equipment  
42 into service and provided, further, that if the development subsidy is  
43 for improvements to property, the date shall be the date the  
44 improvements are finished or the date the recipient corporation  
45 occupies the property, whichever is earlier.

46 “Development subsidy” means the authorizing of the provision  
47 or providing to a recipient corporation of an amount of funds by or  
48 from a public body with a value of not less than \$25,000 for the

1 purpose of stimulating economic development in New Jersey,  
2 including, but not limited to, any bond, grant, loan, loan guarantee,  
3 tax increment financing, fee waiver, land price subsidy, matching  
4 fund or any tax expenditure. "Development subsidy" does not refer  
5 to any contract under which a public body purchases or otherwise  
6 procures goods, services or construction on an unsubsidized basis,  
7 including any contract solely for the construction or renovation of a  
8 facility owned by a public body. "Development subsidy" does not  
9 mean any authorizing or providing of funds by or from a public  
10 body to a recipient corporation, including by means of a tax  
11 expenditure, for the exclusive purpose of the development or  
12 production of affordable housing, for the exclusive purpose of  
13 subsidizing site remediation, recycling, commuter transportation  
14 assistance, pollution reduction, energy conservation or other  
15 programs to improve the environment, or for the exclusive purpose  
16 of providing benefits to employees of the recipient corporation.  
17 "Development subsidy" does not mean any authorizing or providing  
18 of funds by or from a public body to a non-profit organization,  
19 including by means of a tax expenditure, for the exclusive purpose  
20 of subsidizing the development of facilities used to provide  
21 recreational, educational, arts or cultural programs or childcare or  
22 healthcare services.

23 "Employee benefits" means the average rate of benefit costs paid  
24 by a recipient corporation to or for its employees, including, but not  
25 limited to, the cost to the recipient corporation of health care  
26 benefits, pension benefits and apprenticeship or other training and  
27 education benefits, but excluding any costs to the recipient  
28 corporation of unemployment compensation, workers'  
29 compensation or temporary disability benefits, Social Security  
30 benefits, or any other employee benefits which the recipient  
31 corporation is required by State or federal law to pay. "Employee  
32 benefits" do not include any payroll deductions or other costs paid  
33 by employees for the benefits.

34 "Full-time job" means a job in which an individual is employed  
35 by a recipient corporation for at least 35 hours per week.

36 "Granting body" means a public body that provides or authorizes  
37 a development subsidy and, in the case of a tax expenditure related  
38 to any tax paid to the State, means the State Treasurer.

39 "Health benefits" means health benefits provided under a group  
40 health plan as defined in section 14 of P.L.1997, c.146 (C.17B:27-  
41 54), a health benefits plan as defined in section 1 of P.L.1992, c.162  
42 (C.17B:27A-17), or a policy or contract of health insurance  
43 covering more than one person issued pursuant to Title 17B of the  
44 New Jersey Statutes.

45 "Part-time job" means a job in which an individual is employed  
46 by a recipient corporation for less than 35 hours per week.

47 "Project site" means the site of a project inside New Jersey for  
48 which any development subsidy is provided.

1       “Public body” or "State" means the State of New Jersey or any  
2 agency, instrumentality or authority of the State, but not a political  
3 subdivision of the State.

4       “Recipient corporation” means any non-governmental person,  
5 association, corporation, joint venture, partnership or other entity  
6 that receives a development subsidy.

7       “Tax expenditure” means the amount of foregone tax collections  
8 due to any abatement, reduction, exemption or credit against any  
9 State tax, including, but not limited to, taxes on real property, raw  
10 materials, inventories or other assets, taxes on gross receipts,  
11 income or sales, and any use, excise or utility tax. “Tax  
12 expenditure” does not refer to any credit against any tax liability of  
13 an employee or any personal exemption, homestead rebate, credit or  
14 deduction for the expenses of a household or individual, or other  
15 reduction of the tax liability of an individual or household.

16       “Temporary job” means a job for which an individual is hired for  
17 a limited period of time, which shall include all jobs for  
18 construction at the project site.

19       “Value of a development subsidy” means the dollar value of the  
20 development subsidy provided to the recipient corporation. In the  
21 case of a loan or loan guarantee provided by a public body to a  
22 recipient corporation or tax-exempt financing authorized by a  
23 public body, the "value of a development subsidy" means the  
24 amount loaned.

25

26       4. a. Each applicant for a development subsidy shall submit to  
27 the granting body an application for the development subsidy on a  
28 form prepared by the State Treasurer. The information required on  
29 the application, or in supplements accompanying the application,  
30 shall include the following:

31       (1) An application tracking number provided by the granting  
32 body;

33       (2) The names, street and mailing addresses and phone numbers  
34 of the chief officer of the granting body, the chief officer of the  
35 applicant's corporate parent and the applicant and the street address  
36 and three-digit North American Industry Classification System  
37 number of the project site;

38       (3) The start date and the end date, if any, of the development  
39 subsidy;

40       (4) A list of all development subsidies that the applicant is  
41 requesting or receiving, the name of any other granting body from  
42 which development subsidies are sought or obtained, the value of  
43 each development subsidy and the aggregate value of all  
44 development subsidies requested or received from all sources;

45       (5) A signed certification by the chief officer of the recipient  
46 corporation that the application is accurate and meets the  
47 requirements of this act;

48       (6) The total number of individuals employed by the applicant at

1 the project site on the date of the application, the anticipated  
2 number of jobs that will be retained as a result of the development  
3 subsidy and the number of new jobs to be created by the applicant  
4 at the project site if the development subsidy is granted, broken  
5 down by full-time, part-time and temporary jobs;

6 (7) The average annual wage and benefit rates of current  
7 employees and the anticipated average annual wage and benefit  
8 rates of new employees;

9 (8) The number of current employees provided health benefits,  
10 and the number of new employees anticipated to be provided health  
11 benefits.

12 (9) How many of the current employees and how many of the  
13 anticipated new employees are represented by a collective  
14 bargaining.

15 (10) The average total number of individuals employed in New  
16 Jersey during the calendar year preceding the submission of the  
17 application by the applicant's corporate parent and all subsidiaries  
18 thereof, broken down by full-time, part-time and temporary jobs;

19 (11) A statement as to whether the development subsidy may  
20 reduce employment at any other site controlled by the applicant or  
21 its corporate parent, inside the State, resulting from automation,  
22 merger, acquisition, corporate restructuring or other business  
23 activity;

24 (12) A statement as to whether or not the project involves the  
25 relocation of work from another address and if so, the number of  
26 jobs to be relocated and the address from which they are to be  
27 relocated; and

28 (13) Any other information deemed useful or necessary by the  
29 State Treasurer for the implementation of this act.

30 b. Any granting body, other than the State Treasurer approving  
31 the application, shall send a copy to the State Treasurer not more  
32 than 15 business days after approval. If the application is not  
33 approved, the granting body shall retain the application.

34

35 5. a. Each recipient corporation of a development subsidy shall  
36 file with the granting body, on a form prepared by the State  
37 Treasurer, a progress report no later than 30 business days after the  
38 end of each State fiscal year, beginning with the end of the first full  
39 State fiscal year after the date of the development subsidy, for the  
40 duration of the development subsidy or for five years, whichever  
41 period is longer. The report shall include the following information  
42 for the State fiscal year just ended:

43 (1) The application tracking number, except in the case of a  
44 development subsidy which has no application tracking number  
45 because the development subsidy was in effect prior to the 180th  
46 day after the effective date of this act;

47 (2) The name, street and mailing addresses, phone number and  
48 chief officers of the granting body and the recipient corporation;

1 (3) A summary of the number of jobs created, retained or lost  
2 inside New Jersey, broken down by full-time, part-time and  
3 temporary jobs, and the average annual rates of pay and benefits;

4 (4) The number of current employees provided health benefits,  
5 and the number of new employees anticipated to be provided health  
6 benefits;

7 (5) The comparison of the total employment in New Jersey by  
8 the corporate parent of the recipient corporation on the date of the  
9 application and the date of the report, broken down by full-time,  
10 part-time and temporary jobs;

11 (6) A statement as to whether the use of the development subsidy  
12 during the previous fiscal year has reduced employment at any New  
13 Jersey site controlled by the recipient corporation or its corporate  
14 parent; and

15 (7) A signed certification by the chief officer of the recipient  
16 corporation that the progress report is accurate.

17 b. Not later than 30 days after the end of the second full State  
18 fiscal year after the date of the development subsidy, the recipient  
19 corporation shall file with the granting body a two-year progress  
20 report, certified by the chief officer of the recipient corporation,  
21 which shall include:

22 (1) The same information as required to be included in reports  
23 filed pursuant to subsection a. of this section;

24 (2) A statement of whether the recipient corporation has  
25 achieved the job creation and retention and wage and benefit rate  
26 goals projected in the recipient corporation's application; and

27 (3) If the goals are not met, a full disclosure of the amount of any  
28 shortfall in job creation and retention rates at the project site inside  
29 New Jersey and wage and benefit rates compared to the goals and  
30 compared to job creation and retention goals and wage and benefit  
31 rates projected in the recipient corporation's application.

32 c. The granting body shall review each report filed by the  
33 recipient corporation and conduct such further investigations as  
34 may be required to verify or correct the information in the report  
35 and submit the verified or corrected report to the State Treasurer not  
36 later than 30 business days after the report is filed by the recipient  
37 corporation.

38 d. The recipient corporation shall provide the granting body and  
39 the State Treasurer access to the project site and records at  
40 reasonable times as needed to monitor the project and verify the  
41 accuracy of the information provided in reports made by the  
42 recipient corporation. If a recipient corporation fails to file a report  
43 by the required due date, the granting body may impose an  
44 administrative fine of not more than \$500 per day to commence  
45 upon the tenth working day after the due date, and not more than  
46 \$1,000 per day to commence on the twentieth working day after the  
47 due date. If a recipient corporation fails to provide the required  
48 access, the granting body may impose an administrative fine of not

1 more than \$500 per day to commence upon the fifth working day  
2 that access is denied, and of not more than \$1,000 per day to  
3 commence upon the tenth working day that access is denied.

4 e. A granting body may assess from recipient corporations  
5 whatever fees it determines to be necessary, but in no case fees  
6 greater than 0.25% of the value of a development subsidy if the  
7 development subsidy is a loan provided by the granting body, 0.1%  
8 of the value of the development subsidy if the development subsidy  
9 is a loan guarantee provided by the granting body or tax-exempt  
10 financing authorized by the granting body, or greater than 1.0% of  
11 the value if the development subsidy is not a loan, tax-exempt  
12 financing or loan guarantee, to pay for the costs of the granting  
13 body to carry out its responsibilities under this act, including the  
14 processing of applications for development subsidies, reviewing and  
15 verifying reports of recipient corporations and monitoring the  
16 compliance of recipient corporations with the requirements of this  
17 act, maintaining and making available records and, in the case of  
18 the State Treasurer, producing the annual Unified Economic  
19 Development Budget Report as provided in section 6 of this act and  
20 providing, as part of the annual budget request of the Governor, a  
21 comprehensive presentation of the costs of all development  
22 subsidies to the State.

23

24 6. a. The State Treasurer shall, not more than four months after  
25 the end of each State fiscal year, compile and publish, in printed  
26 and electronic form, including on the Internet, an annual Unified  
27 Economic Development Budget Report with regard to the fiscal  
28 year just concluded. The report shall provide the following  
29 comprehensive information regarding the costs and benefits of all  
30 development subsidies of the State:

31 (1) Information regarding tax expenditures resulting from any  
32 development subsidy, including the name of each recipient  
33 corporation receiving one or more tax expenditures with a  
34 combined total value equal to or greater than \$100,000, the value of  
35 all tax expenditures received by each recipient corporation and  
36 summaries of the number of full-time and part-time jobs created or  
37 retained, employee benefits provided and the degree to which job  
38 creation and retention, wage and benefit goals and requirements of  
39 recipient corporations and parent corporations have been met. Any  
40 tax expenditure received by a corporation receiving tax  
41 expenditures with a total value of less than \$100,000 shall not be  
42 itemized. The report shall include aggregate dollar amounts for  
43 each category of tax expenditure, each geographical area, the  
44 number of companies for each category of tax expenditure, the  
45 number of full-time and part-time jobs created or retained, the  
46 employee benefits provided, and the degree to which job creation  
47 and retention, wage and benefit rate goals and requirements have  
48 been met for each category of tax expenditure; and



1       (2) The costs of all expenditures of development subsidies  
2 appropriated by any granting body, including, but not limited to, the  
3 Department of Labor and Workforce Development, the Department  
4 of Education, the New Jersey Economic Development Authority,  
5 the New Jersey Commerce and Economic Growth and Tourism  
6 Commission, the New Jersey Commission on Higher Education, the  
7 New Jersey Commission on Science and Technology, research and  
8 business assistance programs of public institutions of higher  
9 education, Workforce Investment Boards, local and regional  
10 economic development agencies, county improvement authorities,  
11 together with the cost to the granting bodies and the value of the  
12 development subsidies received by each recipient corporation, and  
13 summaries of the number of full-time and part-time jobs created or  
14 retained, employee benefits provided, and the degree to which job  
15 creation and retention, wage and benefit rate goals and requirements  
16 of recipient corporations and parent corporations have been met.

17       b. The State Treasurer shall provide to the Legislature, as part of  
18 the annual budget request of the Governor, a comprehensive  
19 presentation of the costs of all development subsidies to the State  
20 during the prior fiscal year, an estimate of the anticipated costs of  
21 development subsidies for the then current fiscal year and an  
22 estimate of the costs of all development subsidies for the fiscal year  
23 of the requested budget, including, but not limited to:

24       (1) The total cost to the State of tax expenditures resulting from  
25 the development subsidies, the costs for each category of tax  
26 expenditure, and the amounts of tax expenditures by geographical  
27 area; and

28       (2) The cost to the State of all appropriated expenditures for  
29 development subsidies, including line-item budgets for every State-  
30 funded entity concerned with economic development, including, but  
31 not limited to, the Department of Labor and Workforce  
32 Development, the Department of Education, the New Jersey  
33 Economic Development and Tourism Authority, the New Jersey  
34 Commerce and Economic Growth Commission, the New Jersey  
35 Commission on Higher Education, the New Jersey Commission on  
36 Science and Technology, research and business assistance programs  
37 of public institutions of higher education, Workforce Investment  
38 Boards, local and regional economic development agencies, county  
39 improvement authorities.

40  
41       7. All documents or records submitted to or maintained by the  
42 State Treasurer or any granting body pursuant to this act, including,  
43 but not limited to, applications, progress reports, recapture notices  
44 and any other related records or proceedings, shall be available in a  
45 manner consistent with the provisions of P.L.2001, c.404 (C.47:1A-  
46 5 et seq.) for review by any member of the public, and copies of the  
47 records shall be provided upon request.

1       8. Each granting body shall, not later than 60 days after the  
2 effective date of this act, provide, to every recipient corporation  
3 receiving a development subsidy from the granting body which was  
4 awarded during the three years prior to the effective date of this act,  
5 written notification that the recipient corporation is required to  
6 submit to the granting body, not less than 120 days after receiving  
7 the notification, the information required of applicants pursuant to  
8 section 4 of this act and that the recipient corporation is required to  
9 comply with the reporting requirements of section 5 of this act.

10

11       9. If a granting body fails to submit any report required by this  
12 act to the State Treasurer within the time prescribed by this act, the  
13 State Treasurer may, to the extent possible, withhold payments of  
14 any State-funded development subsidy to the granting body or any  
15 recipient corporation which has a project site located in the  
16 jurisdiction of the granting body until the public body submits the  
17 report with the State Treasurer.

18

19       10. Any recipient corporation that knowingly makes a false  
20 material misrepresentation in any application, report or other  
21 disclosure that the recipient corporation is required to make  
22 pursuant to this act shall refund any development subsidy to the  
23 granting body. The granting body may include provisions for the  
24 refund as part of an agreement to provide a development subsidy  
25 and may pursue an action to collect the amount of the refund plus  
26 any attorney fees and other costs of the action.

27

28       11. Nothing in this act shall be construed as requiring a recipient  
29 corporation to reduce wage or benefit rates of any employee or be  
30 construed as permitting a recipient corporation:

31       a. To reduce wage or benefit rates established by a collective  
32 bargaining agreement or required by any law or regulation; or

33       b. To provide, in return for a development subsidy, jobs with  
34 lower wage or benefit rates, a smaller number of jobs, or jobs for a  
35 shorter period of time, than is required with respect to the  
36 development subsidy by any other law or regulation.

37

38       12. The State Treasurer shall, in consultation with the  
39 Commissioner of Labor and Workforce Development, and pursuant  
40 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
41 1 et seq.), promulgate any rules and regulations necessary to  
42 implement the provisions of this act.

43

44       13. This act shall take effect immediately, but the provisions of  
45 sections 3 through 10 of this act shall remain inoperative until the  
46 180th day after its enactment.

STATEMENT

1

2

3       This bill sets disclosure requirements for certain businesses  
4 which receive development subsidies, including tax incentives,  
5 from any State agency. The bill specifies what information a  
6 business is required to submit when applying for a development  
7 subsidy, including information regarding employment which is  
8 expected to be created, or reduced, at any location in the State in  
9 connection with the subsidy, and any other development subsidies  
10 sought or received by the applicant. Each recipient of a subsidy is  
11 required, for the duration of the subsidy or five years, whichever is  
12 longer, to submit annual reports on the progress of the recipient in  
13 attaining the job creation or retention goals stated in the application.

14       The State Treasurer is directed to publish an annual Unified  
15 Economic Development Budget Report providing comprehensive  
16 information about the costs and benefits of all development  
17 subsidies of the State and its political subdivisions. The Treasurer  
18 is also required to provide to the Legislature, as part of the  
19 Governor's annual budget request, a comprehensive presentation of  
20 the costs of all development subsidies to the State, including the  
21 cost of tax incentives.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3450**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 26, 2007

The Assembly Labor Committee reports favorably Assembly Bill No. 3450.

This bill sets disclosure requirements for certain businesses which receive development subsidies, including tax incentives, from any State agency. The bill specifies what information a business is required to submit when applying for a development subsidy, including information regarding employment which is expected to be created, or reduced, at any location in the State in connection with the subsidy, and any other development subsidies sought or received by the applicant. Each recipient of a subsidy is required, for the duration of the subsidy or five years, whichever is longer, to submit annual reports on the progress of the recipient in attaining the job creation or retention goals stated in the application.

The State Treasurer is directed to publish an annual Unified Economic Development Budget Report providing comprehensive information about the costs and benefits of all development subsidies of the State. The Treasurer is also required to provide to the Legislature, as part of the Governor's annual budget request, a comprehensive presentation of the costs of all development subsidies to the State, including the cost of tax incentives.

As reported, the bill is identical to S 1213.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3450**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 10, 2007

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Assembly Bill No. 3450.

This bill sets disclosure requirements for certain businesses which receive development subsidies, including tax incentives, from any State agency. The bill specifies what information a business is required to submit when applying for a development subsidy, including information regarding employment which is expected to be created, or reduced, at any location in the State in connection with the subsidy, and any other development subsidies sought or received by the applicant. Each recipient of a subsidy is required, for the duration of the subsidy or five years, whichever is longer, to submit annual reports on the progress of the recipient in attaining the job creation or retention goals stated in the application.

The State Treasurer is directed to publish an annual Unified Economic Development Budget Report providing comprehensive information about the costs and benefits of all development subsidies of the State and its political subdivisions. The Treasurer is also required to provide to the Legislature, as part of the Governor's annual budget request, a comprehensive presentation of the costs of all development subsidies to the State, including the cost of tax incentives.

COMMITTEE AMENDMENTS

The committee amended the definition of "development subsidy" in section 3 of the bill, to remove tax increment financing, fee waiver or land price subsidy from that definition and amended the definition of "tax expenditure" in section 3 to remove taxes in real property from that definition.

The committee also amended language in section 6 of the bill, to remove workforce Investment Boards, local and regional economic development agencies and county improvement authorities from the list of expenditures of development subsidies appropriated by a

granting body that should be reported in the annual Unified Economic Development Budget Report, and in the comprehensive presentation of the costs of all development subsidies to the State during the prior fiscal year provided to the Legislature by the State Treasurer, as part of the annual budget request of the Governor.

As amended, this bill is identical to Senate, No. 1213 (1R).