

# ASSEMBLY, No. 4413

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED MAY 11, 2015

**Sponsored by:**

**Assemblyman TIM EUSTACE**

**District 38 (Bergen and Passaic)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Assemblyman JAY WEBBER**

**District 26 (Essex, Morris and Passaic)**

**Assemblyman TROY SINGLETON**

**District 7 (Burlington)**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

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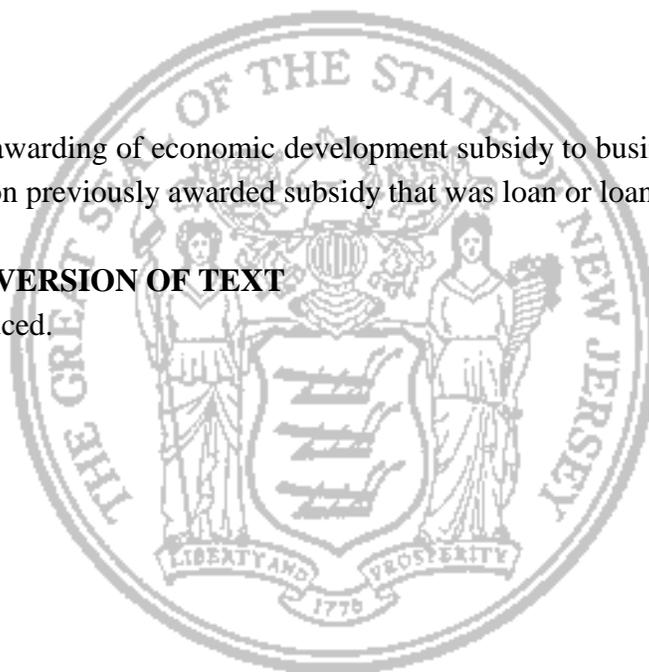
**Assemblywoman Mosquera, Assemblyman O'Scanlon, Assemblywoman Caride and Senator Greenstein**

**SYNOPSIS**

Prohibits awarding of economic development subsidy to business if business is in default on previously awarded subsidy that was loan or loan guarantee.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/23/2015)**

1 AN ACT concerning certain economic development subsidies and  
2 supplementing Title 52 of the Revised Statutes.

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

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7 1. As used in P.L. , c. (C. ) (pending before the  
8 Legislature as this bill):

9 "Economic development subsidy" means the provision of an  
10 amount of funds to a recipient business by or from a State public  
11 body with a value of greater than \$25,000 for the purpose of  
12 stimulating economic development in New Jersey, including, but  
13 not limited to, any bond, grant, loan, loan guarantee, matching fund,  
14 tax credit, or other tax expenditure. "Economic development  
15 subsidy" shall not mean any contract under which a State public  
16 body purchases or otherwise procures goods, services, or  
17 construction on an unsubsidized basis, including any contract solely  
18 for the construction or renovation of a facility owned by a State  
19 public body.

20 "Recipient business" means any non-governmental person,  
21 association, for-profit or non-profit corporation, joint venture,  
22 limited liability company, partnership, sole proprietorship, or other  
23 form of business organization or entity either within or outside this  
24 State that receives an economic development subsidy. A "recipient  
25 business" shall not mean a public or private institution of higher  
26 education.

27 "State public body" means the State of New Jersey or any  
28 agency, authority, board, commission, or instrumentality of the  
29 State. "State public body" shall not mean a political subdivision of  
30 the State or an agency, authority, board, commission, or  
31 instrumentality of a political subdivision of the State.

32 "Tax expenditure" means the amount of foregone tax collections  
33 due to any abatement, reduction, exemption, credit, or transfer  
34 certificate against any State tax, including, but not limited to: taxes  
35 on raw materials, inventories, or other assets; taxes on gross  
36 receipts, income, or sales; and any use, excise, or utility tax. "Tax  
37 expenditure" shall not mean: any credit against any tax liability of  
38 an employee; any personal exemption, homestead rebate, credit, or  
39 deduction for the expenses of a household or individual; or other  
40 reduction of the tax liability of an individual or household.

41

42 2. A State public body shall not award an economic  
43 development subsidy to a recipient business that previously  
44 received an economic development subsidy that was a loan or loan  
45 guarantee if the recipient business is in default on that previously  
46 awarded loan or loan guarantee.

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1       3. This act shall take effect immediately but shall remain  
2 inoperative for 60 days following the date of enactment.

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STATEMENT

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7       This bill prohibits a State public body from awarding an  
8 economic development subsidy to a business that previously  
9 received an economic development subsidy that was a loan or loan  
10 guarantee if the recipient business is in default on that previously  
11 awarded loan or loan guarantee. The bill defines "economic  
12 development subsidy" as the provision of an amount of funds to a  
13 business by or from a State public body with a value of greater than  
14 \$25,000 for the purpose of stimulating economic development in  
15 New Jersey, including, but not limited to, any bond, grant, loan,  
16 loan guarantee, matching fund, tax credit, or other tax expenditure.