

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2441

STATE OF NEW JERSEY

DATED: MARCH 5, 2018

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 2441.

This bill establishes the “Main Street Economic Growth Program” for the purpose of providing financial and technical assistance to businesses located in main street areas of small municipalities.

The bill directs the New Jersey Economic Development Authority (EDA) to establish the program. The bill authorizes the governing body of each municipality that has a population under 11,000 and which is more than 70 percent developed, according to a Department of Environmental Protection data set, to designate a “Main Street area” within the municipality. This designation would set forth the municipality's policy and plan for addressing the economic conditions in the Main Street area.

The bill provides for corporation business tax credits and gross income tax credits for businesses located in a Main Street area within a small municipality that participates in the program based upon criteria to be determined by EDA. The bill provides for tax credits equal to 15 percent of the cost of employee compensation expenses related to meeting the employment criteria developed by EDA pursuant to the bill.

Under the bill, EDA would create the “Main Street Economic Growth Assistance Fund” for the purpose of providing loans, loan guarantees, and technical assistance to area businesses located within the designated Main Street area of a participating small municipality. The bill allows EDA to establish terms governing loans, loan guarantees, tax credits, and technical assistance under the program. The bill requires EDA to issue an annual report to the Governor and the Legislature on the program and to adopt rules and regulations to implement the program.