

SENATE, No. 1837

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED FEBRUARY 8, 2018

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Establishes Emerging Technology Urban Grant Program in EDA; appropriates \$20 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the Emerging Technology Urban Grant
2 Program, supplementing P.L.1974, c.80 (C.34:1B-1 et seq.), and
3 making an appropriation.
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. The Legislature finds and declares that:

9 a. High-growth start-up technology companies are critical to
10 developing urban areas into vibrant growth economies that thrive on
11 innovation and entrepreneurship.

12 b. New Jersey should catalyze the transformation of specified
13 urban areas by attracting emerging technology businesses to those
14 areas by creating high-quality jobs and a sustainable knowledge-
15 based economy through the establishment of an Emerging
16 Technology Urban Grant Program.

17 c. The goal of the Emerging Technology Urban Grant Program
18 is to attract high-growth emerging technology businesses to locate
19 in urban areas, called urban technology zones, through financial
20 incentives for utilizing a cloud-based capacity-building technology
21 service, which is a computing service that allows a user to retrieve
22 stored information and resources from the Internet through web-
23 based tools and applications rather than through a direct connection
24 to a server.

25 d. The creation of urban technology zones comprised of high-
26 bandwidth emerging technology businesses that rely on cloud
27 computing services will accelerate the transformation of these urban
28 areas and connect them to the larger vibrant growth economy
29 environment.

30 e. The Emerging Technology Urban Grant Program shall seek
31 to consolidate public and private economic development efforts
32 through various funding sources into one targeted program to attract
33 high-growth emerging technology businesses.
34

35 2. As used in P.L. , c. (C.) (pending before the
36 Legislature as this bill):

37 “Authority” means the New Jersey Economic Development
38 Authority established pursuant to section 4 of P.L.1974, c.80
39 (C.34:1B-4).

40 “Chief Executive Officer” means the Chief Executive Officer of
41 the New Jersey Economic Development Authority.

42 “Cloud computing service” means a service that enables on-
43 demand self-service network access to a shared pool of configurable
44 computer resources to provide user-based productivity applications,
45 including, but not limited to, electronic mail, document storage, and
46 document editing, which can be rapidly provisioned and released
47 with minimal management effort or cloud computing service
48 provider interaction.

1 “Emerging technology business” or “business” means a
2 corporation, partnership, limited liability company, or sole
3 proprietorship that is engaged in the design, development, and
4 introduction of new technology, including, but not limited to,
5 biotechnology, information technology, technology manufacturing,
6 advanced materials, processing engineering or electronic
7 technology products, or innovative manufacturing processes.

8 “Full-time employee” shall have the same meaning as provided
9 in section 2 of P.L.1996, c.26 (C.34:1B-125).

10 “Headquarters” means the single location that serves as the
11 national administrative center of a business, at which the primary
12 office of the chief executive officer or chief operating officer of the
13 business, as well as the offices of the management officials
14 responsible for key business-wide functions such as finance, legal,
15 marketing, and human resources, are located.

16 “Information technology” means software publishing, digital
17 media production, telecommunications, data processing, hosting
18 and related services, custom computer programming services,
19 computer system design, computer facilities management services,
20 other computer related services, and computer training.

21 “Program” means the Emerging Technology Urban Grant
22 Program, established pursuant to section 3 of P.L. , c. (C.)
23 (pending before the Legislature as this bill).

24 “Urban technology zone” means: 1) a zone with a city of the first
25 class in which there is located a terminal of an international airport;
26 2) a zone within a city of the second class that is the State capital;
27 and 3) a zone within a city that qualifies under the “Municipal
28 Rehabilitation and Economic Recovery Act,” P.L.2002, c.43
29 (C.52:27BBB-1 et al.).

30
31 3. a. The authority shall establish an “Emerging Technology
32 Urban Grant Program” within the authority to award a grant to a
33 qualifying emerging technology business to encourage the business
34 to locate in one of three urban technology zones to acquire cloud
35 computing services that will facilitate the business to grow and
36 create full-time employment. The award of a grant to a qualifying
37 business shall be applied to the cost of acquiring cloud computing
38 services.

39 b. The Chief Executive Officer shall approve for grant eligibility
40 an emerging technology business that:

41 (1) is located in an urban technology zone;

42 (2) commits to maintaining its headquarters in an urban
43 technology zone for the duration of the grant term of two years and
44 at least three additional years;

45 (3) employs 50 or less full-time employees; and

46 (4) has experienced a net increase of 20 percent full-time
47 employment or added 20 percent to the square footage of their

1 workspace in an urban technology zone during the six-month period
2 preceding the application.

3 c. An emerging technology business seeking to participate in the
4 program shall submit an application in a form determined by the
5 Chief Executive Officer. The application shall include information
6 that the Chief Executive Officer determines is necessary to
7 administer the program. All applications shall be submitted prior to
8 December 31, 2018.

9 d. The Chief Executive Officer shall issue payment of the grant
10 upon the submission of proof to the authority by an approved
11 emerging technology business applicant that the business has
12 fulfilled the application requirements pursuant to subsection b. of
13 this section and any other requirements determined by the authority.
14 The submission of proof shall be subject to review and audit by the
15 Department of Labor and Workforce Development.

16 e. The value of a grant shall be up to \$60,000 per month for two
17 years, provided that no grantee shall receive more than \$1,400,000
18 in grants pursuant to this section over the duration of the program.

19
20 4. The authority may adopt rules and regulations, pursuant to the
21 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
22 seq.), necessary for the implementation of P.L. , c. (C.)
23 (pending before the Legislature as this bill), including, but not
24 limited to, a procedure for recapturing grants awarded pursuant to
25 P.L. , c. (C.) (pending before the Legislature as this bill) in
26 cases in which the authority determines that the emerging
27 technology business receiving the grant award fails to meet any
28 condition or requirement attached by the authority to the receipt of
29 the grant award or included in rules and regulations adopted by the
30 authority governing the implementation of the program.

31
32 5. There is appropriated \$20,000,000 from the General Fund to
33 the authority for the purposes of the implementation of P.L. , c.
34 (C.) (pending before the Legislature as this bill), and the grant
35 program shall also be credited with:

36 a. any additional monies made available by the authority for the
37 purposes of the grant program; and

38 b. monies received by the authority from any public or private
39 sources for the purpose of the grant program, the coordination and
40 consolidation of which shall enhance efforts to attract emerging
41 technology businesses to accelerate the development of urban
42 technology zones.

43
44 6. This act shall take effect on the 60th day following the date of
45 enactment, except the authority may take any anticipatory
46 administrative action in advance as shall be necessary for the
47 implementation of this act.

STATEMENT

This bill establishes the Emerging Technology Urban Grant Program (program) in the New Jersey Economic Development Authority (EDA) to award grants to qualifying emerging technology businesses to encourage the businesses to locate in one of three urban technology zones to acquire cloud computing services that will facilitate the businesses to grow and create full-time employment. The award of a grant to a qualifying business is to be applied to the cost of acquiring cloud computing services, which are on-demand computing services that allow a user to retrieve stored information and resources from the Internet through web-based tools and applications rather than through a direct connection to a server.

The bill establishes an urban technology zone in Newark, Trenton, and Camden.

The Chief Executive Officer of the EDA is to approve for grant eligibility an emerging technology business that: 1) is located in an urban technology zone; 2) commits to maintaining its headquarters in an urban technology zone for the duration of the grant term of two years and at least three additional years; 3) employs no more than 50 full-time employees; and 4) has experienced a net increase of 20 percent full-time employment or added 20 percent to the square footage of their workspace in an urban technology zone during the six-month period preceding the application.

The Chief Executive Officer is to issue payment of the grant upon the submission of proof to the EDA by an approved emerging technology business applicant that the business has fulfilled the application requirements pursuant to the bill and any other requirements determined by the EDA. The submission of proof is to be subject to review and audit by the Department of Labor and Workforce Development.

This bill provides that the value of the grant is to be up to \$60,000 per month for two years, provided that no grantee receives more than \$1,400,000 in grants over the duration of the program.

There is to be appropriated \$20,000,000 from the General Fund to the authority for the purposes of this bill.