

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### SENATE, No. 2256

# STATE OF NEW JERSEY

DATED: JANUARY 24, 2019

The Senate Economic Growth Committee reports favorably Senate Bill No. 2256.

As reported, this bill establishes in the New Jersey Economic Development Authority (EDA) the "Main Street Assistance Program" (program) for providing financial and technical assistance to businesses located in Main Street areas within small municipalities. The bill's purpose is to encourage business development in small municipalities having substantially developed commercial areas.

The bill authorizes the governing body of a "small municipality," which is a municipality having a population under 20,000 that is over 75 percent developed, to designate a "Main Street area" in the municipality. To designate a "Main Street area," the governing body is to provide a statement of intent to the EDA setting forth the municipality's findings concerning the economic conditions existing in the area and the municipality's intentions for addressing them.

For a business to be eligible to receive financial and technical assistance from the EDA under the program, at least 15 percent of the full-time employees of the business are to reside within the small municipality. Under the bill, the EDA is to work cooperatively with other State agencies to explore and implement opportunities to direct resources and create enhanced incentives for area businesses participating in the program.

The bill provides corporation business tax credits and gross income tax credits equal to 15 percent of the cost of employee compensation expenses.

To provide funding for the program, the EDA is to establish the "Main Street Assistance Fund" for providing loans, loan guarantees, and technical assistance to area businesses located within a small municipality. The terms of a loan or loan guarantee and the amount of technical assistance is at the discretion of the authority based on the moneys made available by the authority for the purposes of the fund. In addition, the EDA may provide technical assistance grants to small municipalities to improve the economy, appearance, and image of central business districts.