

**ASSEMBLY, No. 5708**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED MAY 12, 2021

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**Senator JOSEPH A. LAGANA**

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**SYNOPSIS**

Establishes Startup Business and Nonprofit Assistance Program in EDA to support new businesses and nonprofit organizations following COVID-19 pandemic; appropriates \$25 million.

**CURRENT VERSION OF TEXT**

As introduced.

(Sponsorship Updated As Of: 6/3/2021)

1 AN ACT establishing the Startup Business and Nonprofit Assistance  
2 Program to support new businesses and nonprofit organizations  
3 following the COVID-19 pandemic and making an appropriation.  
4

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

8 1. a. There is established within the authority the Startup  
9 Business and Nonprofit Assistance Program. The program shall  
10 provide grants to support the creation and development of new  
11 businesses and nonprofit organizations following the COVID-19  
12 pandemic.

13 b. When awarding grants under the program, the authority shall  
14 prioritize new businesses and nonprofit organizations that  
15 physically occupy commercial properties, including retail  
16 storefronts, that have become vacant or under-utilized during the  
17 COVID-19 pandemic. The authority shall award grants with a  
18 sense of urgency to minimize the economic disruption caused by the  
19 COVID-19 pandemic and to spur economic recovery following the  
20 pandemic.

21 c. The authority shall issue guidance concerning the  
22 distribution of program grants. At a minimum, the guidance shall:

23 (1) establish eligibility criteria for the program, provided that  
24 grants shall be made available to eligible new businesses and  
25 nonprofit organizations located in all areas of the State;

26 (2) provide for rolling application periods and appropriate  
27 application submission deadlines;

28 (3) designate limitations on the maximum award of grants,  
29 which limitations shall be sufficiently high so as to meaningfully  
30 support the creation and development of new businesses and  
31 nonprofit organizations;

32 (4) designate permitted uses of grant financing, which uses shall  
33 be reasonably flexible to accommodate unanticipated startup  
34 expenses; and

35 (5) establish criteria for the approval of program applicants,  
36 which criteria shall include the priority required under subsection b.  
37 of this section.

38 d. Until all available funds have been committed, the authority  
39 shall conduct regular outreach efforts to publicize the availability of  
40 program grants.

41 e. Within one year of the effective date of P.L. , c.  
42 (pending before the Legislature as this bill), and each year  
43 thereafter until all available funds have been expended, the  
44 authority shall submit a report to the Governor and the Legislature,  
45 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), detailing  
46 the expenditure of program funds. At a minimum, the report shall  
47 indicate:

- 1 (1) the number of businesses and nonprofit organizations that  
2 applied for financial assistance;
- 3 (2) the number of businesses and nonprofit organizations that  
4 received financial assistance;
- 5 (3) the amount of financial assistance provided to each  
6 recipient; and
- 7 (4) a brief description of each recipient.
- 8 f. As used in this section:
- 9 “Authority” means the New Jersey Economic Development  
10 Authority established pursuant to P.L.1974, c.80 (C.34:1B-  
11 1 et seq.).
- 12 “New businesses and nonprofit organizations” means business  
13 entities and nonprofit organizations that commenced all operations  
14 after the issuance of Executive Order No. 103 of 2020, and employ  
15 50 or fewer full-time employees.
- 16
- 17 2. a. There is appropriated \$25 million from the General Fund  
18 to the New Jersey Economic Development Authority to support the  
19 operations of the Startup Business and Nonprofit Assistance  
20 Program established pursuant to section 1 of P.L. , c. (pending  
21 before the Legislature as this bill).
- 22 b. The authority may transfer the uncommitted balance of any  
23 funds appropriated under this section for the purposes of any  
24 program established pursuant to P.L.2021, c.42, P.L.2021, c.43,  
25 P.L.2021, c.45, P.L.2021, c.46, or P.L.2021, c.47, as well as the  
26 Sustain and Serve NJ Program; provided, however, that the  
27 authority shall submit notice to the Joint Budget Oversight  
28 Committee no less than five calendar days before the date of the  
29 transfer. At a minimum, the notice shall indicate the amount of and  
30 purpose for the transferred funds.
- 31 c. Of the sum of all amounts appropriated from the General  
32 Fund to the New Jersey Economic Development Authority in Fiscal  
33 Year 2021 for Assistance to Food and Beverage Establishments,  
34 Assistance to Businesses and Nonprofits, Assistance to Child Care  
35 Providers, Assistance to Microbusinesses, the Sustain and Serve NJ  
36 Program, and the Startup Business and Nonprofit Assistance  
37 Program, the authority may retain not more than \$1 million to  
38 defray administrative expenses.
- 39
- 40 3. This act shall take effect immediately.
- 41
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43 STATEMENT

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45 This bill establishes a Startup Business and Nonprofit Assistance  
46 Program in the New Jersey Economic Development Authority  
47 (EDA) to support the creation and development of new businesses  
48 and nonprofit organizations following the COVID-19 pandemic.

1 The bill also appropriates \$25 million from the General Fund to  
2 support the program.

3 Under the program, the EDA would provide grants to businesses  
4 and nonprofit organizations that commenced operations after the  
5 issuance of Executive Order No. 103 of 2020 (i.e., March 9, 2020),  
6 and which employ 50 or fewer full-time employees. Program grants  
7 would be awarded according to guidance issued by the EDA.  
8 However, the bill requires the EDA to prioritize new businesses and  
9 nonprofit organizations that physically occupy commercial  
10 properties, such as retail storefronts, that have become vacant or  
11 under-utilized during the COVID-19 pandemic. The bill also  
12 requires the EDA to award grants with a sense of urgency to  
13 minimize the economic disruption caused by the COVID-19  
14 pandemic and to spur economic recovery following the pandemic.

15 Additionally, the bill requires the EDA to conduct regular  
16 outreach efforts to publicize the availability of financial assistance  
17 under the program. The EDA would also be required to submit an  
18 annual report to the Governor and the Legislature detailing the  
19 expenditure of program funds.

20 Under the bill, the EDA is permitted to transfer any uncommitted  
21 funds to certain other programs administered by the authority to  
22 address the impact of the COVID-19 pandemic. The bill also  
23 allows the EDA to retain a portion of the appropriated funds to  
24 defray administrative expenses.