

§1
T&E
§2
Approp.

(CORRECTED COPY)

P.L. 2021, CHAPTER 115, *approved June 22, 2021*

Assembly, No. 5708

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.

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

8 (1) the number of businesses and nonprofit organizations that
9 applied for financial assistance;

10 (2) the number of businesses and nonprofit organizations that
11 received financial assistance;

12 (3) the amount of financial assistance provided to each
13 recipient; and

14 (4) a brief description of each recipient.

15 f. As used in this section:

16 “Authority” means the New Jersey Economic Development
17 Authority established pursuant to P.L.1974, c.80 (C.34:1B-
18 1 et seq.).

19 “New businesses and nonprofit organizations” means business
20 entities and nonprofit organizations that commenced all operations
21 after the issuance of Executive Order No. 103 of 2020, and employ
22 50 or fewer full-time employees.

23

24 2. a. There is appropriated \$25 million from the General Fund
25 to the New Jersey Economic Development Authority to support the
26 operations of the Startup Business and Nonprofit Assistance
27 Program established pursuant to section 1 of P.L. , c. (pending
28 before the Legislature as this bill).

29 b. The authority may transfer the uncommitted balance of any
30 funds appropriated under this section for the purposes of any
31 program established pursuant to P.L.2021, c.42, P.L.2021, c.43,
32 P.L.2021, c.45, P.L.2021, c.46, or P.L.2021, c.47, as well as the
33 Sustain and Serve NJ Program; provided, however, that the
34 authority shall submit notice to the Joint Budget Oversight
35 Committee no less than five calendar days before the date of the
36 transfer. At a minimum, the notice shall indicate the amount of and
37 purpose for the transferred funds.

38 c. Of the sum of all amounts appropriated from the General
39 Fund to the New Jersey Economic Development Authority in Fiscal
40 Year 2021 for Assistance to Food and Beverage Establishments,
41 Assistance to Businesses and Nonprofits, Assistance to Child Care
42 Providers, Assistance to Microbusinesses, the Sustain and Serve NJ
43 Program, and the Startup Business and Nonprofit Assistance
44 Program, the authority may retain not more than \$1 million to
45 defray administrative expenses.

46

47 3. This act shall take effect immediately.

STATEMENT

This bill establishes a Startup Business and Nonprofit Assistance Program in the New Jersey Economic Development Authority (EDA) to support the creation and development of new businesses and nonprofit organizations following the COVID-19 pandemic. The bill also appropriates \$25 million from the General Fund to support the program.

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

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

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

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