

SENATE, No. 589

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

Senator M. TERESA RUIZ

District 29 (Essex)

Co-Sponsored by:

Senator Pou

SYNOPSIS

Creates grant program for business accelerator and incubator networks; transfers \$1 million in societal benefits charge revenues to EDA to administer program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/30/2021)

1 AN ACT establishing a grant program for business accelerator and
2 incubator networks, supplementing P.L.1974, c.80 (C.34:1B-
3 1 et seq.), and amending P.L.1999, c.23.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. (New section) As used in sections 1 through 4 of
9 P.L. , c. (C.) (pending before the Legislature as this bill):

10 “Advanced computing,” “advanced materials,” “information
11 technology,” and “life sciences” shall have the same meaning as
12 provided in section 2 of P.L.1997, c.349 (C.54:10A-5.29).

13 “Advanced technology center” means programs or departments
14 at the State’s public and private institutions of higher education
15 which are provided financial support from those institutions of
16 higher education to promote innovative technology research and are
17 established pursuant to law, including, but not limited to, P.L.1985,
18 c.102 (C.52:9X-1 et seq.), P.L.1985, c.103 (C.18A:64J-1 et seq.),
19 P.L.1985, c.104 (C.18A:64J-8 et seq.), P.L.1985, c.105 (C.18A:64J-
20 15 et seq.), and P.L.1985, c.106 (C.18A:64J-22 et seq.).

21 “Angel investment” means the non-refundable transfer of cash to
22 an incubator business by an established business that is not a related
23 person of the incubator business, the transfer of which is in
24 connection with either:

25 a. a transaction in exchange for stock, interests in partnerships
26 or joint ventures, exclusive or non-exclusive licenses, rights to use
27 technology, marketing rights, warrants, options, or any items
28 similar to those included herein, including but not limited to options
29 or rights to acquire any of the items included herein; or

30 b. a purchase, production, or research agreement.

31 “Authority” means the New Jersey Economic Development
32 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

33 “Big data” shall have the same meaning as provided in section 1
34 of P.L.2014, c.33 (C.52:17C-3.4).

35 “Biotechnology,” “environmental technology,” “electronic
36 device technology,” and “medical device technology,” shall have
37 the same meaning as provided in section 2 of P.L.1996, c.26
38 (C.34:1B-125).

39 “Business accelerator or incubator” means an individual or
40 network of business development facilities, consisting of the
41 provision of low-cost space and technical assistance, for short-term
42 occupancy, to an incubator business employing selected
43 technologies congruent with the strengths of the State’s public and
44 private institutions of higher education. A “business accelerator or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 incubator” may include, but not be limited to, an advanced
2 technology center or a technology extension service.

3 “Grant program” means the “Business Accelerator and Incubator
4 Network Grant Program” established pursuant to section 2 of
5 P.L. , c. (C.) (pending before the Legislature as this bill).

6 “Incubator business” means a corporation, partnership, limited
7 liability company, or sole proprietorship that is supported by private
8 sources of capital, including, but limited to, private equity, angel
9 investment, or venture capital that:

10 a. is in the formative stage of development;

11 b. is engaged in the design, development, and introduction of
12 new biotechnology, information technology, re-manufacturing,
13 advanced materials, processing engineering or electronic device
14 technology products, or innovative manufacturing processes; and

15 c. meets any other requirements for an incubator business as
16 the authority shall develop.

17 “Support services” means the provision of publicly or privately-
18 supported, low-cost, short-term occupancy, rental space and
19 technology extension services wherein financial and other types of
20 business or technical assistance is provided to an incubator business
21 by an a business accelerator or incubator.

22 “Technology extension service” means a program to accelerate
23 the application and transfer of technological innovation by the
24 State's public and private institutions of higher education to an
25 incubator business, specifically to work with the State's incubator
26 businesses to adapt these innovations to the requirements of
27 individual business operations.

28

29 2. (New section) a. The authority shall establish and
30 administer the “Business Accelerator and Incubator Network Grant
31 Program” for the purpose of awarding grants to a business
32 accelerator or incubator that provides support to incubator
33 businesses that are located within a business accelerator or
34 incubator in this State.

35 b. Grants may be made to a business accelerator or incubator in
36 an amount as determined by the authority. The grant funds may be
37 applied to:

38 (1) any aspect of the business accelerator or incubator that
39 provides support to incubator businesses in the business accelerator
40 or incubator as determined by the authority; or

41 (2) any aspect of an incubator business operating within the
42 business accelerator or incubator.

43 c. In order to be eligible for a grant, a business accelerator or
44 incubator at the time of application for program eligibility, shall
45 provide proof that it is a business accelerator or incubator providing
46 support to an incubator business that is in one of the following
47 fields:

- 1 (1) clean energy or environmental technology;
- 2 (2) life sciences, biotechnology, or medical device technology;
- 3 (3) advanced materials, engineering, or manufacturing;
- 4 (4) supply chain, transportation, and logistics;
- 5 (5) big data, advanced computing, and digital technology;
- 6 (6) defense and homeland security; or
- 7 (7) food and agriculture.

8 d. A business accelerator or incubator and an incubator
9 business seeking to participate in the grant program shall submit an
10 application in a form and manner as the authority shall require. The
11 application shall include information the authority determine is
12 necessary to administer the grant program. An incubator business
13 seeking to participate in the grant program shall submit to the
14 authority documentation from the business accelerator or incubator
15 hosting the incubator business that participation in the grant
16 program will be a contributing factor towards the financial success
17 of the incubator business.

18 e. The authority shall review and may approve an application
19 for the grant program. The authority shall issue payment of the
20 grant amount pursuant to a grant agreement with a business
21 accelerator or incubator or an incubator business as the authority
22 may determine and subject the approval of the agreement to the
23 submission of proof by an approved grant applicant of the
24 expenditures contributing to the success of an incubator business
25 assisted by the business accelerator or incubator. A grantee who
26 fails to comply with a grant agreement made as a condition of a
27 grant award shall repay any grant amount received and, if so
28 determined by the authority, shall pay a penalty not in excess of 10
29 percent of the grant amount.

30
31 3. (New section) a. The authority shall establish and
32 maintain the "Business Accelerator and Incubator Network Grant
33 Program" established pursuant to section 2 of P.L. , c. (C.)
34 (pending before the Legislature as this bill) with monies to be used
35 by the authority for the purposes specified in P.L. , c. (C.)
36 (pending before the Legislature as this bill). Monies to be utilized
37 by the grant program shall include, but not be limited to:

38 (1) societal benefits charge revenues collected by the Board of
39 Public Utilities pursuant to section 12 of P.L.1999, c.23 (C.48:3-
40 60), transferred to the authority pursuant to section 5 of
41 P.L. , c. (C.) (pending before the Legislature as this bill),
42 that the authority determines are necessary in response to the
43 demand for the program, up to \$1,000,000;

44 (2) monies as may be available to the authority from other
45 business development programs administered by the authority or
46 other State agencies or authorities, and which the authority
47 determines to be necessary in light of the volume of applications
48 from business accelerators or incubators and incubator businesses

1 for grants under the grant program as necessary to implement the
2 purposes of P.L. , c. (C.) (pending before the Legislature as
3 this bill); and

4 (3) other monies as may be made available to the authority from
5 public or private sources.

6 b. Monies in the grant program which are not allocated for
7 current responsibilities of the grant program may be invested by the
8 authority in any direct obligations as to which principal and interest
9 are guaranteed by the United States of America or any other
10 obligation deemed appropriate by the authority.

11
12 4. (New section) The authority shall prepare an annual report
13 on the "Business Accelerator and Incubator Network Grant
14 Program," deliver the report to the Governor and, pursuant to
15 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, and
16 make the report available on the authority's website. The report
17 shall include the number of program applicants, the number and
18 names of business accelerator or incubators and incubator
19 businesses approved for the grant program, the types of incubator
20 businesses located within business accelerator or incubators in the
21 grant program, the total amount of grants distributed, the amount
22 received per business accelerator or incubator and incubator
23 business, and any other information as the authority determines is
24 necessary to evaluate the progress of the grant program.

25
26 5. (New section) The authority may adopt rules and
27 regulations pursuant to the "Administrative Procedure Act,"
28 P.L.1968, c.410 (C.52:14B-1 et seq.) as may be necessary to
29 effectuate the purposes of P.L. , c. (C.) (pending before the
30 Legislature as this bill).

31
32 6. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
33 as follows:

34 12. a. Simultaneously with the starting date for the
35 implementation of retail choice as determined by the board pursuant
36 to subsection a. of section 5 of **[this act]** P.L.1999, c.23 (C.48:3-
37 53) and consistent with the provisions of P.L. , c. (C.)
38 (pending before the Legislature as this bill), the board shall permit
39 each electric public utility and gas public utility to recover some or
40 all of the following costs through a societal benefits charge that
41 shall be collected as a non-bypassable charge imposed on all
42 electric public utility customers and gas public utility customers, as
43 appropriate:

44 (1) The costs for the social programs for which rate recovery
45 was approved by the board prior to April 30, 1997. For the purpose
46 of establishing initial unbundled rates pursuant to section 4 of **[this**
47 **act]** P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall
48 be set to recover the same level of social program costs as is being

1 collected in the bundled rates of the electric public utility on the
2 effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.). The
3 board may subsequently order, pursuant to its rules and regulations,
4 an increase or decrease in the societal benefits charge to reflect
5 changes in the costs to the utility of administering existing social
6 programs. Nothing in **[this act]** P.L.1999, c.23 (C.48:3-49 et al.)
7 shall be construed to abolish or change any social program required
8 by statute or board order or rule or regulation to be provided by an
9 electric public utility. Any such social program shall continue to be
10 provided by the utility until otherwise provided by law, unless the
11 board determines that it is no longer appropriate for the electric
12 public utility to provide the program, or the board chooses to
13 modify the program;

14 (2) Nuclear plant decommissioning costs;

15 (3) The costs of demand side management programs that were
16 approved by the board pursuant to its demand side management
17 regulations prior to April 30, 1997. For the purpose of establishing
18 initial unbundled rates pursuant to section 4 of **[this act]** P.L.1999,
19 c.23 (C.48:3-52), the societal benefits charge shall be set to recover
20 the same level of demand side management program costs as is
21 being collected in the bundled rates of the electric public utility on
22 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.).
23 Within four months of the effective date of **[this act]** P.L.1999,
24 c.23 (C.48:3-49 et al.), and every four years thereafter, the board
25 shall initiate a proceeding and cause to be undertaken a
26 comprehensive resource analysis of energy programs, and within
27 eight months of initiating such proceeding and after notice,
28 provision of the opportunity for public comment, and public
29 hearing, the board, in consultation with the Department of
30 Environmental Protection, shall determine the appropriate level of
31 funding for energy efficiency and Class I renewable energy
32 programs that provide environmental benefits above and beyond
33 those provided by standard offer or similar programs in effect as of
34 the effective date of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.);
35 provided that the funding for such programs be no less than **[50%]**
36 50 percent of the total Statewide amount being collected in **[public]**
37 electric and gas public utility rates for demand side management
38 programs on the effective date of **[this act]** P.L.1999, c.23 (C.48:3-
39 49 et al.) for an initial period of four years from the issuance of the
40 first comprehensive resource analysis following the effective date
41 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), and provided that
42 **[25%]** 25 percent of this amount shall be used to provide funding
43 for Class I renewable energy projects in the State. In each of the
44 following fifth through eighth years, the Statewide funding for such
45 programs shall be no less than 50 percent of the total Statewide
46 amount being collected in **[public]** electric and gas public utility
47 rates for demand side management programs on the effective date

1 of **[this act]** P.L.1999, c.23 (C.48:3-49 et al.), except that as
2 additional funds are made available as a result of the expiration of
3 past standard offer or similar commitments, the minimum amount
4 of funding for such programs shall increase by an additional amount
5 equal to 50 percent of the additional funds made available, until the
6 minimum amount of funding dedicated to such programs reaches
7 \$140,000,000 total. After the eighth year, the board shall make a
8 determination as to the appropriate level of funding for these
9 programs. **[Such]** The demand side management programs shall
10 include a program to provide financial incentives for the installation
11 of Class I renewable energy projects in the State, and the board, in
12 consultation with the Department of Environmental Protection, shall
13 determine the level and total amount of such incentives as well as
14 the renewable technologies eligible for such incentives which shall
15 include, at a minimum, photovoltaic, wind, and fuel cells. The
16 board shall simultaneously determine, as a result of the
17 comprehensive resource analysis, the programs to be funded by the
18 societal benefits charge, the level of cost recovery and performance
19 incentives for old and new programs, and whether the recovery of
20 demand side management programs' costs currently approved by the
21 board may be reduced or extended over a longer period of time.
22 The board shall make these determinations taking into consideration
23 existing market barriers and environmental benefits, with the
24 objective of transforming markets, capturing lost opportunities,
25 making energy services more affordable for low income customers,
26 and eliminating subsidies for programs that can be delivered in the
27 marketplace without electric public utility and gas public utility
28 customer funding;

29 (4) Manufactured gas plant remediation costs, which shall be
30 determined initially in a manner consistent with mechanisms in the
31 remediation adjustment clauses for the electric public utility and gas
32 public utility adopted by the board; **[and]**

33 (5) The cost, of consumer education, as determined by the
34 board, which shall be in an amount that, together with the consumer
35 education surcharge imposed on electric power supplier license fees
36 pursuant to subsection h. of section 29 of **[this act]** P.L.1999, c.23
37 (C.48:3-78) and the consumer education surcharge imposed on gas
38 supplier license fees pursuant to subsection g. of section 30 of **[this**
39 **act]** P.L.1999, c.23 (C.48:3-79), shall be sufficient to fund the
40 consumer education program established pursuant to section 36 of
41 **[this act]** P.L.1999, c.23 (C.48:3-85); and

42 (6) The costs of the "Business Accelerator and Incubator
43 Network Grant Program," of an amount up to \$1,000,000, as
44 determined to be appropriate by the New Jersey Economic
45 Development Authority, for transfer to the authority for the
46 purposes established in section 2 of P.L. , c. (C.) (pending
47 before the Legislature as this bill).

1 A business accelerator or incubator seeking to participate in the
2 program is to submit an application in a form and manner as the
3 authority requires and include information the authority determines
4 is necessary to administer the program. The authority is to review
5 and may approve an application for the grant program. The
6 authority is to issue payment of a grant pursuant to a grant
7 agreement as the authority may determine and subject the approval
8 of the grant agreement to the submission of proof by an approved
9 applicant of the expenditures contributing to the success of an
10 incubator business assisted by the business accelerator or incubator.

11 A grantee that fails to comply with a grant agreement made as a
12 condition of a grant award is to repay any grant amount received
13 and, if so determined by the authority, is to pay a penalty not in
14 excess of 10 percent of the grant amount.

15 The authority is to establish and maintain the program with the
16 following sources of funds: 1) societal benefits charge revenues
17 collected by the Board of Public Utilities that the authority
18 determines are necessary in response to the demand for the
19 program, up to \$1,000,000; 2) funds as may be available to the
20 authority from other business development programs administered
21 by the authority or other State agencies or authorities, and which the
22 authority determines to be necessary in light of the volume of
23 applications from business accelerator or incubators and incubator
24 businesses for grants under the grant program as necessary to
25 implement the bill; and 3) other monies as may be made available to
26 the authority from public or private sources.

27 The bill requires the authority to prepare an annual report on the
28 program, deliver the report to the Governor and the Legislature, and
29 make the report available on the authority's website. The report is
30 to include the number of program applicants, the number and names
31 of business accelerator or incubators and incubator businesses
32 approved for the program, the types of incubator businesses located
33 within business accelerator or incubators in the program, the total
34 amount of grants distributed, the amount received per business
35 accelerator or incubator and incubator business, and any other
36 information as the authority determines is necessary to evaluate the
37 progress of the grant program.

38 The program is to expire six years after its establishment upon
39 the effective date of the bill.