

[First Reprint]

**SENATE, No. 1157**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED FEBRUARY 3, 2020

**Sponsored by:**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Senator NILSA CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

**Co-Sponsored by:**

**Senators Turner and Pou**

**SYNOPSIS**

Establishes Emerging Technology Urban Grant Program in EDA.

**CURRENT VERSION OF TEXT**

As reported by the Senate Economic Growth Committee on February 24, 2020, with amendments.



**(Sponsorship Updated As Of: 3/25/2021)**

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

3

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

6

7 1. The Legislature finds, declares, and determines that:

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

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

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

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

28 e. The New Jersey Economic Development Authority, through  
29 the Emerging Technology Urban Grant Program, shall seek to  
30 consolidate public and private economic development efforts  
31 through various funding sources into one targeted program to attract  
32 high-growth emerging technology businesses.

33

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

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

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

41 “Cloud computing service” means a service that enables on-  
42 demand self-service network access to a shared pool of configurable  
43 computer resources to provide user-based productivity applications,  
44 including, but not limited to, data storage, analytics, electronic  
45 commerce, streaming services, mobile services, electronic mail, and

**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.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup>Senate SEG committee amendments adopted February 24, 2020.**

1 document sharing and editing, which can be rapidly provided and  
2 released with minimal management effort or cloud computing  
3 service provider interaction.

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

11 “Full-time employee” means a person who is employed for  
12 consideration for at least 35 hours a week, or who renders any other  
13 standard of service generally accepted by custom or practice as full-  
14 time employment, whose wages are subject to withholding as  
15 provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
16 et seq., and who is determined by the authority to be employed in a  
17 permanent position according to criteria it develops, or who is a  
18 partner of an eligible partnership, who works for the partnership for  
19 at least 35 hours a week, or who renders any other standard of  
20 service generally accepted by custom or practice as full-time  
21 employment, and whose distributive share of income, gain, loss, or  
22 deduction, or whose guaranteed payments, or any combination  
23 thereof, is subject to the payment of estimated taxes, as provided in  
24 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.  
25 "Full-time employee" shall not include any person who works as an  
26 independent contractor or on a consulting basis for the business.

27 “Headquarters” means the single location that serves as the  
28 national administrative center of a business, at which the primary  
29 office of the chief executive officer or chief operating officer of the  
30 business, as well as the offices of the management officials  
31 responsible for key business-wide functions such as finance, legal,  
32 marketing, and human resources, are located.

33 “Information technology” means software publishing, digital  
34 media production, telecommunications, data processing, hosting  
35 and related services, custom computer programming services,  
36 computer system design, computer facilities management services,  
37 other computer-related services, and computer training.

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

41 “Urban technology zone” ” means: a city of the first class in  
42 which there is located a terminal of an international airport; a city  
43 of the second class that is the State capital; a city that qualifies  
44 under the “Municipal Rehabilitation and Economic Recovery Act,”  
45 P.L.2002, c.43 (C.52:27BBB-1 et al.); and a city of the second  
46 class, having a population greater than 54,000 people but less than  
47 59,000 according to the latest federal decennial census, in a county  
48 of the second class having a population greater than 808,000 people

1 but less than 818,000 people according to the latest federal  
2 decennial census.

3  
4 3. a. The authority shall, subject to appropriation, establish an  
5 “Emerging Technology Urban Grant Program” within the authority for  
6 the purpose of awarding grants to qualifying emerging technology  
7 businesses to cover <sup>1</sup>[to] the<sup>1</sup> cost of using cloud computing services  
8 in order to encourage the businesses to locate in an urban technology  
9 zone, facilitating economic growth and job creation in New Jersey’s  
10 urban core. The award of a grant to a qualifying business shall, subject  
11 to appropriation, be limited to the amount of the cost of cloud  
12 computing services and shall be applied to cover the cost of those  
13 services.

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

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

17 (2) commits to maintaining its United States headquarters in an  
18 urban technology zone for the duration of the grant term of two years  
19 and at least three additional years;

20 (3) employs 100 or less full-time employees; and

21 (4) has experienced a net increase of 20 percent in full-time  
22 employees or an increase of 20 percent in gross annual revenue during  
23 the twelve-month period preceding the application.

24 c. An emerging technology business seeking to participate in the  
25 program shall submit an application in a form determined by the Chief  
26 Executive Officer. The application shall include information that the  
27 Chief Executive Officer determines is necessary to administer the  
28 program. All applications shall be submitted prior to June 30, 2022  
29 and shall be reviewed by the authority by December 31, 2022.

30 d. The Chief Executive Officer shall award the grant upon the  
31 submission of proof by an approved emerging technology business  
32 that the business has fulfilled the eligibility requirements pursuant to  
33 subsection b. of this section and any other requirements determined by  
34 the authority. The submission of proof shall be subject to review and  
35 audit by the authority in consultation with the Department of Labor  
36 and Workforce Development.

37 e. The value of a grant made under the program shall be no more  
38 than \$125,000 per quarter for two years, provided that the grantee shall  
39 not receive more than \$1,000,000 in grants pursuant to this section  
40 over the duration of the program. The sum of grants awarded under the  
41 program shall not exceed \$80,000,000, with not more than  
42 \$20,000,000 granted to businesses in each urban technology zone.

43 f. The Chief Executive Officer shall release grant funds to  
44 grantees quarterly upon the business’s submission of proof of payment  
45 for cloud computing services and usage reports for the relevant three  
46 months, submission of proof that the business has continued to  
47 experience a net increase of 20 percent in full-time employment or an  
48 increase of 20 percent in annual gross revenue during the preceding  
49 twelve-months, and any other requirements determined by the

1 authority. The submission of proof shall be subject to review and audit  
2 by the authority in consultation with the Department of Labor and  
3 Workforce Development.

4

5 4. The authority shall, subject to appropriation, develop a  
6 marketing program in conjunction with local officials from each  
7 urban technology zone to promote and attract emerging technology  
8 businesses to the urban technology zones.

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10 5. The authority shall, subject to appropriation, engage with  
11 providers of cloud computing services to ensure that the maximum  
12 amount of credits and discounts for cloud computing services are  
13 being provided to emerging technology businesses located in urban  
14 technology zones in addition to grants awarded under the program.

15

16 6. The authority shall review the performance of the Emerging  
17 Technology Urban Grant Program and shall report to the  
18 Legislature, pursuant to section 2 of P.L.1991, c.164 (C.52:14-  
19 19.1), on the performance and economic impact of the program  
20 within two years of the date of enactment.

21

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

34

35 8. In addition to any monies appropriated to the authority to  
36 effectuate the purposes of P.L. , c. (C. ) (pending before the  
37 Legislature as this bill), the program shall also be credited with:

38 a. any additional monies made available by the authority for  
39 the purposes of the program; and

40 b. monies received by the authority from any public or private  
41 source for the purposes of the program, the coordination and  
42 consolidation of which shall enhance efforts to attract emerging  
43 technology businesses to accelerate the development of urban  
44 technology zones.

45

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