

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 1997

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 11, 2020

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 1997.

As amended and reported, this bill establishes the “Main Street Economic Growth Program” for the purposes of providing financial and technical assistance to businesses located in main street areas of small municipalities and to encourage business development along traditional main streets of developed, but less-populated municipalities.

The bill directs the New Jersey Economic Development Authority (EDA) to establish the program. The bill authorizes the governing body of each municipality that has a population under 11,000 according to the most recent federal census and which is either designated as the seat of county government or more than 70 percent developed, according to a Department of Environmental Protection data set, to designate a “Main Street area” within the municipality. This designation would set forth the municipality's policy and plan for addressing the economic conditions in the Main Street area.

The bill provides for corporation business tax credits and gross income tax credits for businesses located in a Main Street area within a small municipality that participates in the program based upon criteria to be determined by EDA. The bill provides that the credits be equal to 15 percent of the cost of employee compensation expenses related to meeting the employment criteria developed by EDA pursuant to the bill.

The bill also provides that the EDA create the “Main Street Economic Growth Assistance Fund” for the purpose of providing loans, loan guarantees, and technical assistance to area businesses located within the designated Main Street area of a participating small municipality. The bill provides that the EDA is to decide the terms of a loan or loan guarantee and the amount of technical assistance. The bill requires the EDA to issue an annual report to the Governor and Legislature on the program and to adopt rules and regulations to implement the program.

The committee amended the bill to expand the municipalities eligible under the program to include those under 11,000 population that are also the seat of county government.