

ASSEMBLY, No. 1063

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen AZZOLINA and GARRETT

1 AN ACT authorizing the Commissioner of Commerce and Economic
2 Development to establish an Economic Development Empowerment
3 Group to monitor and coordinate business retention, attraction and
4 investment in the State.

5

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

8

9 1. This act shall be known and may be cited as the "New Jersey
10 Economic Development Empowerment Group Act."

11

12 2. The Legislature finds and declares that:

13 a. Testimony taken during the extensive hearings of the Assembly
14 Task Force on Business Retention, Expansion and Export
15 Opportunities revealed that New Jersey businesses are subject to a
16 constant barrage of marketing and promotional materials such as direct
17 mail, telemarketing and other efforts designed to lure businesses from
18 this State to other states, especially the southern and the midwestern
19 states;

20 b. An effective strategy to counter such efforts, and to retain
21 existing businesses and attract new businesses, is to establish a
22 centralized empowerment group responsible for leveraging all available
23 resources to promote business retention and attraction efforts in the
24 State;

25 c. While specific State departments are responsible for conveying
26 relevant departmental information to businesses, this fragmented
27 approach tends to be a disincentive to businesses which generally
28 prefer to work with a single office that provides an "incentive
29 package" incorporating multiple assistance programs that can be
30 quickly reviewed to determine the costs and benefits of doing business
31 in a particular area;

32 d. The development of a single empowerment group to establish
33 a more effective coordination of the information provided by various
34 State agencies concerning State business attraction and retention
35 programs and services will improve the State's ability to improve its

1 marketing efforts through benchmarking of outcomes and coordinated
2 follow-up of the State's overall performance; and

3 e. In order to remain competitive with what other states are doing
4 to retain and attract businesses, and to establish a more effective
5 coordination of the State's resources, it is in the public interest to
6 authorize the Commissioner of Commerce and Economic Development
7 to establish an Economic Development Empowerment Group within
8 the Department of Commerce and Economic Development which shall
9 be responsible for coordinating information across departmental lines,
10 coordinating the development of customized "incentive packages" to
11 specifically promote business retention and expansion efforts, and
12 coordinating the allocation of public-private resources to maximize the
13 State's business retention and attraction strategy.

14

15 3. As used in this act:

16 a. "Advisory board" means the Economic Development
17 Empowerment Group Advisory Board authorized pursuant to section
18 5 of this act;

19 b. "Commissioner" means the Commissioner of Commerce and
20 Economic Development;

21 c. "Department" means the Department of Commerce and
22 Economic Development;

23 d. "Economic master plan commission" means the New Jersey
24 Economic Master Plan Commission established pursuant to Executive
25 Order No. 1 issued by the Governor on January 18, 1994; and

26 e. "Empowerment group" means the Economic Development
27 Empowerment Group authorized pursuant to section 4 of this act.

28

29 4. a. The Commissioner of Commerce and Economic Development
30 is authorized to establish an Economic Development Empowerment
31 Group. The empowerment group shall consist of nine members who
32 may be designated by the commissioner from among the employees of
33 the Division of Economic Development and the Division of
34 International Trade within the department. Each member of the
35 empowerment group shall be a person of recognized ability and
36 experience in one or more of the following areas: finance, business
37 management, economics, marketing, international trade, and
38 international investment. Action may be taken and motions and
39 resolutions may be adopted by the empowerment group at a meeting
40 by an affirmative vote of not less than five members. As soon as
41 practicable, the commissioner shall appoint a director and assistant
42 director from among the members of the empowerment group.

43 b. The purpose of the empowerment group shall be to assemble,
44 coordinate and disseminate information about State governmental
45 programs and services to assist in the retention, attraction and
46 expansion of businesses, and to implement the recommendations and

1 proposals made by the Economic Development Empowerment Group
2 Advisory Board authorized pursuant to section 5 and section 6 of this
3 act. The empowerment group shall be responsible for developing
4 customized "incentive packages" utilizing all the available resources
5 and services of the State, as well as other ancillary resources that may
6 exist at the local level, to encourage existing businesses to remain and
7 expand in the State, to attract businesses from other states to relocate
8 to the State and to stimulate investment in the State by businesses
9 from foreign countries.

10 c. In order to achieve the centralized coordination necessary for
11 the development of successful, innovative and uniquely designed
12 "incentive packages," the empowerment group shall consult with
13 private sector organizations, the advisory board and other State
14 agencies and departments involved with business retention and
15 expansion matters. The empowerment group shall direct the
16 formulation of all components of the incentive package. All officers,
17 departments, boards, agencies, divisions and commissions of the State
18 are hereby authorized and empowered to render any and all such
19 services to the empowerment group as may be within the area of their
20 respective governmental functions as established by law, rule, or
21 regulation, and as may be requested by the empowerment group.

22 d. The empowerment group shall also be responsible for soliciting
23 information from such regional field offices as may be designated by
24 the commissioner pursuant to P.L. , c. (C.) (now before the
25 Legislature as Assembly Bill No. 12 of 1994), establishing and
26 maintaining more effective coordination of the information provided
27 by various State agencies concerning State business attraction and
28 retention programs and services, thus providing a single source of
29 information about relevant programs and services to assist businesses,
30 and identifying the factors that influence business decisions to remain
31 and expand in the State, to leave the State or to invest in or relocate
32 to the State. The empowerment group shall assign rankings to the
33 factors so identified and provide annual reports containing a written
34 description of the changes in strategies, procedures and incentive
35 programs which it finds have been most successful in retaining existing
36 businesses in or attracting new businesses and investment to the State.
37 The report shall also include any recommendations for changes in
38 strategies, procedures or incentive programs which the empowerment
39 group believes will produce additional gains for economic
40 development in the State. The report shall be made available to the
41 members of the Legislature and the Governor.

42 e. In implementing the provisions of this section, the empowerment
43 group shall consult with experts and authorities in the fields of
44 business investment, venture capital investment, commercial banking
45 and other comparable financial institutions involved in the financing of
46 business; other states' economic development teams that employ

1 similar strategies; and individuals in the private sector with regulatory,
2 legal, economic, or financial expertise, including members of the
3 academic community, and individuals who generally represent the
4 business community in the State.

5
6 5. a. The Commissioner of Commerce and Economic Development
7 is authorized to establish an Economic Development Empowerment
8 Group Advisory Board. The advisory board shall have eleven
9 members as follows: the Commissioner of Commerce and Economic
10 Development, ex officio, or the commissioner's designee, who shall be
11 chairperson of the advisory board, the Commissioner of Labor, ex
12 officio, or the commissioner's designee, the Commissioner of
13 Environmental Protection, ex officio, or the commissioner's designee,
14 the Secretary of Agriculture, ex officio, or the secretary's designee, the
15 Chairman of the Economic Development Authority, ex officio, or the
16 chairman's designee, and six public members who shall be appointed
17 by the Governor with the advice and consent of the Senate for terms
18 of three years, except that of the six public members first appointed by
19 the Governor, three shall be appointed for three years and three shall
20 be appointed for two years. Not more than three of the public
21 members appointed by the Governor shall be of the same political
22 party. The public members appointed by the Governor shall include
23 individuals with experience in business and economic development and
24 with investment or financial experience in major industry sectors with
25 the greatest presence in the State's economy including, but not limited
26 to, manufacturing, telecommunications, pharmaceuticals, retail and
27 financial. Each member shall hold office for the term of appointment
28 and until his successor is appointed and qualified. A member
29 appointed to fill a vacancy occurring in the membership of the advisory
30 board for any reason other than the expiration of the term shall have
31 a term of appointment for the unexpired term only. All vacancies shall
32 be filled in the same manner as the original appointment.

33 Any member may be removed from office by the Governor, for
34 cause, after a hearing and may be suspended by the Governor pending
35 the completion of the hearing. Members of the advisory board shall
36 serve without compensation. Action may be taken and motions and
37 resolutions may be adopted at a board meeting by an affirmative vote
38 of not less than three members. As soon as practicable, the members
39 of the advisory board shall select from among themselves a
40 vice-chairman.

41 b. It shall be the duty of the advisory board to:

42 (1) Review proposals of the empowerment group and advise the
43 empowerment group with regard to issues of business retention and
44 expansion, attraction of new businesses to the State, business
45 investment and economic development generally;

46 (2) Call upon the Governor to become involved in the active

1 recruitment of new businesses to and the retention and expansion of
2 existing businesses in the State;

3 (3) Review proposed changes in business retention, attraction and
4 investment strategies made by the empowerment group pursuant to
5 this act and advise the empowerment group concerning the proposed
6 changes; and

7 (4) Study and make recommendations concerning the activities
8 undertaken by the empowerment group to implement the purposes of
9 the act.

10

11 6. The commissioner is authorized to designate a non-profit entity
12 such as a non-profit corporation organized to implement the
13 recommendations of the economic master plan commission as the
14 appropriate body in which the empowerment group shall be located in
15 order to minimize the cost to the State and to enhance the State's
16 business retention and attraction strategies.

17 If the commissioner elects to designate a non-profit entity as the
18 appropriate body in which to locate the empowerment group, the
19 "incentive packages" authorized to be developed under section 4 of
20 this act shall be submitted in the form of proposals to the advisory
21 board which shall evaluate the proposals. If the proposals are
22 approved by the advisory board, the empowerment group may proceed
23 with such actions as may be approved by the advisory board to
24 implement the goals of this act.

25

26 7. Within 18 months of the date of designation of the
27 empowerment group, and on or before February 15 of each succeeding
28 year, the department shall submit a report to the Governor and the
29 Legislature. The report shall include, but need not be limited to, an
30 assessment of the effectiveness of the empowerment group in meeting
31 the goals of this act and any recommendations for legislation to
32 improve the effectiveness of the empowerment group.

33

34 8. The commissioner shall, pursuant to the "Administrative
35 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt any rules
36 and regulations necessary to effectuate the purposes of this act.

37

38 9. This act shall take effect on the 90th day following enactment.

39

40

41

STATEMENT

42

43 The bill authorizes the Commissioner of Commerce and Economic
44 Development to establish a nine-member Economic Development
45 Empowerment Group within the Department of Commerce and
46 Economic Development or within a non-profit economic development

1 corporation. The empowerment group members may be designated by
2 the Commissioner of Commerce and Economic Development from
3 among the employees of the department. The members shall have
4 substantive knowledge of and experience in finance, business
5 management, economics, marketing, international trade, and
6 international investment.

7 The bill provides that the empowerment group is responsible for
8 development of individually designed "incentive packages" utilizing all
9 available programs and services to promote business retention,
10 expansion and attraction efforts in New Jersey. The bill also makes
11 the empowerment group responsible for coordinating information
12 provided by State agencies concerning State business attraction and
13 retention programs and services.

14 The bill authorizes the commissioner to establish an Economic
15 Development Empowerment Group Advisory Board consisting of
16 eleven members including the Commissioners of Commerce and
17 Economic Development, Labor, and Environmental Protection, the
18 Secretary of Agriculture, and the chairman of the Economic
19 Development Authority, or their designees, and six public members to
20 be appointed by the Governor. The board is to monitor the progress
21 of the empowerment group and to make recommendations concerning
22 changes which it finds are needed to enhance economic activity in the
23 State, and to improve the activities of the empowerment group.

24 The bill also provides that if the commissioner elects to establish the
25 empowerment group within a non-profit entity, the "incentive
26 packages" developed by the empowerment group must be submitted
27 in the form of proposals to the advisory board for approval. The
28 department is required to report annually to the Legislature and the
29 Governor on the effectiveness of the empowerment group in meeting
30 the goals of the bill.

31

32

33

34

35 _____
36 Authorizes Commissioner of Commerce and Economic Development
37 to establish an Economic Development Empowerment Group and
Economic Development Empowerment Group Advisory Board.