

ASSEMBLY, No. 1063

STATE OF NEW JERSEY

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:

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

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

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

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13 3. As used in this act:

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

17 b. "Commissioner" means the Commissioner of Commerce and  
18 Economic Development;

19 c. "Department" means the Department of Commerce and  
20 Economic Development;

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

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

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

41 b. The purpose of the empowerment group shall be to assemble,  
42 coordinate and disseminate information about State governmental  
43 programs and services to assist in the retention, attraction and  
44 expansion of businesses, and to implement the recommendations and  
45 proposals made by the Economic Development Empowerment Group  
46 Advisory Board authorized pursuant to section 5 and section 6 of this

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

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

20 d. The empowerment group shall also be responsible for soliciting  
21 information from such regional field offices as may be designated by  
22 the commissioner pursuant to P.L.1995, c.205, establishing and  
23 maintaining more effective coordination of the information provided  
24 by various State agencies concerning State business attraction and  
25 retention programs and services, thus providing a single source of  
26 information about relevant programs and services to assist businesses,  
27 and identifying the factors that influence business decisions to remain  
28 and expand in the State, to leave the State or to invest in or relocate  
29 to the State. The empowerment group shall assign rankings to the  
30 factors so identified and provide annual reports containing a written  
31 description of the changes in strategies, procedures and incentive  
32 programs which it finds have been most successful in retaining existing  
33 businesses in or attracting new businesses and investment to the State.  
34 The report shall also include any recommendations for changes in  
35 strategies, procedures or incentive programs which the empowerment  
36 group believes will produce additional gains for economic  
37 development in the State. The report shall be made available to the  
38 members of the Legislature and the Governor.

39 e. In implementing the provisions of this section, the empowerment  
40 group shall consult with experts and authorities in the fields of  
41 business investment, venture capital investment, commercial banking  
42 and other comparable financial institutions involved in the financing of  
43 business; other states' economic development teams that employ  
44 similar strategies; and individuals in the private sector with regulatory,  
45 legal, economic, or financial expertise, including members of the

1 academic community, and individuals who generally represent the  
2 business community in the State.

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

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

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

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

44 (2) Call upon the Governor to become involved in the active  
45 recruitment of new businesses to and the retention and expansion of  
46 existing businesses in the State;

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

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

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

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

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

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

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36 9. This act shall take effect on the 90th day following enactment.  
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42 Authorizes Commissioner of Commerce and Economic Development  
43 to establish an Economic Development Empowerment Group and  
Economic Development Empowerment Group Advisory Board.