

ASSEMBLY, No. 1414

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1996

By Assemblymen AZZOLINA, GEIST, Malone, Asselta,
LeFevre and Blee

1 AN ACT creating the "Business Relocation Assistance Grant Program"
2 and making an appropriation therefor.

3

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

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7 1. This act shall be known and may be cited as the "Business
8 Relocation Assistance Act."

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10 2. As used in this act:

11 "Business relocation grant" or "grant" means a grant provided to
12 fund a portion of the employer's relocation costs pursuant to this act;

13 "Commissioner" means the Commissioner of the Department of
14 Commerce and Economic Development;

15 "Department" means the Department of Commerce and Economic
16 Development;

17 "Employer" or "business" means any employer subject to the
18 provisions of R.S.43:21-1 et seq. and may include a sole
19 proprietorship, a partnership, or a corporation that has made an
20 election under Subchapter S of Chapter One of Subtitle A of the
21 Internal Revenue Code of 1986, or any other business entity through
22 which income flows as a distributive share to its owners, limited
23 liability company, nonprofit corporation, or any other form of business
24 organization located either within or outside the State. A grant
25 received under this act by a partnership, Subchapter S-Corporation, or
26 other such business entity shall be apportioned among the persons to
27 whom the income or profit of the partnership, Subchapter
28 S-Corporation, or other entity is distributed, in the same proportions
29 as those in which the income or profit is distributed;

30 "Full-time employee" means a person who is employed for
31 consideration for at least thirty-five hours a week, or who renders any
32 other standard of service generally accepted by custom or practice as
33 full-time employment, provided that a person is determined by the
34 department to be employed in a permanent position in accordance with
35 criteria developed by the department;

36 "New business location" means the premises that the employer has

1 either purchased or built or for which the employer has entered into a
2 written lease for a period of no less than eight years from the date of
3 relocation;

4 "New full-time job" means a job that did not exist prior to the
5 employer or business relocating to the new business location, held by
6 a full-time employee;

7 "New income tax revenue" means the total amount withheld by the
8 business during the taxable year from the wages of employees in new
9 full-time jobs pursuant to the "New Jersey Gross Income Tax Act,"
10 N.J.S.54A:1-1 et seq., as certified by the Director of the Division of
11 Taxation;

12 "Program" means the Business Relocation Assistance Program
13 created pursuant to this act;

14 "Relocation costs" means the costs incurred by the employer or
15 business in moving and installing furniture, files, office equipment or
16 other machinery or equipment in the new business location; the cost
17 of installation of telephones and other communication equipment; and
18 the cost incurred in the purchase of office furniture and fixtures; and

19 "Total allowable relocation costs" means the lesser of total
20 relocation costs or \$400 times the number of new full-time jobs
21 created.

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23 3. The Business Relocation Assistance Program is hereby
24 established in the Department of Commerce and Economic
25 Development and shall be administered by the Commissioner of the
26 Department of Commerce and Economic Development. The purpose
27 of the program is to encourage economic development and job
28 creation. To implement that purpose, and to the extent that funding
29 for the program is available, the program may provide grants in an
30 amount up to and including fifty percent of the total allowable
31 relocation costs, but in no case shall the amount of an individual grant
32 exceed 80% of the projected new income tax revenues from the new
33 jobs created by a grant applicant.

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35 4. To qualify for a grant, a business shall:

36 a. relocate a minimum of 25 new full-time jobs to this State; or
37 b. move to expanded facilities within the State and create a
38 minimum of 25 new full-time jobs in the State.

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40 5. Each employer seeking a grant shall submit an application to the
41 commissioner in a form and manner prescribed in regulations adopted
42 by the commissioner. The application must be submitted to the
43 department for approval at least 45 days prior to moving to the new
44 business location. The application shall include:

45 a. A schedule of short-term and long-term employment projections
46 of the employer or business in the State based upon the relocation;

- 1 b. An estimate of the projected relocation costs;
- 2 c. Terms of any lease agreements or details of the purchase or
3 building of the new business location;
- 4 d. An estimate of the projected new income tax revenues resulting
5 from the relocation;
- 6 e. A description of the type of contribution the employer can make
7 to the long-term growth of the State's economy; and
- 8 f. Any other necessary and relevant information as determined by
9 the commissioner.

10 The commissioner may provide whatever assistance he deems
11 appropriate in the preparation of an application and may issue grants
12 at his discretion subject to the provisions of this act.

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14 6. No amount shall be disbursed to a recipient employer as a grant
15 under this act in any year until the State Treasurer has certified that
16 the amount of new income tax revenue received in that year by the
17 Division of Taxation from the employer equals or exceeds the amount
18 of the grant.

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20 7. a. An employer that is receiving a business employment
21 incentive grant pursuant to the provisions of P.L. , c. (C.)(now
22 before the Legislature as Senate Bill No. 2391 or Assembly Bill No.
23 3210 ACS of 1995) shall not be eligible to receive a grant under this
24 act except upon the approval of the State Treasurer.

25 b. An employer that is receiving any other grant by operation of
26 State law shall not receive an amount as a grant pursuant to this act
27 which, when combined with such other grants, exceeds 80% of its new
28 income tax revenue, except upon the approval of the State Treasurer.
29 Amounts received as grants from the Office of Customized Training
30 pursuant to the "1992 New Jersey Employment and Workforce
31 Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.) shall be
32 excluded from the calculation of the total amount permitted under this
33 subsection.

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35 8. The commissioner shall, after consultation with the Division of
36 Taxation, pursuant to the "Administrative Procedure Act," P.L.1968,
37 c.410 (C.52:14B-1 et seq.), adopt rules and regulations necessary to
38 govern the proper conduct and operation of the program consistent
39 with the provisions of this act including, but not limited to, a
40 procedure for recapturing relocation grants awarded pursuant to this
41 act in those cases in which the commissioner determines that the
42 business receiving the grant fails to meet or comply with any condition
43 or requirement attached by the commissioner to the receipt of the
44 grant or included in rules and regulations adopted by the commissioner
45 governing the implementation of the program. The Director of the
46 Division of Taxation is authorized to promulgate such rules and

1 regulations as may be necessary to effect the tax related provisions of
2 the program.

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4 9. As determined by the commissioner, any employer or business
5 which is awarded a grant under this act shall submit a copy of its State
6 tax return showing business income or activity, appropriate to its form
7 of ownership, to the commissioner. Failure to submit a copy of this
8 document may result in the suspension or termination of a grant.

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10 10. The commissioner shall prepare and transmit to the Governor
11 and the Legislature on or before November 1st of each year, a report
12 concerning the impact of the program on job creation in the State.

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14 11. The department shall conduct a study to determine the
15 minimum funding level required to successfully implement this
16 program. The study shall fully consider the rate of return for each job
17 relocation in the State as a result of the relocation grants.

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19 12. For the fiscal year beginning July 1, 1995, there is appropriated
20 to the Department of Commerce and Economic Development from the
21 General Fund such sums as may be necessary, as certified by the
22 Commissioner and the Director of the Division of Budget and
23 Accounting, to fund business relocation grants made under this act, the
24 amount of which shall not exceed the new income tax revenues as
25 defined in Section 2 of this act.

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27 13. This act shall take effect immediately.

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30 STATEMENT

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32 The bill establishes a Business Relocation Assistance Grant program
33 within the Department of Commerce and Economic Development to
34 encourage economic development and job creation in this State. To
35 the extent that funding is available from the General Fund, and with
36 certain other restrictions, the program will provide grants for up to
37 fifty percent of the cost of relocation to businesses which relocate to
38 the State and create a minimum of 25 new full-time jobs in the State.
39 However, an individual grant may not exceed 80% of the projected
40 new income tax revenues realized from the new jobs created by the
41 grant applicant.

42 The grants under this bill will not be disbursed in any year until the
43 new income tax revenues equal or exceed the amount of the grant, and
44 grant amounts are further limited by their interaction with other grant
45 programs.

46 The bill makes a fiscal year 1996 General Fund appropriation to the

1 Department of Commerce and Economic Development of an
2 unspecified amount as needed to fund relocation grants made under
3 this bill; the amount of the appropriation may not exceed the amount
4 of income tax revenues generated from the new jobs created by the
5 grant recipients.

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10 Creates the "Business Relocation Assistance Grant Program" and
11 makes an appropriation therefor.