

ASSEMBLY, No. 2778

STATE OF NEW JERSEY

INTRODUCED MARCH 3, 1997

By Assemblywoman ALLEN and Assemblyman DeSOPO

1 AN ACT authorizing the recapture of certain business incentives and
2 supplementing Title 54 of the Revised Statutes.

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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 "New Jersey
8 Corporate and Business Responsibility Act."

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10 2. The Legislature finds and declares that:

11 a. New Jersey has a long history of providing tax credits and
12 other incentives to businesses which relocate, expand or initiate
13 operations in, and thereby create jobs and contribute to the economic
14 development of the State;

15 b. More recently, businesses that have been long-time employers
16 and contributors to New Jersey's economy, and which may have
17 accepted business incentives from time to time, have closed facilities
18 and relocated operations, or moved large numbers of jobs to other
19 states;

20 c. In the wake of such moves, New Jersey residents are left
21 unemployed and those who remain employed feel less secure in the
22 knowledge that they will remain on the payroll;

23 d. While business incentives are an important aspect of any state's
24 economic development program, businesses which take advantage of
25 them must realize that they are expected to make a commitment to the
26 State in return;

27 e. It is therefore in the public interest to authorize the recapture
28 of some portion of these financial incentives when a beneficiary
29 business later abandons the State. Doing so will alert businesses
30 seeking to take advantage of these incentives to their commitment and
31 at the same time will serve to reassure New Jersey's workforce that
32 their jobs will stay in New Jersey.

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34 3. As used in this act:

35 "Business-related incentive" means a tax credit allowed under the
36 Corporation Business Tax Act (1945), P.L.1945, c. 162 (C. 54:10A-1
37 et seq.), the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et

1 seq., the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
2 (C.52:27H-60 et seq.), or other law of this State or a grant or other
3 incentive received by a recipient business for the purpose of
4 encouraging the creation, expansion or retention of business and
5 employment in this State;

6 "Recipient business" means a corporation, partnership, sole
7 proprietorship, or other business entity which has applied for or has
8 received or been allowed a business-related incentive.

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10 4. The State Treasurer, the Commissioner of Labor and the
11 Commissioner of Commerce and Economic Development shall
12 constitute a council, to be known as the Corporate and Business
13 Responsibility Council. Pursuant to section 7 of this act, the council
14 shall publish in the New Jersey Register a list of those incentives
15 which it determines to be business-related incentives. The council
16 shall monitor the receipt of business-related incentives and the
17 creation, expansion and retention of business and employment by
18 recipient businesses. Whenever a member of the council has reason to
19 believe that a recipient business intends to relocate or move a
20 substantial number of jobs located in New Jersey to another state, he
21 shall immediately notify the Treasurer so that he may institute
22 assessment procedures pursuant to section 5 of this act.

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24 5. Whenever the State Treasurer receives notice that a recipient
25 business intends to relocate outside the State or move a substantial
26 number of jobs located in New Jersey to another state, he shall
27 calculate and assess the recipient business for a portion of the
28 business-related incentives pursuant to this section. The assessment
29 shall be not less than 70% of the total amount of each business-related
30 incentive allowed or received by the recipient business in the seven
31 years immediately preceding the relocation or move, except that the
32 amount of the assessment shall be reduced by 10% of the amount of
33 the incentive for each year elapsed since the incentive was allowed or
34 received. The assessment shall become due and payable upon the
35 relocation or move by the recipient business.

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37 6. At the time a recipient business applies for a business-related
38 incentive, it shall be notified of the assessment authorized by section
39 5 of this act, and as a condition of receipt of that incentive, it shall
40 agree to pay any assessment determined pursuant thereto.

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42 7. The State Treasurer, in consultation with the Commissioner of
43 Labor and the Commissioner of Commerce and Economic
44 Development, shall promulgate rules and regulations to effectuate the
45 provisions of this act, pursuant to the "Administrative Procedure Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.).

