

CHAPTER 25

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

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

C.34:1B-112 Short title.

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

C.34:1B-113 Definitions relative to business relocation assistance.

2. As used in this act:

"Business relocation grant" or "grant" means a grant provided to fund a portion of relocation costs pursuant to this act;

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

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

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

"Full-time employee" means a person who is employed for consideration for at least thirty-five hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, provided that a person shall be determined by the department to be employed in a permanent position in accordance with criteria developed by the department. In determining if employees are full-time, the commissioner shall give greater consideration to employees who earn an average of at least 1.5 times the minimum hourly wage;

"New business location" means the premises that the business has either purchased or built or for which the business has entered into a written lease for a period of no less than eight years from the date of relocation;

"New full-time job" means a job held by a full-time employee that did not exist in this State prior to the business relocating to the new business location;

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

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

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

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

C.34:1B-114 Business Relocation Assistance Grant Program established.

3. The Business Relocation Assistance Grant Program is hereby established in the Department of Commerce and Economic Development and shall be administered by the Commissioner of the Department of Commerce and Economic Development. The purpose of the program is to encourage economic development and job creation. To implement that purpose, and to the extent that funding for the program is available, the program may provide grants in an amount up to and including 50% of the total allowable relocation costs, but in no case shall the amount of an individual grant exceed 80% of the projected new income tax revenues from the new jobs created by a grant applicant.

C.34:1B-115 Grant qualifications.

4. To qualify for a grant, a business shall:
 - a. relocate a minimum of 25 new full-time jobs to this State; or
 - b. move to expanded facilities within the State and create a minimum of 25 new full-time jobs in the State.

C.34:1B-116 Grant application.

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

- a. A schedule of short-term and long-term employment projections of the business in the State based upon the relocation;
- b. An estimate of the projected relocation costs;
- c. Terms of any lease agreements or details of the purchase or building of the new business location;
- d. An estimate of the projected new income tax revenues resulting from the relocation;
- e. A description of the type of contribution the business can make to the long-term growth of the State's economy; and
- f. Any other necessary and relevant information as determined by the commissioner.

The commissioner may provide whatever assistance deemed appropriate in the preparation of an application and may issue grants at the commissioner's discretion subject to the provisions of this act.

A cooperative association may apply, in one consolidated application on a form and in a manner determined by the commissioner, for a grant on its own behalf as a business and for grants on behalf of the members of the association who may qualify under this act. If a cooperative association is applying for grants on behalf of its members, the members for whom the application is submitted shall assign to the association any claim of right the members may have under this act to apply for grants individually, and shall agree to cooperate with the association in providing to the commissioner all the information required for the initial application and any other information the commissioner may require for the purposes of this act. If a cooperative association applies for a grant on behalf of its members, the members included in the application may be permitted to meet the qualifications for a grant collectively, the amount of a grant for the members shall be calculated as if the members included in the application are one business entity, and any restrictions on the qualification for a grant shall apply to each member for whom an application for a grant is submitted. The grants awarded shall be paid in a lump sum to the cooperative association. A grant received under this act by a cooperative association may be apportioned to the members of the association in a manner determined by the association.

C.34:1B-117 Disbursement conditions.

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

C.34:1B-118 Grant limitations.

7. a A business that is receiving a business employment incentive grant pursuant to the provisions of P.L.1996, c.26 (C.34:1B-124 et al.) shall not be eligible to receive a grant under this act except upon the approval of the State Treasurer.

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

C.34:1B-119 Rules, regulations relative to business relocation.

8. The commissioner shall, after consultation with the Division of Taxation, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules and regulations necessary to govern the proper conduct and operation of the program consistent with the provisions of this act including, but not limited to, a procedure for recapturing relocation grants awarded pursuant to this act in those cases in which the commissioner determines that the business receiving the grant fails to meet or comply with any condition or requirement attached by the commissioner to the receipt of the grant or included in rules and regulations adopted by the commissioner governing the implementation of the program. The rules also shall include the procedures to clarify the application of the various provisions of this act to cooperative associations that submit applications on behalf of their members. The Director of the Division of Taxation is authorized to promulgate such rules and regulations as may be necessary to effect the tax related provisions of the program.

C.34:1B-120 Submission of State tax returns.

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

C.34:1B-121 Annual report.

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

C.34:1B-122 Implementation study.

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

C.34:1B-123 Appropriation capped by new tax revenue.

12. There is appropriated to the Department of Commerce and Economic Development from the General Fund such sums as may be necessary, as certified by the Commissioner and the Director of the Division of Budget and Accounting, to fund business relocation grants made under this act, the amount of which shall not exceed the new income tax revenues as defined in section 2 of this act.

13. This act shall take effect immediately.

Approved May 9, 1996.