

[First Reprint]
SENATE, No. 472

STATE OF NEW JERSEY

INTRODUCED JANUARY 18, 1996

By Senators CIESLA and KYRILLOS

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:

6

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

9

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

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SNR committee amendments adopted January 22, 1996.

1 other standard of service generally accepted by custom or practice as
2 full-time employment, provided that a person is determined by the
3 department to be employed in a permanent position in accordance with
4 criteria developed by the department ¹. In determining if employees
5 are full-time, the commissioner shall give greater consideration when
6 the employees earn an average of at least 1.5 times the minimum
7 wage¹ ;

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

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

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

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

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

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

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

42
43 4. To qualify for a grant, a business shall:

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

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

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

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

20

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

26

27 7. a. An employer that is receiving a business employment
28 incentive grant pursuant to the provisions of P.L. , c. (C.)(now
29 before the Legislature as Senate Bill No. 471 of 1996 or Assembly Bill
30 No. of 1996) shall not be eligible to receive a grant under this act
31 except upon the approval of the State Treasurer.

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

41

42 8. The commissioner shall, after consultation with the Division of
43 Taxation, pursuant to the "Administrative Procedure Act," P.L.1968,
44 c.410 (C. 52:14B-1 et seq.), adopt rules and regulations necessary to
45 govern the proper conduct and operation of the program consistent
46 with the provisions of this act including, but not limited to, a

1 procedure for recapturing relocation grants awarded pursuant to this
2 act in those cases in which the commissioner determines that the
3 business receiving the grant fails to meet or comply with any condition
4 or requirement attached by the commissioner to the receipt of the
5 grant or included in rules and regulations adopted by the commissioner
6 governing the implementation of the program. The Director of the
7 Division of Taxation is authorized to promulgate such rules and
8 regulations as may be necessary to effect the tax related provisions of
9 the program.

10
11 9. As determined by the commissioner, any employer or business
12 which is awarded a grant under this act shall submit a copy of its State
13 tax return showing business income or activity, appropriate to its form
14 of ownership, to the commissioner. Failure to submit a copy of this
15 document may result in the suspension or termination of a grant.

16
17 10. The commissioner shall prepare and transmit to the Governor
18 and the Legislature on or before November 1st of each year, a report
19 concerning the impact of the program on job creation in the State.

20
21 11. The department shall conduct a study to determine the
22 minimum funding level required to successfully implement this
23 program. The study shall fully consider the rate of return for each job
24 relocation in the State as a result of the relocation grants.

25
26 12. For the fiscal year beginning July 1, 1995, there is appropriated
27 to the Department of Commerce and Economic Development from the
28 General Fund such sums as may be necessary, as certified by the
29 commissioner and the Director of the Division of Budget and
30 Accounting, to fund business relocation grants made under this act, the
31 amount of which shall not exceed the new income tax revenues as
32 defined in section 2 of this act.

33
34 13. This act shall take effect immediately.

35
36
37 _____
38
39 Creates the "Business Relocation Assistance Grant Program" and
40 makes an appropriation therefor.