

**SENATE NATURAL RESOURCES AND ECONOMIC
DEVELOPMENT COMMITTEE**

STATEMENT TO

SENATE, No. 472

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 22, 1996

The Senate Natural Resources and Economic Development Committee favorably reports Senate Bill No. 472 with committee amendments.

This bill establishes a Business Relocation Assistance Program within the Department of Commerce and Economic Development for the purposes of encouraging economic development and job creation in this State. To the extent that funding is available from the General Fund and with certain other restrictions, the program will provide grants for up to 50 percent of the cost of relocation to businesses which relocate to or within the State and create a minimum of 25 new full-time jobs in the State. A grant could not exceed 80 percent of the projected new income tax revenues derived from the new jobs created by the participating business.

The bill provides that the amount disbursed in any year to a recipient business as a grant could not exceed the amount of new income tax revenue received by the Division of Taxation from the employer in that year. The bill also prohibits a business receiving a grant under the "Business Employment Incentive Program" created pursuant to Senate Bill No. 471 of 1996 (a companion bill) from receiving a grant pursuant to this bill, except upon the approval of the State Treasurer. The bill also limits the amount of a grant to a business under this bill if, when the amount is combined with any other grants received pursuant to State law, the total amount of all grants exceeds 80 percent of its new income tax revenue, except upon the approval of the State Treasurer. Amounts received 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.) would be excluded from the calculation of the 80 percent threshold.

The committee amended the definition of "full-time employee" in the bill to provide that greater consideration shall be given under the provisions of the bill when the employees in question earn an average of at least 1.5 times the minimum wage.