

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 472

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 472 (1R) with amendments.

Senate Bill No. 472 (1R), as amended, establishes a Business Relocation Assistance Grant program within the Department of Commerce and Economic Development to encourage 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 fifty percent of the cost of relocation to businesses which relocate to the State and create a minimum of 25 new full-time jobs in the State. However, an individual grant may not exceed 80% of the projected new income tax revenues realized from the new jobs created by the grant applicant.

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

This bill, as amended and reported by this committee, is identical to Assembly Bill No. 1414 (1R) of 1996 (Azzolina/Geist), as amended and reported by this committee on March 18, 1996.

COMMITTEE AMENDMENTS

The committee amendments include a provision in section 5 of the bill that will allow cooperative associations to apply for grants under this bill on behalf of their members. Cooperative association as used in the bill will include financial, stock or commodities exchanges. The remaining amendments are technical in nature to clarify the wording in the bill.

FISCAL IMPACT

The bill makes a fiscal year 1996 General Fund appropriation to the Department of Commerce and Economic Development of an unspecified amount as needed to fund relocation grants made under this bill; the amount of the appropriation may not exceed the amount

of income tax revenues generated from the new jobs created by the grant recipients.

The Office of Legislative Services cannot project the number of new jobs that will be created by the bill, the wage levels of those jobs and the number of businesses that would have relocated to the State without grant assistance. Therefore, an estimate of the cost of the program cannot be made at this time.