

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5708

STATE OF NEW JERSEY

DATED: MAY 18, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5708.

This bill establishes a Startup Business and Nonprofit Assistance Program in the New Jersey Economic Development Authority (EDA) to support the creation and development of new businesses and nonprofit organizations following the COVID-19 pandemic. The bill also appropriates \$25 million from the General Fund to support the program.

Under the program, the EDA would provide grants to businesses and nonprofit organizations that commenced operations after the issuance of Executive Order No. 103 of 2020 (i.e., March 9, 2020), and which employ 50 or fewer full-time employees. Program grants would be awarded according to guidance issued by the EDA. However, the bill requires the EDA to prioritize new businesses and nonprofit organizations that physically occupy commercial properties, such as retail storefronts, that have become vacant or under-utilized during the COVID-19 pandemic. The bill also requires the EDA to award grants with a sense of urgency to minimize the economic disruption caused by the COVID-19 pandemic and to spur economic recovery following the pandemic.

Additionally, the bill requires the EDA to conduct regular outreach efforts to publicize the availability of financial assistance under the program. The EDA would also be required to submit an annual report to the Governor and the Legislature detailing the expenditure of program funds.

Under the bill, the EDA is permitted to transfer any uncommitted funds to certain other programs administered by the authority to address the impact of the COVID-19 pandemic. The bill also allows the EDA to retain a portion of the appropriated funds to defray administrative expenses.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.