

**SENATE, No. 2771**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED AUGUST 3, 2020

**Sponsored by:**

**Senator TROY SINGLETON**

**District 7 (Burlington)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**

**Senator Pou**

**SYNOPSIS**

Establishes “Rural Business Development Program” in EDA; appropriates \$35 million to EDA from federal funds.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 9/24/2020)**

1 AN ACT concerning assistance to certain rural-based businesses and  
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).  
3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*  
6

7 1. As used in sections 1 and 2 of P.L. , c. (C. )  
8 (pending before the Legislature as this bill):

9 “Authority” means the New Jersey Economic Development  
10 Authority established pursuant to section 4 of P.L.1974, c.80  
11 (C.34:1B-4).

12 “Business Action Center” means the Business Action Center  
13 established in the Department of State pursuant to Reorganization  
14 Plan No. 003-2011.

15 “Department” means the New Jersey Department of Agriculture.

16 “Development fund” means the “Rural Business Development  
17 Fund” established pursuant to section 3 of P.L. , c. (C. )  
18 (pending before the Legislature as this bill).

19 “Program” means the “Rural Business Development Program”  
20 established pursuant to P.L. , c. (C. ) (pending before the  
21 Legislature as this bill).

22 “Rural business” means a small business located within a rural  
23 census tract that operates a sustainable farm and a food system that  
24 enhances the local economy and the overall health of the local rural  
25 census tract in which the rural business serves.

26 “Rural census tract” means a census tract, as reported in the most  
27 recently completed decennial census published by the United States  
28 Census Bureau, that is not identified by the United States Census  
29 Bureau as an Urbanized Area or as an Urban Cluster.

30 “Small business” means a business engaged in the conduct of a  
31 trade or business in this State that qualifies as a “small business  
32 concern” within the meaning of the federal "Small Business Act,"  
33 Pub.L.85-536 (15 U.S.C. s.631 et seq.) for the purpose of the small  
34 business’s eligibility for receiving assistance from the United States  
35 Small Business Administration. “Small business” shall include, but  
36 not be limited to, a small business established and operating in this  
37 State that is certified, pursuant to federal law, under the United  
38 States Small Business Administration’s 8(a) Business Development  
39 program or the HUBZone program, or as a small disadvantaged  
40 business, or as a business concern by the United States Department  
41 of Housing and Urban Development pursuant to section 3 of the  
42 Housing and Urban Development Act of 1968 (12 U.S.C. s.1701u).  
43

44 2. The New Jersey Economic Development Authority, in  
45 consultation with the Business Action Center and the Department of  
46 Agriculture, shall establish and maintain a program to be known as  
47 the “Rural Business Development Program” to provide grant  
48 funding to a rural business to be used for the retention or creation of

1 employment positions at the rural business. The authority shall  
2 enter into an agreement with a rural business concerning the  
3 authority's provision of grant funding to a rural business for this  
4 purpose. The authority shall establish the terms and conditions by  
5 which a rural business may apply for participation in the program.

6  
7 3. The authority shall establish and maintain within the  
8 program a special, non-lapsing, revolving fund to be known as the  
9 "Rural Business Development Fund" to provide grant funding to a  
10 rural business that participates in the program and to administer the  
11 program. The development fund shall be credited with \$35,000,000  
12 from an appropriation made to the authority pursuant to section 5 of  
13 P.L. , c. (C. ) (pending before the Legislature as this bill).  
14 The development fund may be credited with moneys made available  
15 by the authority for the purpose of the development fund and  
16 moneys received by the authority from any other public or private  
17 donations. The authority is authorized to seek and accept gifts,  
18 grants, or donations from private or public sources for deposit in the  
19 development fund, except that the authority may not accept a gift,  
20 grant, or donation that is subject to conditions that are inconsistent  
21 with any other law of this State.

22  
23 4. a. In administering the program and the development fund,  
24 the authority shall establish:

- 25 (1) procedures and timelines for applications for the program;  
26 (2) criteria for determining grant funding to be disbursed from  
27 the development fund to a rural business;  
28 (3) reporting requirements for rural businesses accepted into the  
29 program and their receiving grant funding from the development  
30 fund; and  
31 (4) any other policies deemed necessary by the authority for the  
32 administration of the program and the development fund. The  
33 authority, in its sole discretion, may amend these policies at any  
34 time if the policies are established or amended in a manner  
35 consistent with the provisions of P.L. , c. (C. ) (pending  
36 before the Legislature as this bill).

37 b. The reporting requirements established pursuant to  
38 paragraph (3) of subsection a. of this section shall require a rural  
39 business receiving grant funding under the program to report to the  
40 authority every six months while the rural business participates in  
41 the program detailing how the rural business used grant funding to  
42 retain or create employment positions at the rural business, and any  
43 other information the authority requires in a form and manner  
44 determined by the authority.

45  
46 5. There is appropriated from the General Fund to the New  
47 Jersey Economic Development Authority the sum of \$35,000,000  
48 from a portion of those federal block grant funds allocated to the

1 State from the federal “Coronavirus Relief Fund,” established  
2 pursuant to the federal Coronavirus Aid, Relief, and Economic  
3 Security Act,” Pub.L.116-136, for use by the authority to provide  
4 grant funding to rural businesses that participate in the program  
5 established under P.L. , c. (C. ) (pending before the  
6 Legislature as this bill) and to administer that program.

7  
8 6. This act shall take effect immediately.  
9  
10

11 STATEMENT  
12

13 This bill requires the New Jersey Economic Development  
14 Authority (EDA) to establish and maintain a program to be known  
15 as the “Rural Business Development Program” (program) to  
16 provide grant funding to a “rural business,” as defined in the bill, to  
17 be used for the retention or creation of employment positions at  
18 rural businesses. Under the bill, the EDA is to enter into an  
19 agreement with a rural business concerning the authority’s  
20 provision of grant funding to the rural business for this purpose.

21 The EDA is to establish and maintain the “Rural Business  
22 Development Fund” (development fund) to provide grant funding to  
23 rural businesses that participate in the program and to administer  
24 the program. The development fund is to be credited with  
25 \$35,000,000 from an appropriation made to the authority. The  
26 development fund may be credited with moneys made available by  
27 the EDA for the purpose of the development fund and moneys  
28 received by the authority from any other public or private  
29 donations.

30 In administering the program, the EDA is to establish:

- 31 1) procedures and timelines for applications for the program;  
32 2) criteria for determining grant funding amounts to be  
33 disbursed from the development fund to rural businesses;  
34 3) reporting requirements for rural businesses accepted into the  
35 program and their receiving grant funding from the development  
36 fund; and  
37 4) any other policies deemed necessary by the EDA for the  
38 administration of the program and the development fund.

39 A rural business receiving grant funding under the program is to  
40 report to the EDA every six months while the rural business  
41 participates in the program detailing how the rural business used  
42 grant funding to retain or create employment positions at the rural  
43 business, and any other information the EDA requires.