

SENATE, No. 2307

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 21, 2022

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes “Global Economic Competitiveness and Supply Chain Resiliency Fund” in EDA for certain manufacturing business assistance; appropriates \$82.5 million.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the “Global Economic Competitiveness and
2 Supply Chain Resiliency Fund” for certain manufacturing
3 business assistance, supplementing P.L.1974, c.80 (C.34:1B-1 et
4 seq.), and making an appropriation.

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

8
9 1. As used in P.L. , c. (C.) (pending before the
10 Legislature as this bill):

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

14 “Fund” means the “Global Economic Competitiveness and
15 Supply Chain Resiliency Fund” established pursuant to section 2 of
16 P.L. , c. (C.) (pending before the Legislature as this
17 bill).

18 “Principal business operations” means a location where at least
19 50 percent of the business’s employees who are not primarily
20 engaged in retail sales reside in the State, or a location where at
21 least 50 percent of the business’s payroll for employees not
22 primarily engaged in retail sales is paid to individuals living in this
23 State.

24 “Program” means the Global Economic Competitiveness and
25 Supply Chain Resiliency Program established pursuant to section 2
26 of P.L. , c. (C.) (pending before the Legislature as
27 this bill).

28 “Qualified business” means a business that:

29 a. is registered to do business in this State with the Director of
30 the Division of Revenue and Enterprise Services in the Department
31 of the Treasury;

32 b. has its principal business operations located in the State;

33 c. intends to maintain its principal business operations in the
34 State after receiving assistance from the authority under the
35 program;

36 d. is engaged in a targeted industry; and

37 e. employs fewer than 250 persons at the time of the qualified
38 investment.

39 “Targeted industry” means those businesses that are in the
40 biotechnology industry and businesses that manufacture or develop
41 high capacity storage batteries, electric vehicle batteries,
42 semiconductors, artificial intelligence-powered machines, robotics
43 equipment, advanced small modular reactors, micro-reactors, and
44 medical technology equipment.

45
46 2. a. The New Jersey Economic Development Authority shall
47 establish and maintain the Global Economic Competitiveness and
48 Supply Chain Resiliency Program for the purpose of providing

1 financial assistance from the “Global Economic Competitiveness
2 and Supply Chain Resiliency Fund,” established pursuant to
3 subsection b. of this section, to those qualified businesses in a
4 targeted industry as a catalyst for economic growth and to advance
5 the competitiveness of the State’s targeted industry businesses in
6 the global economy.

7 b. The authority shall establish and maintain a dedicated, non-
8 lapsing fund to be known as the “Global Economic Competitiveness
9 and Supply Chain Resiliency Fund.” The authority shall deposit in
10 the fund the proceeds of the appropriation made to the authority,
11 pursuant to section 3 of P.L. , c. (C.) (pending
12 before the Legislature as this bill). The authority may credit the
13 fund with monies received from State, federal, or private sources of
14 funds and may use those funds to provide financial assistance to
15 qualified businesses in a manner consistent with federal law or the
16 private source of funds. The authority shall not make any payments
17 from the fund after December 31, 2025.

18 c. Under the program, the authority shall provide financial
19 assistance in the form of grants, loans, or loan guarantees ranging
20 from \$25,000 to \$1,500,000 per qualified business, depending on
21 the market potential and long-term economic impact of a qualified
22 business’s new production capabilities on the State or regional
23 economy, as determined by the authority. Each provision of
24 financial assistance to a qualified business shall be revenue neutral
25 to the State as determined by the authority.

26 Financial assistance may be used by a qualified business for the
27 purchase of manufacturing equipment, machinery used in a
28 manufacturing process, or computer-aided design or computer-aided
29 manufacturing equipment or software, for employee payroll
30 expenses or costs, or for the training of new or existing employees,
31 or both.

32 d. (1) The authority shall establish an application process and
33 determine the form and manner through which a business may make
34 and file an application for certification as a qualified business. The
35 authority may accept applications on a rolling basis or on one or
36 more dates set by the authority.

37 (2) In order to receive financial assistance under the program, a
38 business, at the time of application, shall provide proof that it is a
39 qualified business, as defined in section 1 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), meet any additional
41 criteria as may be determined by the authority, and enter into a
42 financial assistance agreement with the authority.

43 e. (1) A qualified business that receives financial assistance
44 from the authority shall annually report to the authority its financial
45 information, audited by a certified public accountant, which shall
46 include a consolidated summary of the performance of the qualified
47 business. Any information about the performance of a qualified
48 business shall be considered confidential and not subject to

1 P.L.1963, c.73 (C.47:1A-1 et seq.), known commonly as the open
2 public records act, or P.L.2001, c.404 (C.47:1A-5 et al.).

3 (2) One year after the effective date of P.L. ,
4 c. (C.) (pending before the Legislature as this bill) and
5 on December 31, 2025, the authority shall prepare and submit a
6 report to the Governor and, pursuant to section 2 of P.L.1991, c.164
7 (C.52:14-19.1), to the Legislature concerning the implementation of
8 the program. Each report required under this section shall include:

9 (a) the names and locations of qualified businesses receiving
10 financial assistance;

11 (b) the type and amount of financial assistance given to each
12 qualified business;

13 (c) the classification of each qualified business, according to the
14 industrial sector and the size of the qualified business;

15 (d) the total number of jobs created or retained in the State by
16 the qualified business after receiving the financial assistance and
17 the average wages paid for those jobs;

18 (e) the balance of the fund as well as the amount of authorized
19 assistance that has not yet been distributed and whether there is
20 projected to be a fund balance at the end of the program; and

21 (f) any other information the authority determines is relevant to
22 convey the impact of the program on the economy of the State.

23
24 3. There is appropriated from the General Fund to the New
25 Jersey Economic Development Authority the sum of \$82,500,000 to
26 effectuate the purposes of section 2 of P.L. , c. (C.)
27 (pending before the Legislature as this bill). If, as of January 1,
28 2026, there are monies remaining in the “Global Economic
29 Competitiveness and Supply Chain Resiliency Fund,” the authority
30 shall transfer the remaining monies to the State Treasurer for
31 deposit in the General Fund.

32
33 4. This act shall take effect immediately.

34 35 36 STATEMENT

37
38 This bill requires the New Jersey Economic Development
39 Authority (NJEDA) to establish and maintain the Global Economic
40 Competitiveness and Supply Chain Resiliency Program (program)
41 and “Global Economic Competitiveness and Supply Chain
42 Resiliency Fund” (fund). The NJEDA is to provide financial
43 assistance from the fund to qualified businesses in a targeted
44 industry businesses. Targeted industry businesses are those
45 businesses that are in the biotechnology industry and businesses
46 that manufacture or develop high capacity storage batteries, electric
47 vehicle batteries, semiconductors, artificial intelligence-powered

1 machines, robotics equipment, advanced small modular reactors,
2 micro-reactors, and medical technology equipment.

3 Under the bill, the NJEDA is to deposit in the fund the proceeds
4 of the appropriation made to the NJEDA. The NJEDA may also
5 credit the fund with monies received from State, federal, or private
6 sources of funds. The NJEDA may use those monies to provide
7 financial assistance to qualified businesses in a manner consistent
8 with federal law or the private source of funds.

9 Under the program, the NJEDA is to provide financial assistance
10 in the form of grants, loans, or loan guarantees ranging from
11 \$25,000 to \$1,500,000 per qualified business, depending on the
12 market potential and long-term economic impact of a qualified
13 business's new production capabilities on the State or regional
14 economy, as determined by the NJEDA. Each provision of financial
15 assistance to a qualified business is required to be revenue neutral
16 to the State as determined by the NJEDA.

17 The bill requires the NJEDA to establish an application process.
18 The NJEDA is to determine the form and manner through which a
19 business may make and file an application for certification as a
20 qualified business. The NJEDA may accept applications on a
21 rolling basis or on a date set by the NJEDA. The NJEDA is not,
22 however, to make any payments from the fund after December 31,
23 2025.

24 A qualified business that receives financial assistance is to
25 annually report to the NJEDA its financial information, audited by a
26 certified public accountant, which is to include a consolidated
27 summary of the performance of the qualified business. Any
28 information about the performance of a qualified business is
29 considered confidential and not subject to the law known commonly
30 as the open public records act.

31 The bill requires the NJEDA to prepare and submit two reports
32 to the Governor and the Legislature on the implementation of the
33 program. Each report is to include certain information as provided
34 in the bill.

35 The bill appropriates \$82,500,000 from the General Fund to the
36 NJEDA to establish the fund and effectuate the purposes of the
37 program.

38 On February 24, 2021, the Biden administration issued an
39 executive order directing a 100-day review and strategy
40 development process to identify and address vulnerabilities in the
41 supply chains of four key product sectors, which are: semiconductor
42 manufacturing and advanced packaging, large capacity batteries,
43 critical minerals and materials, and pharmaceuticals and active
44 pharmaceutical ingredients. This bill seeks to meet that mandate by
45 providing financial assistance to qualified businesses in those
46 targeted industries as a catalyst for economic growth and to advance
47 the competitiveness of the State's businesses in the global economy.