

# ASSEMBLY, No. 886

## STATE OF NEW JERSEY 220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

Assemblyman **BRIAN BERGEN**  
District 25 (Morris and Somerset)

**Co-Sponsored by:**

Assemblymen **Thomson, DePhillips, McClellan, Simonsen, DiMaio,**  
Scharfenberger, Assemblywomen **Piperno, Eulner and Sawyer**

**SYNOPSIS**

Requires EDA to establish program providing grants to qualified veterans purchasing franchises.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/28/2022)

1 AN ACT concerning the provision of grant funding to veterans  
2 purchasing a franchise and supplementing P.L.1974, c.80  
3 (C.34:1B-1 et seq.).  
4

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

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

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

13 “Franchise” means a written arrangement for a definite or  
14 indefinite period, in which a person grants to one or more natural  
15 persons a license to use a trade name, trade mark, service mark, or  
16 related characteristic, and in which there is a community of interest  
17 in the marketing of goods or services at wholesale, retail, by lease,  
18 by agreement, or otherwise.

19 “Franchisee” means a natural person to whom a franchise is  
20 offered or granted and shall include more than one natural person if  
21 at least one natural person offered or granted a franchise is a  
22 qualified veteran.

23 “Franchisor” means a person who grants or offers to grant a  
24 franchise to a natural person.

25 “Person” means a natural person, corporation, partnership, trust,  
26 or other entity and, in the case of an entity, “person” shall include  
27 any other entity which has a majority interest in that entity or  
28 effectively controls that other entity as well as the individual  
29 officers, directors, and other persons in active control of the  
30 activities of each entity.

31 “Place of business” means a fixed geographical location within  
32 this State at which the franchisee displays for sale and sells the  
33 franchisor's goods or offers for sale and sells the franchisor's  
34 services. “Place of business” shall not mean an office, warehouse,  
35 place of storage, residence or vehicle, except with respect to  
36 persons who do not make a majority of their sales directly to  
37 consumers, in which case, “place of business” means a fixed  
38 geographical location within this State at which the franchisee  
39 displays for sale and sells the franchisor's goods or offers for sale  
40 and sells the franchisor's services, or an office or a warehouse from  
41 which franchisee personnel visit or call upon customers or from  
42 which the franchisor's goods are delivered to customers.

43 “Program” means the program established by the authority  
44 pursuant to section 2 of P.L. , c. (C. ) (pending before the  
45 Legislature as this bill).

46 “Qualified veteran” means a veteran who has applied to, and has  
47 been approved by, the authority for participation in the program

1 established pursuant to section 2 of P.L. , c. (C. ) (pending  
2 before the Legislature as this bill).

3 “Veteran” means any resident of the State who has been  
4 discharged honorably or under general honorable conditions in any  
5 branch of the Armed Forces of the United States, or a Reserve  
6 component thereof, or the National Guard of this State or another  
7 state as defined in section 1 of P.L.1963, c.109 (C.38A:1-1).

8

9 2. a. The New Jersey Economic Development Authority shall  
10 establish a program that provides grant funding to a qualified  
11 veteran who becomes a franchisee after the effective date of P.L. ,  
12 c. (C. ) (pending before the Legislature as this bill) and who  
13 is approved by the authority for participation in the program  
14 established for this purpose.

15 b. The authority shall establish the terms and conditions by  
16 which a veteran may apply and receive approval from the authority  
17 for participation in the program. The authority shall enter into an  
18 agreement with a qualified veteran concerning the authority's  
19 provision of grant funding to a qualified veteran approved for  
20 participation in the program established for this purpose. The  
21 authority shall provide a one-time grant of no more than \$10,000 to  
22 each qualified veteran approved by the authority for participation in  
23 the program.

24 c. The authority shall provide priority assistance to a veteran  
25 who submits an application and receives program approval,  
26 pursuant to subsection b. of this section, within six months after the  
27 effective date of P.L. , c. (C. ) (pending before the  
28 Legislature as this bill), in a manner determined by the authority,  
29 providing proof the veteran is a franchisee or the veteran has a valid  
30 offer from a franchisor for the veteran to become a franchisee  
31 operating at a location within this State.

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33 3. a. In administering the program, and the fund established  
34 pursuant to section 4 of P.L. , c. (C. ) (pending before the  
35 Legislature as this bill), the authority shall establish:

36 (1) procedures and timelines for applications for the program  
37 and approvals thereof;

38 (2) criteria for determining grant funding to be disbursed from  
39 the fund to a qualified veteran;

40 (3) reporting requirements for a qualified veteran accepted into  
41 the program and the manner in which the qualified veteran applied  
42 grant funding to the franchise; and

43 (4) any other policies deemed necessary by the authority for the  
44 administration of the program and the fund. The authority, in its  
45 sole discretion, may amend these policies at any time if the policies  
46 are established or amended in a manner consistent with the  
47 provisions of P.L. , c. (C. ) (pending before the Legislature  
48 as this bill).

1       b. The reporting requirements established pursuant to  
2 paragraph (3) of subsection a. of this section shall require a  
3 qualified veteran receiving grant funding under the program to  
4 report to the authority, in a form and manner determined by the  
5 authority, within a year of receiving grant funding. The report shall  
6 include:

7       (1) proof that the qualified veteran used grant funding to  
8 purchase a franchise operated at location within this State; and

9       (2) any other information the authority requires in a form and  
10 manner determined by the authority.

11

12       4. The authority shall establish and maintain within the  
13 program a fund to provide grant funding to a qualified veteran that  
14 participates in the program and to administer the program. The  
15 fund may be credited with an appropriation made to the authority,  
16 monies made available by the authority for the purpose of the fund,  
17 and monies received by the authority from any other public or  
18 private donations. The authority is authorized to seek and accept  
19 gifts, grants, or donations from private or public sources for deposit  
20 in the fund, except that the authority may not accept a gift, grant, or  
21 donation that is subject to conditions that are inconsistent with any  
22 other law of this State.

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24       5. This act shall take effect immediately.

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STATEMENT

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29       This bill requires the New Jersey Economic Development  
30 Authority (EDA) to establish a program that provides grant funding  
31 to a veteran, approved by the EDA for program participation, who  
32 becomes a “franchisee,” as defined in the bill, after the effective  
33 date of the bill. The EDA is to establish the terms and conditions  
34 by which a veteran may apply and receive approval from the EDA  
35 for program participation. The EDA is to enter into an agreement  
36 with a qualified veteran concerning the EDA's provision of grant  
37 funding to a qualified veteran for this purpose. The EDA is to  
38 provide a one-time grant of no more than \$10,000 to each veteran  
39 approved by the EDA for participation in the program. The EDA is  
40 to provide priority assistance to a qualified veteran who submits an  
41 application and receives program approval within six months after  
42 the effective date of the bill providing proof the veteran is a  
43 franchisee, or has received a valid offer from a franchisor for the  
44 veteran to become a franchisee, operating at a location within this  
45 State.

46       The bill requires the EDA to establish and maintain a fund to  
47 provide grant funding to a veteran that participates in the program  
48 and to administer the program. The fund is to be credited with an

A886 BERGEN

1 appropriation made to the EDA, with monies made available by the  
2 EDA for the purpose of the fund, and monies received by the EDA  
3 from any other public or private donations.

4 In administering the program and the fund, the EDA is to  
5 establish: 1) procedures and timelines for applications for the  
6 program and approvals thereof; 2) criteria for determining grant  
7 funding to be disbursed from the fund to a qualified veteran; 3)  
8 reporting requirements for a veteran participating in the program  
9 and the qualified veteran's receiving grant funding from the fund;  
10 and 4) any other policies deemed necessary by the EDA for the  
11 administration of the program and the fund. The EDA, in its sole  
12 discretion, may amend these policies at any time if the policies are  
13 established or amended in a manner consistent with the provisions  
14 of the bill. The reporting requirements require a veteran receiving  
15 grant funding under the program to report to the EDA, in a form and  
16 manner determined by the EDA, within a year of receiving grant  
17 funding. The report is to include: 1) proof that the veteran used  
18 grant funding to purchase a franchise within the State; and 2) any  
19 other information the EDA requires in a form and manner  
20 determined by the EDA.