Sponsored by:
Assemblyman RAJ MUKHERJI
District 33 (Hudson)
Assemblyman HERB CONAWAY, JR.
District 7 (Burlington)

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Assemblyman Benson and Assemblywoman McKnight

SYNOPSIS
Establishes "Build Back Better Fund" in EDA for certain manufacturing business assistance; creates and funds two business assistance programs in New Jersey Redevelopment Authority; appropriates $165 million.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 3/17/2022)
AN ACT concerning certain business assistance, supplementing
P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.1996, c.62 (C.55:19-
20 et al.), and making an appropriation.

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

1. As used in sections 1 and 2 of this act:

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

“Fund” means the “Build Back Better Fund” established
pursuant to section 3 of this act.

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

“Program” means the Build Back Better Program established
pursuant to section 2 of this act.

“Qualified business” means a business that:

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

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

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

d. is engaged in a targeted industry; and

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

“Targeted industry” means those businesses that manufacture or
develop high capacity storage batteries, semiconductors, artificial
intelligence-powered machines and robotics equipment, and
medical technology equipment.

2. a. The New Jersey Economic Development Authority shall
establish and maintain the Build Back Better Program for the
purpose of providing financial assistance from the “Build Back
Better Fund,” established pursuant to subsection b. of this section,
to those qualified businesses in a targeted industry as a catalyst for
economic growth and to advance the competitiveness of the State’s
targeted industry businesses in the global economy.

b. The authority shall establish and maintain a dedicated, non-
lapsing fund to be known as the “Build Back Better Fund.” The
authority shall deposit in the fund the proceeds of the appropriation
made to the authority, pursuant to section 6 of this act. The
authority may credit the fund with monies received from State, federal, or private sources of funds and may use those funds to provide financial assistance to qualified businesses in a manner consistent with federal law or the private source of funds. The authority shall not accept applications for assistance from the fund or make any payments from the fund after December 31, 2024.

c. Under the program, the authority shall provide financial assistance in the form of grants, loans, or loan guarantees ranging from $25,000 to $150,000 per qualified business as determined by the authority, depending on the market potential and long-term economic impact of a qualified business’s new production capabilities on the State or regional economy. Each provision of financial assistance to a qualified manufacturing business shall be revenue neutral to the State as determined by the authority. Financial assistance may be used by a qualified business for the purchase of manufacturing equipment, machinery used in a manufacturing process, or computer aided design or computer aided manufacturing equipment or software, for employee payroll expenses or costs, or for the training of new or existing employees, or both.

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

(2) In order to receive financial assistance under the program, a business, at the time of application, shall provide proof that it is a qualified business meeting the eligibility criteria in the definition of a qualified business and any additional criteria as may be determined by the authority and shall enter into a financial assistance agreement with the authority.

e. (1) A qualified business that receives financial assistance from the authority shall annually report to the authority its financial information, audited by a certified public accountant, of the qualified business that includes a consolidated summary of the performance of the qualified business. Any information about the performance of a qualified business shall be considered confidential and not subject to P.L.1963, c.73 (C.47:1A-1 et seq.), known commonly as the open public records act.

(2) One year after the effective date of this act and on December 31, 2024, the authority shall prepare a report on the implementation of the program, and submit the report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. Each report required under this section shall include:

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

(b) the type and amount of financial assistance given to each qualified business;
(c) the classification of each qualified business, according to the
industrial sector and the size of the qualified business;
(d) the total number of jobs created or retained in the State by
the qualified business after receiving the financial assistance and
the average wages paid for those jobs;
(e) the balance of the fund as well the amount of authorized
assistance that has not yet been distributed and whether there is
projected to be a fund balance at the end of the program; and
(f) any other information the authority requires to ascertain the
impact of the program on the economy of the State.

3. As used in sections 3 through 5 of this act:
“Authority” means the New Jersey Redevelopment Authority
“Lease program” means the “Small Business Lease Emergency
Assistance Program” established pursuant to section 4 of this act.
“Nonprofit organization” means a private nonprofit corporation
that has been determined by the Internal Revenue Service of the
United States Department of the Treasury to be exempt from
income taxation under 26 U.S.C. s.501(c)(3).
“Qualified lease program organization” means a small business
or nonprofit organization negatively impacted by COVID-19 and
that:
a. leases up to 7,500 square feet of commercial space in a
commercial or mixed-use building in a qualified municipality; or
b. is a storefront small business or nonprofit organization that
leases its commercial space in a qualified municipality.
“Qualified municipality” shall have the same meaning as
“Qualified reimbursement program organization” means a small
business or nonprofit organization negatively impacted by COVID-19
and leasing less than 5,000 square feet of commercial office
space within a qualified municipality at a location that is a
commercial business location in a downtown area or designated
central business district, commercial shopping center, mixed use
property; or corporate building.
“Reimbursement program” means the “Small Business
Reimbursement Program” established pursuant to section 5 of this
act.
“Small business” means a business engaged in the conduct of a
trade or business in this State that qualifies as a "small business
concern" within the meaning of the federal “Small Business Act,”
business's eligibility assistance from the United States Small
Business Administration.

4. a. The New Jersey Redevelopment Authority shall establish
the “Small Business Lease Emergency Assistance Program” for the
purpose of awarding grants to qualified lease program organizations
that demonstrate a loss due to effects of the COVID-19 pandemic
and, as a result, are struggling to pay their commercial rents. Under
the lease program, the authority shall award grants of the lesser of a
qualified lease program organization’s outstanding lease obligation
or $25,000 to qualified lease program organizations for rent
payment assistance on a first come, first served basis under terms
and conditions established by the authority. The authority shall not
accept applications for grants or award any grants under the lease
program after December 31, 2024.

b. In order to be awarded a grant under the lease program, a
small business or nonprofit organization seeking to be approved by
the authority as a qualified lease program organization shall provide
to the authority, under terms and conditions established by the
authority:
   (1) a current copy of the executed lease outlining the terms and
       conditions of the lease agreement entered into by the small business
       or nonprofit organization;
   (2) the small business or nonprofit organization’s current State
       of New Jersey tax clearance certificate or current business
       registration issued by the State of New Jersey;
   (3) if applicable, verification confirming the small business or
       nonprofit organization’s closure date of operations due to COVID-
       19;
   (4) verification from the small business or nonprofit
       organization’s landlord that the respective small business or
       nonprofit organization was in good standing with monthly lease
       obligations prior to March 1, 2020. The verification shall include a
       signed certification from the landlord and small business or
       nonprofit organization acknowledging the amount of the current
       outstanding lease obligations, not to exceed $30,000. The authority
       shall not approve for lease program eligibility a small business or
       nonprofit organization having monthly lease payments that are
       current or otherwise up to date; and
   (5) any other information the authority requires.

c. One year after the effective date of this act and on December
31, 2024, the authority shall prepare a report on the implementation
of the lease program, and submit the report to the Governor and,
pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
Legislature. Each report shall include:
   (1) the names and locations of qualified lease program
       organizations receiving a grant;
   (2) the amount of the grant awarded to each qualified lease
       program organization;
   (3) the available balance of lease program funds as well the
       amount of authorized assistance that has not yet been distributed
       and whether there is projected to be a residual balance at the end of
       the lease program; and
5. a. The New Jersey Redevelopment Authority shall establish the “Small Business Reimbursement Program” for the purpose of awarding grants to qualified reimbursement program organizations for the reimbursement of expenses incurred by qualified reimbursement program organizations during the COVID-19 pandemic due to the reduction in business operations. Grant awards shall be used to provide direct financial support to qualified reimbursement program organizations dealing with additional expenses, reduced business activity, or financial stress related to the COVID-19 pandemic. Under the reimbursement program, the authority shall award grants up to $15,000 each to qualified reimbursement program organizations to offset specific expenses paid to maintain business operations during the COVID-19 pandemic on a first come, first served basis under terms and conditions established by the authority. The authority shall not accept applications for grants or award any grants under the reimbursement program after December 31, 2024.

b. In order to be awarded a grant under the reimbursement program, an applicant organization seeking to be approved by the authority as a qualified reimbursement organization shall provide to the authority, under terms and conditions established by the authority:

(1) the applicant organization’s current State of New Jersey tax clearance certificate or current business registration issued by the State of New Jersey;

(2) if applicable, a signed certification document acknowledging the applicant received any duplicate benefits or funding assistance related to COVID-19 from any federal, State, or local government entity;

(3) if the applicant owns more than one small business or nonprofit organization, documentation that the applicant is applying for a grant for only one small business or nonprofit organization;

(4) the available balance of program funds as well the amount of authorized assistance that has not yet been distributed and whether there is projected to be a residual balance at the end of the reimbursement program; and

(5) any other information the authority requires.

c. Expenses eligible for reimbursement under the reimbursement program may include:

(1) credit card debt related to the applicant small business or nonprofit organization;

(2) business receipts, dated after March 1, 2020, for any related expenses incurred by the applicant small business or nonprofit organization;
(3) utility bills accompanying a bank statement, dated after March 1, 2020, confirming the bill was paid by the applicant small business or nonprofit organization;
(4) cancelled checks for lease payments not covered by any federal, State, or local government sources of funds;
(5) personal protective equipment purchases not covered by any federal, State, or local government sources of funds; and
(6) business loan payments due to COVID-19 as verified by the authority.

d. In order to provide proof of business expense reimbursement eligibility under subsection c. of this section, the authority shall require an applicant to submit legible invoices and receipts, as applicable, for reimbursement. The authority shall accept business cancelled checks for confirmation of payment. All invoices and receipts submitted to the authority shall list the personal name of the applicant or the name of the applicant small business or nonprofit organization. Every invoice and receipt shall be reviewed by the authority to confirm that each invoice or receipt is aligned with the nature of the business expense of the applicant small business or nonprofit organization.

e. One year after the effective date of this act and on December 31, 2024, the authority shall prepare a report on the implementation of the reimbursement program, and submit the report to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature. Each report shall include:
(1) the names and locations of qualified reimbursement organizations receiving a grant;
(2) the amount of the grant given to each qualified reimbursement organization; and
(3) any other information the authority requires to ascertain the impact of the reimbursement program on the creation and retention of jobs by the qualified reimbursement organization.

6. a. There is appropriated from the General Fund to the New Jersey Economic Development Authority the sum of $82,500,000 to effectuate the purposes of section 2 of this act. If, as of January 1, 2025, there are monies remaining in the “Build Back Better Fund,” the authority shall transfer the remaining monies to the State Treasurer for deposit in the General Fund.

b. There is appropriated from the General Fund to the New Jersey Redevelopment Authority the sum of $37,500,000 to effectuate the purposes of section 4 of this act. If, as of January 1, 2025, the authority determines that there are unspent monies to effectuate the purposes of section 4 of this act, the New Jersey Redevelopment Authority shall transfer the remaining monies to the State Treasurer for deposit in the General Fund.

c. There is appropriated from the General Fund to the New Jersey Redevelopment Authority the sum of $45,000,000 to
effectuate the purposes of section 5 of this act. Of this amount, $5,000,000 shall be reserved for grants awarded to qualified reimbursement program organizations that are nonprofit organizations. If, as of January 1, 2025, the authority determines that there are unspent monies to effectuate the purposes of section 5 of this act, the New Jersey Redevelopment Authority shall transfer the remaining monies to the State Treasurer for deposit in the General Fund.

7. This act shall take effect immediately.

STATEMENT

“Build Back Better Program”

This bill requires the New Jersey Economic Development Authority (NJEDA) to establish and maintain the Build Back Better Program (BBB Program) and to provide financial assistance from the “Build Back Better Fund” (BBB Fund) to those qualified businesses in a targeted industry as a catalyst for economic growth and to advance the competitiveness of the State’s “targeted industry” businesses in the global economy. Targeted industry businesses are those that manufacture or develop high capacity storage batteries, semiconductors, artificial intelligence-powered machines and robotics equipment, and medical technology equipment. The NJEDA is to deposit in the BBB Fund the proceeds of the appropriation made to the NJEDA and may credit the BBB Fund with monies received from State, federal, or private sources of funds and may use those funds to provide financial assistance to qualified businesses in a manner consistent with federal law or the private source of funds. The NJEDA is not to accept applications for assistance from or make any payments from the BBB Fund after December 31, 2024.

The bill requires the NJEDA to establish an application process and determine the form and manner through which a business may make and file an application for certification as a qualified business and the NJEDA may accept applications on a rolling basis or on a date set by the authority. A qualified business that receives financial assistance is to annually report to the NJEDA its financial information, audited by a certified public accountant, of the qualified business that includes a consolidated summary of the performance of the qualified business. Any information about the performance of a qualified business shall be considered confidential and not subject to the law known commonly as the open public records act.

The bill requires the NJEDA to prepare two reports on the implementation of the BBB Program and submit the reports to the
Governor and the Legislature. Each report is to include certain
information as provided in the bill.

The bill appropriates $82,500,000 from the General Fund to the
NJEDA to effectuate the purposes of the BBB Program.

On February 24, 2021, the Biden administration issued an
executive order directing a 100-day review and strategy
development process to identify and address vulnerabilities in the
supply chains of four key product sectors, which are: semiconductor
manufacturing and advanced packaging, large capacity batteries,
critical minerals and materials, and pharmaceuticals and active
pharmaceutical ingredients.

“Small Business Lease Emergency Assistance Program”

The bill establishes in the New Jersey Redevelopment Authority
(NJRA) “Small Business Lease Emergency Assistance Program”
(lease program) for the purpose of awarding grants to qualified
small businesses and nonprofit organizations (lease program
organizations) located in NJRA qualified municipalities that
demonstrate a loss due to effects of the COVID-19 pandemic and,
as a result, are struggling to pay their commercial rents. Under the
lease program, the NJRA is to award grants of up to $25,000 each
to qualified lease program organizations for rent payment assistance
on a first come, first served basis under terms and conditions
established by the NJRA. The NJRA is not to accept applications
for grants or award any grants under the lease program after
December 31, 2024.

The bill provides that, in order to be awarded a grant under the
lease program, a small business or nonprofit organization seeking to
be approved by the NJRA as a qualified lease program organization
is to provide to the NJRA certain information as provided in the
bill.

The bill requires the NJRA prepare two reports on the
implementation of the lease program and submit the reports to the
Governor and the Legislature. Each report is to include certain
information as provided in the bill.

The bill appropriates $37,500,000 from the General Fund to the
NJRA to effectuate the purposes of the lease program.

“Small Business Reimbursement Program”

The bill establishes in the NJRA the “Small Business
Reimbursement Program” (reimbursement program) for the purpose
of awarding grants to qualified small businesses and nonprofit
organizations (qualified reimbursement program organizations)
located in NJRA qualified municipalities for the reimbursement of
expenses incurred by those organizations during the COVID-19
pandemic due to the reduction in business operations. The bill
requires that grant awards under the reimbursement program are to
be used to provide direct financial support to qualified
reimbursement program organizations dealing with the inflation of credit card debt, savings accounts in need of being replenished, and assistance with repayment of business loans. Under the reimbursement program, the NJRA is to award grants up to $15,000 each to qualified reimbursement program organizations to offset specific expenses paid to maintain business operations during the COVID-19 pandemic on a first come, first served basis under terms and conditions established by the NJRA. The NJRA is not to accept applications for grants or award any grants under the reimbursement program after December 31, 2024.

The bill provides that, in order to be awarded a grant under the reimbursement program, a small business or nonprofit organization seeking to be approved by the NJRA as a qualified reimbursement program organization is to provide to the NJRA certain information as provided in the bill.

The bill requires the NJRA prepare two reports on the implementation of the reimbursement program and submit the reports to the Governor and the Legislature. Each report is to include certain information as provided in the bill.

The bill appropriates $45,000,000 from the General Fund to the NJRA to effectuate the purposes of the reimbursement program. Of this amount, $5,000,000 is to be reserved for grants awarded to qualified reimbursement program organizations that are nonprofit organizations.