

**ASSEMBLY, No. 3074**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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INTRODUCED FEBRUARY 28, 2022

**Sponsored by:**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman HERB CONAWAY, JR.**

**District 7 (Burlington)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

**Assemblywomen Eulner and Piperno**

**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.



**(Sponsorship Updated As Of: 3/17/2022)**

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.