

# SENATE, No. 2325

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 21, 2022

**Sponsored by:**

**Senator NILSA I. CRUZ-PEREZ**

**District 5 (Camden and Gloucester)**

### **SYNOPSIS**

Authorizes political subdivisions to require recipients of economic development incentives to enter into community benefits agreements.

### **CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning community benefits agreements and  
2 supplementing Title 40A of the New Jersey Statutes.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. a. A political subdivision within this State may condition the  
8 grant of any economic development subsidy which either alone or in  
9 the aggregate is in excess of \$100,000 from that political subdivision  
10 upon the grantee's promise to enter into a community benefits  
11 agreement.

12 b. As used in this section:

13 "Community benefits agreement" means a legally binding contract  
14 concerning a specific project required by ordinance, resolution, or  
15 policy of a county, municipality, or other political subdivision within  
16 this State, which agreement shall include, but not be limited to,  
17 provisions:

18 (1) requiring contractors and developers of the project to make  
19 specific contributions for the benefit of the community; and

20 (2) detailing the project's contributions to the community related  
21 to:

22 (a) local hiring provisions,

23 (b) area wage and benefits standards consistent with State statutes,

24 (c) the engagement of local businesses for the provision of goods  
25 and services, or

26 (d) any other negotiated activity in exchange for the economic  
27 development subsidy.

28 "Economic development subsidy" means the provision of an  
29 amount of funds to a recipient business by or from a political  
30 subdivision within the State for the purpose of stimulating economic  
31 development in New Jersey, including, but not limited to, any bond,  
32 grant, loan, loan guarantee, matching fund, tax credit, or other tax  
33 expenditure. "Economic development subsidy" shall not mean any  
34 contract under which a State public body purchases or otherwise  
35 procures goods, services, or construction on an unsubsidized basis,  
36 including any contract solely for the construction or renovation of a  
37 facility owned by a State public body.

38 "Tax expenditure" means the amount of foregone tax collections  
39 due to any abatement, reduction, exemption, credit, or transfer  
40 certificate against any State or local tax, including, but not limited to:  
41 taxes on raw materials, inventories, or other assets; taxes on gross  
42 receipts, income, or sales; and any use, excise, or utility tax. "Tax  
43 expenditure" shall not mean: any credit against any tax liability of an  
44 employee; any personal exemption, homestead rebate, credit, or  
45 deduction for the expenses of a household or individual; or other  
46 reduction of the tax liability of an individual or household.

47

48 2. This act shall take effect immediately.

## STATEMENT

3 This bill authorizes any political subdivision within this State,  
4 when granting an economic development subsidy in an amount,  
5 either alone or in the aggregate, in excess of \$100,000 to a  
6 developer, to condition the grant proceeds upon the grantee's  
7 promise to enter into a community benefits agreement. The bill  
8 defines "community benefits agreement" to mean a legally binding  
9 contract concerning a specific project which requires contractors  
10 and developers of the project to make specific contributions for the  
11 benefit of the community including, but not limited to, provisions  
12 related to local hiring, area wage and benefits standards, or  
13 engaging local businesses for the provision of goods and services.