

SENATE, No. 3370

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED DECEMBER 5, 2022

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

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District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senators A.M.Bucco and Singleton

SYNOPSIS

Establishes Small Business Resiliency Project Loan Program in EDA for certain small businesses implementing certain resiliency projects.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/15/2022)

1 AN ACT establishing the Small Business Resiliency Project Loan
2 Program for certain small businesses implementing certain
3 resiliency projects and supplementing P.L.1974, c.80 (C.34:1B-1
4 et seq.).

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 “Department” means the Department of Environmental
15 Protection.

16 “Fund” or “revolving loan fund” means the “Small Business
17 Resiliency Project Loan Fund” established pursuant to section 3 of
18 P.L. , c. (C.) (pending before the Legislature as this
19 bill).

20 “Program” means the Small Business Resiliency Project Loan
21 Program established pursuant to section 2 of P.L. , c.
22 (C.) (pending before the Legislature as this bill).

23 “Qualified business” means a business that:

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

27 b. intends to maintain its principal business operations in the
28 State after receiving assistance from the authority under the
29 program; and

30 c. employs not more than 50 full-time employees at the time of
31 approval of financial assistance to the business.

32 “Resiliency project” means projects or activities, which may
33 include, but not be limited to, projects or activities that improve or
34 support the treatment or management of drinking water, wastewater,
35 and storm water; enhance the reliability and resiliency of the
36 electrical grid and public utility infrastructure; expand access to
37 broadband internet; or utilize technology, infrastructure
38 improvements, and other materials that mitigate against or protect
39 the business in the event of climate change-related natural hazards,
40 including, but not limited to, increased temperatures, drought,
41 flooding, hurricanes, and sea-level rise.

42
43 2. a. The New Jersey Economic Development Authority shall
44 establish and maintain the Small Business Resiliency Project Loan
45 Program for the purpose of providing financial assistance from the
46 Small Business Resiliency Project Loan Fund, established pursuant
47 to section 3 of P.L. , c. (C.) (pending before the Legislature
48 as this bill), to qualified businesses that are engaging in or have

1 completed resiliency projects to mitigate the risk of future storm
2 damage and improve environmental resiliency against climate
3 change-related natural hazards.

4 b. Under the program, the authority shall provide financial
5 assistance in the form of low-interest loans for qualified businesses
6 that are engaging in or have completed resiliency projects, with
7 priority consideration, as determined by the authority in
8 consultation with the Department of Environmental Protection,
9 given to a qualified business based on the long-term impact of the
10 qualified business on the State economy, the type of resiliency
11 project, and whether the principal business operations of the
12 qualified business are located in a municipality of the State that has
13 incorporated a climate change-related hazard vulnerability
14 assessment into the land use plan element of the municipality's
15 master plan.

16 c. A qualified business that seeks assistance under the loan
17 program shall submit an application to the authority in a form and
18 manner prescribed by the authority. In addition to any other
19 information that the authority may deem appropriate, the
20 application shall require the qualified business applicant to submit:

21 (1) proof that it is a qualified business engaging in or has
22 completed a resiliency project, as defined in section 1 of P.L. , c.
23 (C.) (pending before the Legislature as this bill); and

24 (2) an outline of the anticipated use of loan proceeds.

25 d. The authority may approve applications for the loan program
26 on a rolling basis or on one or more dates set by the authority,
27 subject to the availability of funds in the revolving loan fund. Upon
28 approval of an application, the authority shall enter into a loan
29 agreement with the qualified business and provide a low-interest
30 loan to the qualified business. Each loan issued under the program
31 shall bear interest at rates lower than and provide more flexible
32 repayment terms than are customarily made available through
33 conventional business loans issued by private lenders.

34 e. A qualified business that receives financial assistance under
35 the loan program shall submit an annual report to the authority until
36 such time as the full balance of the loan has been repaid to the
37 authority. The annual report shall be submitted in a form and
38 manner prescribed by the authority. At a minimum, the annual
39 report shall include information outlining the expenses supported by
40 the loan and the financial information of the qualified business,
41 audited by a certified public accountant, which shall include a
42 consolidated summary of the performance of the qualified business.
43 Any information about the performance of a qualified business shall
44 be considered confidential and not subject to P.L.1963, c.73
45 (C.47:1A-1 et seq.), known commonly as the open public records
46 act, or P.L.2001, c.404 (C.47:1A-5 et al.).

1 3. a. The authority shall establish and maintain a dedicated,
2 non-lapsing fund to be known as the Small Business Resiliency
3 Project Loan Fund. The authority may credit the fund with any
4 monies received from State, federal, or private sources and may use
5 those funds to provide financial assistance to qualified businesses in
6 a manner consistent with federal law or the private source of funds.

7 b. All loans provided under section 2 of P.L. , c. (C.)
8 (pending before the Legislature as this bill) shall be issued from
9 monies held in the revolving loan fund. All monies received by the
10 authority from the repayment of a loan provided under section 2 of
11 P.L. , c. (C.) (pending before the Legislature as this bill)
12 shall be deposited into the revolving loan fund.

13 c. Any interest collected from loans provided under section 2
14 of P.L. , c. (C.) (pending before the Legislature as this bill)
15 may be used by the authority to offset the costs of the
16 administration of the loan program, or shall otherwise be deposited
17 in the revolving loan fund.

18

19 4. Notwithstanding any provision of the “Administrative
20 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), or any other
21 law to the contrary, the authority may adopt, immediately upon
22 filing with the Office of Administrative Law and no later than the
23 90th day after the effective date of this act, such rules and
24 regulations as the authority deems necessary to implement the
25 provisions of this act, which regulations shall be effective for a
26 period not to exceed 12 months. The regulations shall, at a
27 minimum, set forth the requirements for application submissions,
28 the criteria for application selections, and the permitted uses of loan
29 proceeds. The regulations shall thereafter be amended, adopted, or
30 readopted by the authority in accordance with the provisions of the
31 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
32 seq.).

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34 5. This act shall take effect immediately.

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STATEMENT

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39 This bill requires the New Jersey Economic Development
40 Authority (EDA) to establish and maintain the Small Business
41 Resiliency Project Loan Program (program) and Small Business
42 Resiliency Project Loan Fund (fund).

43

Loan Program Eligibility

44 The EDA is to provide financial assistance in the form of low-
45 interest loans to qualified businesses that are engaging in or have
46 completed resiliency projects. Under the bill, a qualified business
47 is a business that:
48

1 1) is registered to do business in New Jersey with the Director of
2 the Division of Revenue and Enterprise Services in the Department
3 of the Treasury;

4 2) intends to maintain its principal business operations in the
5 State after receiving assistance from the EDA under the program;
6 and

7 3) employs not more than 50 full-time employees at the time of
8 approval of financial assistance to the business.

9 Under the bill, a resiliency project means those projects or
10 activities, which may include, but are not limited to, projects or
11 activities that improve or support the treatment or management of
12 drinking water, wastewater, and storm water; enhance the reliability
13 and resiliency of the electrical grid and public utility infrastructure;
14 expand access to broadband internet; or utilize technology,
15 infrastructure improvements, and other materials that mitigate
16 against or protect the business in the event of climate change-
17 related natural hazards, including, but not limited to, increased
18 temperatures, drought, flooding, hurricanes, and sea-level rise.

19
20 *Application Criteria*

21 The bill requires the EDA to establish an application process. A
22 qualified business that seeks assistance under the loan program is
23 required to submit an application to the EDA in a form and manner
24 prescribed by the EDA. In addition to any other information that
25 the EDA may deem appropriate, the application is required to
26 request an applicant to submit information demonstrating that the
27 applicant meets the eligibility requirements and an outline of the
28 anticipated use of loan proceeds.

29 Under the bill, the EDA is required to approve applications for
30 the loan program on a rolling basis or on one or more dates, subject
31 to the availability of funds.

32
33 *Loan Awards and Loan Requirements*

34 Under the program, the EDA is to provide financial assistance in
35 the form of low-interest loans for qualified businesses that are
36 engaging in or have completed resiliency projects, with priority
37 consideration, as determined by the EDA in consultation with the
38 Department of Environmental Protection, given to a qualified
39 business based the long-term impact of the qualified business on the
40 State economy, the type of resiliency project, and whether the
41 principal business operations of the qualified business are located in
42 a municipality of the State that has incorporated a climate change-
43 related hazard vulnerability assessment into the land use plan
44 element of the municipality's master plan.

45 Upon approval of an application, the EDA is required to enter
46 into a loan agreement with the qualified business and provide a low-
47 interest loan to the qualified business. Each loan issued under the
48 program is required to bear interest at rates lower than and provide

1 more flexible repayment terms than are customarily made available
2 through conventional business loans issued by private lenders.

3 A qualified business that receives financial assistance under the
4 loan program is to annually report to the EDA until such time as the
5 full balance of the loan has been repaid to the EDA. At a minimum,
6 the annual report is to include information outlining the expenses
7 supported by the loan and the financial information of the qualified
8 business, audited by a certified public accountant, which is to
9 include a consolidated summary of the performance of the qualified
10 business.

11 Any information about the performance of a qualified business is
12 considered confidential and not subject to the law known commonly
13 as the open public records act.

14

15 *Loan Fund*

16 Any monies received by the EDA for the repayment of a loan
17 issued pursuant to the program would be deposited into the non-
18 lapsing revolving loan fund. Any interest collected from loans
19 provided by the loan program may be used by the EDA to offset the
20 costs of the administration of the loan program, or otherwise are
21 required to be deposited into the fund.

22 The EDA may also credit the fund with monies received from
23 State, federal, or private sources and may use those funds to provide
24 financial assistance to qualified businesses in a manner consistent
25 with federal law or the private source of funds.