

# ASSEMBLY, No. 5146

## STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 5, 2019

**Sponsored by:**

**Assemblywoman ANNETTE QUIJANO**

**District 20 (Union)**

**Assemblyman P. CHRISTOPHER TULLY**

**District 38 (Bergen and Passaic)**

**SYNOPSIS**

Establishes manufacturing business assistance program to encourage manufacturing in certain areas of the State.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 3/26/2019)

1 AN ACT concerning assistance to certain manufacturing businesses,  
2 amending and supplementing P.L.1974, c.80 (C.34:1B-1 et seq.),  
3 and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and  
4 Title 54A of the New Jersey Statutes.

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

8  
9 1. (New section) As used in sections 1 through 3 of P.L. ,  
10 c. (C. ) (pending before the 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 “Manufacturing business assistance program” or “program”  
15 means the manufacturing business assistance program established  
16 pursuant to section 2 of P.L. , c. (C. ) (pending before the  
17 Legislature as this bill).

18 “Manufacturing business” means a business operating a  
19 manufacturing facility in the State.

20 “Manufacturing equipment” means machinery, apparatus, or  
21 equipment used in the production of tangible personal property that  
22 is eligible for the sales tax exemption pursuant to section 25 of  
23 P.L.1980, c.105 (C.54:32B-8.13).

24 “Manufacturing facility” includes, but is not limited to, a factory,  
25 mill, or plant within a manufacturing zone, at which more than 50  
26 percent of the personal property housed in the facility is  
27 manufacturing equipment.

28 “Manufacturing zone” means an area zoned within a  
29 municipality, through the municipality’s zoning powers, solely for  
30 the purpose of locating one or more manufacturing facilities therein  
31 upon the enactment of an ordinance by the governing body of a  
32 municipality.

33 “Priority area” means:

34 a. an area that is designated as Planning Area 1 (Metropolitan)  
35 pursuant to the "State Planning Act," P.L.1985, c.398 (C.52:18A-  
36 196 et seq.);

37 b. an area within a municipality that is qualified to receive  
38 assistance under P.L.1978, c.14 (C.52:27D-178 et seq.); or

39 c. an area within a county in which there was an average  
40 annual unemployment rate exceeding the State average annual  
41 unemployment rate in the last full calendar year immediately  
42 preceding the effective date of P.L. , c. (C. ) (pending  
43 before the Legislature as this bill).

44  
45 2. (New section) a. The authority shall establish a

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 manufacturing business assistance program within the authority.  
2 The program shall consist of financial incentives and other types of  
3 assistance provided by the authority to a manufacturing business  
4 where the manufacturing business's manufacturing facility is  
5 located within a manufacturing zone. The authority shall provide  
6 priority assistance to a manufacturing business having a  
7 manufacturing facility in a priority area of this State.

8 b. The authority shall modify its existing programs, if  
9 permissible by law, to promote and support manufacturing  
10 businesses within a manufacturing zone. The authority, upon  
11 approval of the State Treasurer, shall modify its existing business  
12 assistance programs, if permissible by law, to provide bonuses or  
13 other enhanced incentives to a manufacturing business having a  
14 manufacturing facility located in a priority area.

15 c. The authority is authorized to call upon any department,  
16 authority, commission, board, office, division, or agency of the  
17 State to provide any information, resources, or other assistance  
18 deemed necessary to discharge their responsibilities under P.L. ,  
19 c. (C. ) (pending before the Legislature as this bill),  
20 including, but not be limited to: the Department of the Treasury for  
21 assistance with manufacturing business funding assistance  
22 programs; the Department of Labor and Workforce Development  
23 for assistance in developing workforce development strategies for  
24 manufacturing businesses; the New Jersey Business Action Center  
25 to assist in manufacturing business attraction, expansion, and  
26 retention efforts and coordination with the New Jersey  
27 Manufacturing Extension Program, Inc.; and the Department of  
28 Community Affairs for assistance to manufacturing businesses  
29 participating in the Urban Enterprise Zone program established by  
30 P.L.1983, c.303 (C.52:27H-60 et al.).

31 d. The authority shall work cooperatively with other State  
32 departments, agencies, boards, commissions, and authorities to  
33 explore and implement opportunities to direct resources to those  
34 manufacturing businesses with manufacturing facilities operating  
35 within a priority area and may provide technology, financial, and  
36 workforce development opportunities to those manufacturing  
37 businesses. Each department, authority, commission, board, office,  
38 division, and agency of the State is hereby required to cooperate  
39 with the authority to furnish the authority with any information,  
40 personnel, and assistance as is necessary to accomplish the purposes  
41 of P.L. , c. (C. ) (pending before the Legislature as this  
42 bill).

43  
44 3. (New section) a. The authority shall establish an advisory  
45 committee to advise and provide recommendations to the authority  
46 with respect to the functioning of the program and meeting the  
47 needs of the manufacturing businesses participating in the program.  
48 The executive director of the authority shall appoint the

1 membership of the advisory committee, provided that at least seven  
2 members shall represent each of the following organizations: 1) the  
3 New Jersey Business and Industry Association; 2) the New Jersey  
4 State Chamber of Commerce; 3) the Commerce and Industry  
5 Association of New Jersey; 4) the African American Chamber of  
6 Commerce of New Jersey; 5) the Statewide Hispanic Chamber of  
7 Commerce of New Jersey; 6) the New Jersey Asian American  
8 Chamber of Commerce ; and 7) the Chemistry Council of New  
9 Jersey.

10 b. The advisory committee shall meet quarterly. Members of  
11 the advisory committee shall serve without compensation, but may  
12 be reimbursed for their actual and necessary expenses incurred in  
13 the performance of their duties pursuant to P.L. , c. (C. )  
14 (pending before the Legislature as this bill) within the limits of  
15 funds appropriated or otherwise made available by the authority to  
16 the advisory committee for its purposes.

17 c. The authority shall report annually to the Governor and,  
18 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the  
19 Legislature on the recommendations provided to the authority by  
20 the advisory committee with respect to the functioning of the  
21 program and meeting the needs of participating manufacturing  
22 businesses. The report shall include, but not be limited to, the  
23 number and locations of manufacturing zones established by  
24 municipalities, the number of participating manufacturing  
25 businesses, the number of jobs created or maintained by  
26 participating manufacturing businesses, the amount of any capital  
27 investment made by participating manufacturing businesses as a  
28 result of participation in the program, and the type and amount of  
29 any financial assistance given to participating manufacturing  
30 businesses.

31

32 4. (New section) a. For privilege periods commencing on or  
33 after January 1, 2019 but before January 1, 2021, a taxpayer shall  
34 be allowed a credit against the tax imposed pursuant to section 5 of  
35 P.L.1945, c.162 (C.54:10A-5), in an amount equal to 10 percent of  
36 the amount paid during the privilege period for:

37 (1) new manufacturing equipment installed at a new or existing  
38 manufacturing facility located within a manufacturing zone in a  
39 priority area, or

40 (2) the acquisition, construction, reconstruction, installation, or  
41 erection of improvements or additions that result in the renovation,  
42 modernization or expansion of a manufacturing facility located  
43 within a manufacturing zone in a priority area, or

44 (3) the employment of any new full-time employee hired and  
45 retained for no less than 365 days after the effective date of P.L. ,  
46 c. (C. ) (pending before the Legislature as this bill), and who  
47 receives manufacturing related job training within six months of  
48 employment at a manufacturing facility located within a

1 manufacturing zone in a priority area. For the purposes of this  
2 paragraph, "full time employee" shall not include an employee who  
3 is a resident of another state and whose income is not subject to the  
4 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., unless  
5 that state has entered into a reciprocity agreement with the State of  
6 New Jersey. An employer shall receive the greater of 10 percent of  
7 the cost of training, salary, and benefits, which shall include  
8 medical and pension contributions paid by the employer, or the  
9 deduction to which the employer would be entitled under existing  
10 law.

11 An unused credit may be carried forward, if necessary, for use in  
12 the seven privilege periods following the privilege period for which  
13 the credit is allowed.

14 b. Credit shall not be allowed under P.L.1993, c.170  
15 (C.54:10A-5.4 et seq.), P.L.1993, c.171 (C.54:10A-5.16 et al.),  
16 P.L.1993, c.175 (C.54:10A-5.24), or P.L.2001, c.321 (C.54:10A-  
17 5.31 et seq.) for expenditures for which a credit is allowed pursuant  
18 to subsection a. of this section.

19 c. The order of the application of the credit allowed under  
20 subsection a. of this section and any other credits allowed by law  
21 shall be based on the order in which completed applications are  
22 received by the Department of the Treasury. The amount of the  
23 credit applied under this section against the tax imposed pursuant to  
24 section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege period,  
25 together with any other credits allowed against the tax imposed  
26 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), shall not  
27 exceed 50 percent of the tax liability otherwise due and shall not  
28 reduce the tax liability to an amount less than the statutory  
29 minimum provided in subsection (e) of section 5 of P.L.1945, c.162  
30 (C.54:10A-5).

31 d. As used in this section:

32 "Manufacturing equipment" means machinery, apparatus, or  
33 equipment used in the production of tangible personal property that  
34 is eligible for the sales tax exemption pursuant to subsection a. of  
35 section 25 of P.L.1980, c.105 (C.54:32B-8.13);

36 "Manufacturing facility" includes, but is not limited to, a factory,  
37 mill, or plant within a manufacturing zone, at which more than 50  
38 percent of the personal property housed in the facility is  
39 manufacturing equipment;

40 "Manufacturing zone" means an area zoned within a  
41 municipality, through the municipality's zoning powers, solely for  
42 the purpose of locating one or more manufacturing facilities therein  
43 upon the enactment of an ordinance by the governing body of a  
44 municipality;

45 "Priority area" means: (1) an area that is designated as Planning  
46 Area 1 (Metropolitan) pursuant to the "State Planning Act,"  
47 P.L.1985, c.398 (C.52:18A-196 et seq.); (2) an area within a  
48 municipality that is qualified to receive assistance under P.L.1978,

1 c.14 (C.52:27D-178 et seq.); or (3) an area within a county in which  
2 there was an average annual unemployment rate exceeding the State  
3 average annual unemployment rate in the last full calendar year  
4 immediately preceding the effective date of P.L. , c. (C. )  
5 (pending before the Legislature as this bill); and

6 “Qualified manufacturing related job training” means: (1)  
7 occupational skills training or classroom instruction in performing a  
8 job within the manufacturing industry that the trainee receives or  
9 shall have received as an enrolled student at a county vocational  
10 school or county college in this State, or at any other institution of  
11 post-secondary education located in this State possessing  
12 accreditation as the Director of the Division of Taxation in the  
13 Department of the Treasury requires; or (2) on-the-job training in a  
14 job at premises located in this State owned and operated by the  
15 trainee’s employer.

16  
17 5. (New section) a. For taxable years commencing on or after  
18 January 1, 2019 but before January 1, 2021, a taxpayer shall be  
19 allowed a credit against the tax otherwise due under the “New  
20 Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., in an amount  
21 equal to 10 percent of the amount paid during the taxable year for:

22 (1) new manufacturing equipment installed at a new or existing  
23 manufacturing facility located within a manufacturing zone in a  
24 priority area, or

25 (2) the acquisition, construction, reconstruction, installation, or  
26 erection of improvements or additions that result in the renovation,  
27 modernization or expansion of a manufacturing facility located  
28 within a manufacturing zone in a priority area, or

29 (3) the employment of any new full-time employee hired and  
30 retained for no less than 365 days after the effective date of P.L. ,  
31 c. (C. ) (pending before the Legislature as this bill), and who  
32 receives manufacturing related job training within six months of  
33 employment at a manufacturing facility located within a  
34 manufacturing zone in a priority area. For the purposes of this  
35 paragraph, “full time employee” shall not include an employee who  
36 is a resident of another state and whose income is not subject to the  
37 “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq., unless  
38 that state has entered into a reciprocity agreement with the State of  
39 New Jersey. An employer shall receive the greater of 10 percent of  
40 the cost of training, salary, and benefits, which shall include  
41 medical and pension contributions paid by the employer, or the  
42 deduction to which the employer would be entitled under existing  
43 law.

44 b. No tax credit shall be allowed pursuant to this section for  
45 any costs or expenses included in the calculation of any other tax  
46 credit or exemption granted pursuant to a claim made on a tax  
47 return filed with the director, or included in the calculation of an  
48 award of business assistance or incentive, for a period of time that

1 coincides with the taxable year for which a tax credit authorized  
2 pursuant to this section is allowed.

3 c. The order of the application of the tax credit allowed under  
4 subsection a. of this section and any other tax credits allowed by  
5 law shall be based on the order in which completed applications are  
6 received by the Department of the Treasury. The amount of the tax  
7 credit applied under this section against the tax otherwise due under  
8 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., for  
9 a taxable year, when taken together with any other payments,  
10 credits, deductions, and adjustments allowed by law shall not  
11 exceed 50 percent of the tax liability otherwise due and shall not  
12 reduce the tax liability of the taxpayer to an amount less than zero.  
13 An unused tax credit may be carried forward, if necessary, for use  
14 in the seven taxable years following the taxable year for which the  
15 credit is allowed.

16 d. (1) A business entity that is classified as a partnership for  
17 federal income tax purposes shall not be allowed a tax credit  
18 pursuant to this section directly, but the amount of tax credit of a  
19 taxpayer in respect of a distributive share of entity income shall be  
20 determined by allocating to the taxpayer that proportion of the tax  
21 credit acquired by the entity that is equal to the taxpayer's share,  
22 whether or not distributed, of the total distributive income or gain  
23 of the entity for its taxable year ending within or with the taxpayer's  
24 taxable year.

25 (2) A New Jersey S Corporation shall not be allowed a tax credit  
26 pursuant to this section directly, but the amount of tax credit of a  
27 taxpayer in respect of a pro rata share of S Corporation income shall  
28 be determined by allocating to the taxpayer that proportion of the  
29 tax credit acquired by the New Jersey S Corporation that is equal to  
30 the taxpayer's share, whether or not distributed, of the total pro rata  
31 share of S Corporation income of the New Jersey S Corporation for  
32 its privilege period ending within or with the taxpayer's taxable  
33 year.

34 e. As used in this section:

35 "Manufacturing equipment" means machinery, apparatus, or  
36 equipment used in the production of tangible personal property that  
37 is eligible for the sales tax exemption pursuant to subsection a. of  
38 section 25 of P.L.1980, c.105 (C.54:32B-8.13);

39 "Manufacturing facility" includes, but is not limited to, a factory,  
40 mill, or plant within a manufacturing zone, at which more than 50  
41 percent of the personal property housed in the facility is  
42 manufacturing equipment;

43 "Manufacturing zone" means an area zoned within a  
44 municipality, through the municipality's zoning powers, solely for  
45 the purpose of locating one or more manufacturing facilities therein  
46 upon the enactment of an ordinance by the governing body of a  
47 municipality;

48 "Priority area" means: (1) an area that is designated as Planning

1 Area 1 (Metropolitan) pursuant to the "State Planning Act,"  
2 P.L.1985, c.398 (C.52:18A-196 et seq.); (2) an area within a  
3 municipality that is qualified to receive assistance under P.L.1978,  
4 c.14 (C.52:27D-178 et seq.); or (3) an area within a county in which  
5 there was an average annual unemployment rate exceeding the State  
6 average annual unemployment rate in the last full calendar year  
7 immediately preceding the effective date of P.L. , c. (C. )  
8 (pending before the Legislature as this bill); and

9 "Qualified manufacturing related job training" means: (1)  
10 occupational skills training or classroom instruction in performing a  
11 job within the manufacturing industry that the trainee receives or  
12 shall have received as an enrolled student at a county vocational  
13 school or county college in this State, or at any other institution of  
14 post-secondary education located in this State possessing  
15 accreditation as the Director of the Division of Taxation in the  
16 Department of the Treasury requires; or (2) on-the-job training in a  
17 job at premises located in this State owned and operated by the  
18 trainee's employer.

19

20 6. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read  
21 as follows:

22 5. The authority shall have the following powers:

23 a. To adopt bylaws for the regulation of its affairs and the  
24 conduct of its business;

25 b. To adopt and have a seal and to alter the same at pleasure;

26 c. To sue and be sued;

27 d. To acquire in the name of the authority by purchase or  
28 otherwise, on **[such]** terms and conditions and **[such]** manner as  
29 **[it]** the authority may deem proper, or by the exercise of the power  
30 of eminent domain in the manner provided by the "Eminent Domain  
31 Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or  
32 interests therein or other property which **[it]** the authority may  
33 determine is reasonably necessary for any project; provided,  
34 however, that the authority, in connection with any project, shall  
35 not take by exercise of the power of eminent domain any real  
36 property except upon consent thereto given by resolution of the  
37 governing body of the municipality in which **[such]** the real  
38 property is located; and provided further that the authority shall be  
39 limited in its exercise of the power of eminent domain in connection  
40 with any project in qualifying municipalities, as defined under the  
41 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to  
42 municipalities which had a population, according to the latest  
43 federal decennial census, in excess of 10,000;

44 e. To enter into contracts with a person upon **[such]** terms and  
45 conditions as the authority shall determine to be reasonable,  
46 including, but not limited to, reimbursement for the planning,  
47 designing, financing, construction, reconstruction, improvement,

- 1 equipping, furnishing, operation, and maintenance of the project  
2 and to pay or compromise any claims arising therefrom;
- 3 f. To establish and maintain reserve and insurance funds with  
4 respect to the financing of the project or the school facilities project  
5 and any project financed pursuant to the "Municipal Rehabilitation  
6 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et  
7 al.);
- 8 g. To sell, convey, or lease to any person all or any portion of a  
9 project for **[such]** consideration and upon **[such]** terms as the  
10 authority may determine to be reasonable;
- 11 h. To mortgage, pledge, or assign or otherwise encumber all or  
12 any portion of a project, or revenues, whenever **[it]** the authority  
13 shall find **[such]** that action to be in furtherance of the purposes of  
14 **[this act]** P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72  
15 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
16 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
17 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,  
18 c.90 (C.52:27D-489c et al.);
- 19 i. To grant options to purchase or renew a lease for any of  
20 **[its]** the authority's projects on **[such]** terms as the authority may  
21 determine to be reasonable;
- 22 j. To contract for and to accept any gifts **[or]**, grants, or loans  
23 of funds **[or]**, property **[or]**, financial, or other aid in any form  
24 from the United States of America or any agency or instrumentality  
25 thereof, or from the State or any agency, instrumentality, or  
26 political subdivision thereof, or from any other source and to  
27 comply, subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et  
28 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
29 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
30 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and  
31 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and  
32 conditions thereof;
- 33 k. In connection with any action undertaken by the authority in  
34 the performance of its duties and any application for assistance or  
35 commitments therefor and modifications thereof, to require and  
36 collect **[such]** fees and charges as the authority shall determine to  
37 be reasonable, including, but not limited to, fees and charges for the  
38 authority's administrative, organizational, insurance, operating,  
39 legal, and other expenses;
- 40 l. To adopt, amend, and repeal regulations to carry out the  
41 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
42 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
43 the "Municipal Rehabilitation and Economic Recovery Act,"  
44 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137  
45 (C.52:18A-235 et al.);
- 46 m. To acquire, purchase, manage and operate, hold, and dispose  
47 of real and personal property or interests therein, take assignments

- 1 of rentals and leases, and make and enter into all contracts, leases,  
2 agreements, and arrangements necessary or incidental to the  
3 performance of **[its]** the authority's duties;
- 4 n. To purchase, acquire, and take assignments of notes,  
5 mortgages, and other forms of security and evidences of  
6 indebtedness;
- 7 o. To purchase, acquire, attach, seize, accept, or take title to  
8 any project or school facilities project by conveyance or by  
9 foreclosure, and sell, lease, manage, or operate any project or  
10 school facilities project for a use specified in **[this act]** P.L.1974,  
11 c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), the  
12 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,  
13 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),  
14 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 15 p. To borrow money and to issue bonds of the authority and to  
16 provide for the rights of the holders thereof, as provided in  
17 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
18 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
19 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
20 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
21 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 22 q. To extend credit or make loans to any person for the  
23 planning, designing, acquiring, constructing, reconstructing,  
24 improving, equipping, and furnishing of a project or school  
25 facilities project, which credits or loans may be secured by loan and  
26 security agreements, mortgages, leases, and any other instruments,  
27 upon **[such]** terms and conditions as the authority shall deem  
28 reasonable, including provision for the establishment and  
29 maintenance of reserve and insurance funds, and to require the  
30 inclusion in any mortgage, lease, contract, loan and security  
31 agreement, or other instrument, of **[such]** provisions for the  
32 construction, use, operation and maintenance, and financing of a  
33 project or school facilities project as the authority may deem  
34 necessary or desirable;
- 35 r. To guarantee up to **[90%]** 90 percent of the amount of a  
36 loan to a person, if the proceeds of the loan are to be applied to the  
37 purchase and installation, in a building devoted to industrial or  
38 commercial purposes, or in an office building, of an energy  
39 improvement system;
- 40 s. To employ consulting engineers, architects, attorneys, real  
41 estate counselors, appraisers, and **[such]** other consultants and  
42 employees as may be required in the judgment of the redevelopment  
43 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et  
44 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
45 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
46 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
47 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,

1 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation  
2 from funds available to the redevelopment utility therefor, all  
3 without regard to the provisions of Title 11A of the New Jersey  
4 Statutes;

5 t. To **do and** perform any acts **and things** authorized by  
6 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
7 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
8 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
9 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
10 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),  
11 under, through or by means of its own officers, agents, and  
12 employees, or by contract with any person;

13 u. To procure insurance against any losses in connection with  
14 **its** authority property, operations, or assets in **such** amounts  
15 and from **such** insurers as **it** the authority deems desirable;

16 v. To do **any and** all things necessary or convenient to carry  
17 out **its** the authority's purposes and exercise the powers given and  
18 granted in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
19 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
20 the "Municipal Rehabilitation and Economic Recovery Act,"  
21 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-  
22 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-  
23 489c et al.);

24 w. To construct, reconstruct, rehabilitate, improve, alter, equip,  
25 maintain or repair, or provide for the construction, reconstruction,  
26 improvement, alteration, equipping or maintenance, or repair of any  
27 development property and lot, award and enter into construction  
28 contracts, purchase orders, and other contracts with respect thereto,  
29 upon **such** terms and conditions as the authority shall determine  
30 to be reasonable, including, but not limited to, reimbursement for  
31 the planning, designing, financing, construction, reconstruction,  
32 improvement, equipping, furnishing, operation, and maintenance of  
33 **any such** the development property and the settlement of any  
34 claims arising therefrom, and the establishment and maintenance of  
35 reserve funds with respect to the financing of **such** the  
36 development property;

37 x. When authorized by the governing body of a municipality  
38 exercising jurisdiction over an urban growth zone, to construct,  
39 cause to be constructed, or to provide financial assistance to  
40 projects in an urban growth zone which shall be exempt from the  
41 terms and requirements of the land use ordinances and regulations,  
42 including, but not limited to, the master plan and zoning ordinances,  
43 of **such** the municipality;

44 y. To enter into business employment incentive agreements as  
45 provided in the "Business Employment Incentive Program Act,"  
46 P.L.1996, c.26 (C.34:1B-124 et al.);

1       z. To enter into agreements or contracts, execute instruments,  
2 and do and perform all acts or things necessary, convenient, or  
3 desirable for the purposes of the redevelopment utility to carry out  
4 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-  
5 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137  
6 (C.52:18A-235 et al.), including, but not limited to, entering into  
7 contracts with the State Treasurer, the Commissioner of Education,  
8 districts, the New Jersey Schools Development Authority, and any  
9 other entity which may be required in order to carry out the  
10 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137  
11 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90  
12 (C.52:27D-489c et al.);

13       aa. (Deleted by amendment, P.L.2007, c.137);

14       bb. To make and contract to make loans to local units to finance  
15 the cost of school facilities projects and to acquire and contract to  
16 acquire bonds, notes, or other obligations issued or to be issued by  
17 local units to evidence the loans, all in accordance with the  
18 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,  
19 c.137 (C.52:18A-235 et al.);

20       cc. Subject to any agreement with holders of **[its]** authority  
21 bonds issued to finance a project or school facilities project, to  
22 obtain as security, or to provide liquidity for payment of all or any  
23 part of the principal of and interest and premium on the bonds of  
24 the authority or for the purchase upon tender or otherwise of the  
25 bonds, lines of credit, letters of credit, reimbursement agreements,  
26 interest rate exchange agreements, currency exchange agreements,  
27 interest rate floors or caps, options, puts, or calls to hedge payment,  
28 currency, rate, spread, or similar exposure or similar agreements,  
29 float agreements, forward agreements, insurance contract, surety  
30 bond, commitment to purchase or sell bonds, purchase, or sale  
31 agreement, or commitments or other contracts or agreements, and  
32 other security agreements or instruments in any amounts and upon  
33 any terms as the authority may determine and pay any fees and  
34 expenses required in connection therewith;

35       dd. To charge to and collect from local units, the State, and any  
36 other person, any fees and charges in connection with the  
37 authority's actions undertaken with respect to school facilities  
38 projects, including, but not limited to, fees and charges for the  
39 authority's administrative, organization, insurance, operating, and  
40 other expenses incident to the financing of school facilities projects;

41       ee. To make loans to refinance solid waste facility bonds  
42 through the issuance of bonds or other obligations and the execution  
43 of any agreements with counties or public authorities to effect the  
44 refunding or rescheduling of solid waste facility bonds, or otherwise  
45 provide for the payment of all or a portion of any series of solid  
46 waste facility bonds. Any county or public authority refunding or  
47 rescheduling its solid waste facility bonds pursuant to this  
48 subsection shall provide for the payment of not less than fifty

1 percent of the aggregate debt service for the refunded or  
2 rescheduled debt of the particular county or public authority for the  
3 duration of the loan; except that, whenever the solid waste facility  
4 bonds to be refinanced were issued by a public authority and the  
5 county solid waste facility was utilized as a regional county solid  
6 waste facility, as designated in the respective adopted district solid  
7 waste management plans of the participating counties as approved  
8 by the department prior to November 10, 1997, and the utilization  
9 of the facility was established pursuant to tonnage obligations set  
10 forth in their respective interdistrict agreements, the public  
11 authority refunding or rescheduling its solid waste facility bonds,  
12 pursuant to this subsection, shall provide for the payment of a  
13 percentage of the aggregate debt service for the refunded or  
14 rescheduled debt of the public authority not to exceed the  
15 percentage of the specified tonnage obligation of the host county for  
16 the duration of the loan. Whenever the solid waste facility bonds  
17 are the obligation of a public authority, the relevant county shall  
18 execute a deficiency agreement with the authority, which shall  
19 provide that the county pledges to cover any shortfall and to pay  
20 deficiencies in scheduled repayment obligations of the public  
21 authority. All costs associated with the issuance of bonds pursuant  
22 to this subsection may be paid by the authority from the proceeds of  
23 these bonds. Any county or public authority is hereby authorized to  
24 enter into any agreement with the authority necessary, desirable, or  
25 convenient to effectuate the provisions of this subsection.

26 The authority shall not issue bonds or other obligations to effect  
27 the refunding or rescheduling of solid waste facility bonds after  
28 December 31, 2002. The authority may refund its own bonds issued  
29 for the purposes herein at any time;

30 ff. To pool loans for any local government units that are  
31 refunding bonds and do and perform any and all acts or things  
32 necessary, convenient, or desirable for the purpose of the authority  
33 to achieve more favorable interest rates and terms for those local  
34 governmental units;

35 gg. To finance projects approved by the board, provide staff  
36 support to the board, oversee and monitor progress on the part of  
37 the board in carrying out the revitalization, economic development,  
38 and restoration projects authorized pursuant to the "Municipal  
39 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
40 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities  
41 pursuant thereto;

42 hh. To offer financial assistance to qualified film production  
43 companies as provided in the "New Jersey Film Production  
44 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

45 ii. To finance or develop private or public parking facilities or  
46 structures, which may include the use of solar photovoltaic  
47 equipment, in municipalities qualified to receive State aid pursuant  
48 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and

1 municipalities that contain areas designated pursuant to P.L.1985,  
2 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),  
3 Planning Area 2 (Suburban), or a town center, and to provide  
4 appropriate assistance, including but not limited to, extensions of  
5 credit, loans, and guarantees, to municipalities qualified to receive  
6 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-  
7 178 et seq.) and municipalities that contain areas designated  
8 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning  
9 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town  
10 center, and their agencies and instrumentalities or to private entities  
11 whose projects are located in those municipalities, in order to  
12 facilitate the financing and development of parking facilities or  
13 structures in such municipalities. The authority may serve as the  
14 issuing agent of bonds to finance the undertaking of a project for  
15 the purposes of this subsection; and

16 jj. To establish and maintain a “manufacturing business  
17 assistance program” pursuant to sections 1 through 3 of P.L. \_\_\_\_\_,  
18 c. (C. \_\_\_\_\_) (pending before the Legislature as this bill) for the  
19 purposes set forth therein.

20 (cf: P.L.2010, c.28, s.3)

21  
22 7. This act shall take effect immediately.

## 23 24 25 STATEMENT

26  
27 This bill requires the New Jersey Economic Development  
28 Authority (authority) to establish a manufacturing business assistance  
29 program (program). The program is to consist of financial incentives  
30 and other types of assistance provided to a manufacturing business  
31 where the manufacturing business’s manufacturing facility is located  
32 within a manufacturing zone created by a municipality solely for  
33 manufacturing facilities under the municipality’s zoning powers. The  
34 authority is to provide priority assistance to a manufacturing business  
35 having a manufacturing facility located in a manufacturing zone within  
36 a “priority area,” as that term is defined in the bill. The authority is to  
37 modify its existing programs, if permissible by law, to promote and  
38 support manufacturing businesses in these areas.

39 The bill requires the authority, upon the approval of the State  
40 Treasurer, to modify its existing business assistance programs if  
41 permissible by law, to provide bonuses or other enhanced incentives to  
42 a manufacturing business having a manufacturing facility located in a  
43 manufacturing zone within a priority area.

44 The bill requires the authority to work cooperatively with other  
45 State departments, agencies, boards, commissions, and authorities to  
46 explore and implement opportunities to direct resources to those  
47 manufacturing businesses within priority areas, and provide

1 technology, financial, and workforce development opportunities to  
2 those manufacturing businesses within these zones and priority areas.

3 The bill requires the authority to establish an advisory committee  
4 to meet quarterly to advise and provide recommendations to the  
5 authority with respect to the functioning of the program and meeting  
6 the needs of the manufacturing businesses participating in the  
7 program. The executive director of the authority is to appoint the  
8 membership of the advisory committee, provided that at least seven  
9 members are to represent each of the following organizations: 1) the  
10 New Jersey Business and Industry Association; 2) the New Jersey  
11 State Chamber of Commerce; 3) the Commerce and Industry  
12 Association of New Jersey; 4) the African American Chamber of  
13 Commerce of New Jersey; 5) the Statewide Hispanic Chamber of  
14 Commerce of New Jersey; 6) the New Jersey Asian American  
15 Chamber of Commerce; and 7) the Chemistry Council of New Jersey.  
16 The authority is to annually report to the Governor and the Legislature  
17 on the recommendations of the advisory committee and on those  
18 manufacturing businesses participating in the program.

19 The bill allows a taxpayer that is a manufacturing business within a  
20 manufacturing zone located in a priority area to apply for a corporation  
21 business tax credit or gross income tax credit for the 2019 and 2020  
22 tax year equal to either:

- 23 • 10 percent of the costs of new manufacturing equipment installed  
24 at a new or existing manufacturing facility;
- 25 • 10 percent of the costs of improvements or additions that result in  
26 the renovation, modernization, or expansion of a manufacturing  
27 facility; or
- 28 • with respect to the employment of any new full-time employee  
29 hired and retained for at least 365 days following the effective date of  
30 the bill, the greater of 10 percent of the costs of training, salary, and  
31 benefits, or the deduction they are entitled to under current law.

32 The bill provides that expenditures in a manufacturing zone in a  
33 priority area for manufacturing equipment and manufacturing facility  
34 renovation, modernization, and expansion for which a corporation  
35 business tax credit is allowed under the bill are not to be expenditures  
36 for which a credit is allowed under the New Jobs Investment Tax  
37 Credit, the Manufacturing and Employment Investment Tax Credit, the  
38 Research and Development Credit, or the Effluent Treatment and  
39 Conveyance Equipment Credit. The bill also provides that a gross  
40 income tax credit is not allowed for any costs or expenses included in  
41 the calculation of any other tax credit or exemption granted pursuant to  
42 a claim made on a gross income tax return filed with the Director of  
43 the Division of Taxation in the Department of the Treasury.

44 The bill limits both the corporation business tax credit and the  
45 gross income tax credit to no more than 50 percent of the tax liability  
46 due under each respective tax. These tax credits are non-refundable  
47 and can be carried forward for either seven privilege periods or seven  
48 taxable years depending on each taxpayer's liability.