

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 492

STATE OF NEW JERSEY

DATED: JANUARY 27, 2020

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 492.

This bill would prohibit a State public body from awarding an economic development subsidy to a business that previously received an economic development subsidy that was a loan or loan guarantee if the payment of principal and interest on the loan or loan guarantee is more than 24 months overdue. Current law prohibits a State public body from awarding an economic development subsidy to a business that previously received an economic development subsidy that was a loan or loan guarantee if the business is in default on the loan or loan guarantee.

For the purposes of this bill, and current law:

"State public body" means the State of New Jersey or any agency, authority, board, commission, or instrumentality of the State, but does not mean a political subdivision of the State or an agency, authority, board, commission, or instrumentality of a political subdivision of the State; and

"Economic development subsidy" means the provision of an amount of funds to a recipient business by or from a State public body with a value of greater than \$25,000 for the purpose of stimulating economic development in New Jersey, including, but not limited to, a loan or loan guarantee.

This bill was pre-filed for introduction in the 2020-2021 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.