

ASSEMBLY, No. 4304

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 22, 2020

Sponsored by:

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Co-Sponsored by:

**Assemblymen Verrelli, Conaway, Giblin, Assemblywomen Vainieri Huttle
and Timberlake**

SYNOPSIS

Creates “Manufacturing Reboot Program” in EDA to provide financial assistance to certain manufacturing businesses; makes \$10 million appropriation to EDA.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/5/2021)

1 AN ACT establishing a “Manufacturing Reboot Program” in the
2 New Jersey Economic Development Authority, supplementing
3 P.L.1974, c.80 (C.34:1B-1 et seq.), and making an appropriation.
4

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

8 1. As used in P.L. , c. (C.) (pending before the
9 Legislature as this bill):

10 “Authority” means the New Jersey Economic Development
11 Authority established pursuant to section 4 of P.L.1974, c.80
12 (C.34:1B-4).

13 “Center” means the Business Action Center established in the
14 Department of State pursuant to Reorganization Plan No. 003-2011.

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

19 “Manufacturing facility” includes, but is not limited to, a factory,
20 mill, or plant at which more than 50 percent of the personal
21 property housed in the facility is manufacturing equipment.

22 “Program” means the “New Jersey Manufacturing Reboot
23 Program” established pursuant to section 2 of P.L. , c. (C.)
24 (pending before the Legislature as this bill).

25 “Qualified manufacturing business” means a manufacturing
26 business, as determined by the authority using the North American
27 Industry Classification System of 2017 of codes numbering 311111
28 through 339999 and that, as of the effective date
29 of P.L. , c. (C.) (pending before the Legislature as this
30 bill):

31 a. operates a manufacturing facility in this State at which the
32 manufacturing business:

33 (1) pays employees an average salary in excess of the existing
34 average salary for the county, as determined by the New Jersey
35 Department of Labor and Workforce Development, in which the
36 manufacturing facility is located; and

37 (2) provides employees with health benefits under a health
38 benefits plan authorized pursuant to State or federal law;

39 b. delivers products or services to customers outside the
40 manufacturing business's local market area or demonstrates the
41 capacity to do so; and

42 c. is organized for profit to perform a lawful, commercial
43 function.
44

45 2. a. (1) The New Jersey Economic Development Authority
46 shall establish the “New Jersey Manufacturing Reboot Program.”
47 The purpose of the program shall be to address the negative effect

1 the coronavirus disease 2019 pandemic has had on New Jersey
2 manufacturing businesses. The program shall be used by the
3 authority to assist qualified manufacturing businesses as they
4 develop new products or expand current manufacturing capabilities.

5 (2) The authority shall provide priority assistance to a qualified
6 manufacturing business having reduced sales revenues due to the
7 economic effects of, and increased costs to, its business operations
8 during the coronavirus disease 2019 pandemic, that is at risk of
9 discontinuing its manufacturing operations in this State as
10 determined by the authority, that is able to retool to produce
11 products for the healthcare industry such as medical devices,
12 personal protection equipment, or pharmaceuticals, especially any
13 vaccine used to reduce the spread of the transmission of coronavirus
14 disease 2019, and that is able to make adjustments for the qualified
15 manufacturing business's capacity to manufacture a vaccine for that
16 purpose.

17 (3) The authority shall provide assistance to a qualified
18 manufacturing business deemed eligible by the authority upon
19 application by a manufacturing business in a manner established by
20 the authority.

21 (4) The authority shall provide assistance to a qualified
22 manufacturing business only if the result of providing the assistance
23 will yield a net positive benefit to the State that equals a percentage
24 amount of a grant award determined by the authority.

25 (5) The authority shall work in conjunction with the center and
26 State, local, and private business assistance entities to develop and
27 promote the program.

28 b. (1) Under the program, the authority shall provide
29 assistance as grant awards ranging from \$25,000 to \$150,000 per
30 qualified manufacturing business as determined by the authority,
31 depending on the market potential and long-term economic impact
32 of a qualified manufacturing business's new production capabilities
33 on the State or regional economy. Each grant award to a qualified
34 manufacturing business shall be revenue neutral to the State as
35 determined by the authority. A grant award may be used by a
36 qualified manufacturing business for the purchase of manufacturing
37 equipment, machinery used in a manufacturing process, or
38 computer aided design or computer aided manufacturing equipment
39 or software, for payroll expenses or costs, or for the training of new
40 or existing employees, or both new and existing employees.

41 (2) A program application proposing new jobs creation shall
42 improve an applicant manufacturing business's chances of program
43 application approval; however, the creation of new jobs shall not be
44 required if the applicant manufacturing business can provide to the
45 authority evidence that the approval of a grant award will expand
46 sales, improve productivity, or increase diversification and
47 capabilities of the applicant manufacturing business.

1 by the EDA to assist “qualified manufacturing businesses,” as
2 defined in the bill, as they retool to develop new products or expand
3 current manufacturing capabilities. The EDA is to provide priority
4 assistance to a qualified manufacturing business (manufacturing
5 business) having sales revenues that have been reduced due to the
6 economic effects of, and increased costs to, its business operations
7 during the pandemic, that is at risk of discontinuing its
8 manufacturing operations in this State as determined by the EDA,
9 that is able to retool to produce products for the healthcare industry
10 such as medical devices, personal protection equipment, or
11 pharmaceuticals, especially any vaccine used to reduce the spread
12 of the transmission of coronavirus disease 2019, and that is able to
13 make adjustments for the manufacturing business's capacity to
14 manufacture a vaccine for that purpose.

15 The EDA is to provide a grant award to a qualified
16 manufacturing business deemed eligible by the EDA upon
17 application by a manufacturing business in a manner established by
18 the EDA, and only if the result of providing the grant will yield a
19 net positive benefit to the State that equals a percentage amount of a
20 grant award as determined by the EDA. The EDA is to work in
21 conjunction with the Business Action Center and State, local, and
22 private business assistance entities to develop and promote the
23 program.

24 Under the program, the EDA is to provide a grant award ranging
25 from \$25,000 to \$150,000 per manufacturing business, depending
26 on the market potential and long-term economic impact of a
27 manufacturing business's new production capabilities on the State
28 or regional economy. Each grant award is to be revenue neutral to
29 the State, as determined by the EDA, and a grant award may be
30 used by a manufacturing business for the purchase of manufacturing
31 equipment, machinery used in a manufacturing process, or
32 computer aided design or computer aided manufacturing equipment
33 or software, for payroll expenses or costs, or for the training of new
34 or existing employees. A program application proposing new jobs
35 creation will improve an applicant manufacturing business's
36 chances of application approval; however, the creation of new jobs
37 is not to be required if the applicant manufacturing business can
38 provide to the EDA evidence that the approval of a grant award will
39 expand sales, improve productivity, or increase diversification and
40 capabilities of the applicant manufacturing business.

41 The bill requires a manufacturing business to provide to the EDA
42 quarterly reports verifying its employment levels and expenditures
43 using grant funds provided by the EDA as determined by the EDA
44 and requires to EDA to report annually to the Governor and the
45 Legislature on the functioning of the program and whether the
46 program meets the needs of manufacturing businesses.

1 The bill appropriates from the General Fund to the EDA the sum
2 of \$10 million solely for the awarding of grants to manufacturing
3 businesses participating in the program. Of that amount, \$5 million
4 is to be used to award grants to manufacturing businesses
5 manufacturing a vaccine used to reduce the transmission of
6 coronavirus disease 2019, or is able to make adjustments for the
7 qualified manufacturing business's capacity to manufacture a
8 vaccine for that purpose. The remaining \$5 million is to be used to
9 provide grants to manufacturing businesses producing products for
10 the healthcare industry such as medical devices, personal protection
11 equipment, or pharmaceuticals that are not vaccines used to reduce
12 the spread of the transmission of coronavirus disease 2019. The
13 EDA may seek and accept gifts, grants, or donations from private or
14 public sources for funding the costs of the program, except that the
15 EDA may not accept a gift, grant, or donation that is subject to
16 conditions that are inconsistent with any other law of this State.