# ASSEMBLY, No. 5356

# STATE OF NEW JERSEY

## 219th LEGISLATURE

INTRODUCED FEBRUARY 22, 2021

**Sponsored by:**
**Assemblywoman ANNETTE QUIJANO**
**District 20 (Union)**
**Assemblyman JOHN ARMATO**
**District 2 (Atlantic)**
**Assemblyman PARKER SPACE**
**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**
**Assemblymen Dancer and Wirths**

**SYNOPSIS**

Establishes “Rural Business Development Program” in EDA; appropriates $35 million to EDA from federal funds.

**CURRENT VERSION OF TEXT**

As introduced.

**(Sponsorship Updated As Of: 2/22/2021)**

**AN ACT** concerning assistance to certain rural-based businesses and supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).

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

1. As used in sections 1 and 2 of P.L. , c. (C. ) (pending before the Legislature as this bill):

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

"Business Action Center" means the Business Action Center established in the Department of State pursuant to Reorganization Plan No. 003-2011.

"Department" means the New Jersey Department of Agriculture.

"Development fund" means the "Rural Business Development Fund" established pursuant to section 3 of P.L. , c. (C. ) (pending before the Legislature as this bill).

"Program" means the "Rural Business Development Program" established pursuant to P.L. , c. (C. ) (pending before the Legislature as this bill).

"Rural business" means a small business located within a rural census tract that operates a sustainable farm and a food system that enhances the local economy and the overall health of the local rural census tract in which the rural business serves.

"Rural census tract" means a census tract, as reported in the most recently completed decennial census published by the United States Census Bureau, that is not identified by the United States Census Bureau as an Urbanized Area or as an Urban Cluster.

"Small business" means a business engaged in the conduct of a trade or business in this State that qualifies as a "small business concern" within the meaning of the federal "Small Business Act," Pub.L.85-536 (15 U.S.C. s.631 et seq.) for the purpose of the small business's eligibility for receiving assistance from the United States Small Business Administration. "Small business" shall include, but not be limited to, a small business established and operating in this State that is certified, pursuant to federal law, under the United States Small Business Administration's 8(a) Business Development program or the HUBZone program, or as a small disadvantaged business, or as a business concern by the United States Department of Housing and Urban Development pursuant to section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. s.1701u).

2. The New Jersey Economic Development Authority, in consultation with the Business Action Center and the Department of Agriculture, shall establish and maintain a program to be known as the "Rural Business Development Program" to provide grant funding to a rural business to be used for the retention or creation of

employment positions at the rural business. The authority shall enter into an agreement with a rural business concerning the authority's provision of grant funding to a rural business for this purpose. The authority shall establish the terms and conditions by which a rural business may apply for participation in the program.

3. The authority shall establish and maintain within the program a special, non-lapsing, revolving fund to be known as the "Rural Business Development Fund" to provide grant funding to a rural business that participates in the program and to administer the program. The development fund shall be credited with $35,000,000 from an appropriation made to the authority pursuant to section 5 of P.L. , c. (C. ) (pending before the Legislature as this bill). The development fund may be credited with moneys made available by the authority for the purpose of the development fund and moneys received by the authority from any other public or private donations. The authority is authorized to seek and accept gifts, grants, or donations from private or public sources for deposit in the development fund, except that the authority may not accept a gift, grant, or donation that is subject to conditions that are inconsistent with any other law of this State.

4. a. In administering the program and the development fund, the authority shall establish:

(1) procedures and timelines for applications for the program;

(2) criteria for determining grant funding to be disbursed from the development fund to a rural business;

(3) reporting requirements for rural businesses accepted into the program and their receiving grant funding from the development fund; and

(4) any other policies deemed necessary by the authority for the administration of the program and the development fund. The authority, in its sole discretion, may amend these policies at any time if the policies are established or amended in a manner consistent with the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill).

b. The reporting requirements established pursuant to paragraph (3) of subsection a. of this section shall require a rural business receiving grant funding under the program to report to the authority every six months while the rural business participates in the program detailing how the rural business used grant funding to retain or create employment positions at the rural business, and any other information the authority requires in a form and manner determined by the authority.

5. There is appropriated from the General Fund to the New Jersey Economic Development Authority the sum of $35,000,000 from a portion of those federal block grant funds allocated to the

State from the federal "Coronavirus Relief Fund," established pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act," Pub.L.116-136, for use by the authority to provide grant funding to rural businesses that participate in the program established under P.L. , c. (C. ) (pending before the Legislature as this bill) and to administer that program.

6. This act shall take effect immediately.

STATEMENT

This bill requires the New Jersey Economic Development Authority (EDA) to establish and maintain a program to be known as the "Rural Business Development Program" (program) to provide grant funding to a "rural business," as defined in the bill, to be used for the retention or creation of employment positions at rural businesses. Under the bill, the EDA is to enter into an agreement with a rural business concerning the authority's provision of grant funding to the rural business for this purpose.

The EDA is to establish and maintain the "Rural Business Development Fund" (development fund) to provide grant funding to rural businesses that participate in the program and to administer the program. The development fund is to be credited with $35,000,000 from an appropriation made to the authority. The development fund may be credited with moneys made available by the EDA for the purpose of the development fund and moneys received by the authority from any other public or private donations.

In administering the program, the EDA is to establish:

1) procedures and timelines for applications for the program;

2) criteria for determining grant funding amounts to be disbursed from the development fund to rural businesses;

3) reporting requirements for rural businesses accepted into the program and their receiving grant funding from the development fund; and

4) any other policies deemed necessary by the EDA for the administration of the program and the development fund.

A rural business receiving grant funding under the program is to report to the EDA every six months while the rural business participates in the program detailing how the rural business used grant funding to retain or create employment positions at the rural business, and any other information the EDA requires.