

ASSEMBLY, No. 5427

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MARCH 8, 2021

Sponsored by:

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

Co-Sponsored by:

**Assemblymen Thomson, DePhillips, McClellan, Simonsen, DiMaio and
Scharfenberger**

SYNOPSIS

Requires EDA to establish program providing grants to qualified veterans purchasing franchises.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2021)

1 AN ACT concerning the provision of grant funding to veterans
2 purchasing a franchise and supplementing P.L.1974, c.80
3 (C.34:1B-1 et seq.).
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 “Franchise” means a written arrangement for a definite or
14 indefinite period, in which a person grants to one or more natural
15 persons a license to use a trade name, trade mark, service mark, or
16 related characteristic, and in which there is a community of interest
17 in the marketing of goods or services at wholesale, retail, by lease,
18 by agreement, or otherwise.

19 “Franchisee” means a natural person to whom a franchise is
20 offered or granted and shall include more than one natural person if
21 at least one natural person offered or granted a franchise is a
22 qualified veteran.

23 “Franchisor” means a person who grants or offers to grant a
24 franchise to a natural person.

25 “Person” means a natural person, corporation, partnership, trust,
26 or other entity and, in the case of an entity, “person” shall include
27 any other entity which has a majority interest in that entity or
28 effectively controls that other entity as well as the individual
29 officers, directors, and other persons in active control of the
30 activities of each entity.

31 “Place of business” means a fixed geographical location within
32 this State at which the franchisee displays for sale and sells the
33 franchisor's goods or offers for sale and sells the franchisor's
34 services. “Place of business” shall not mean an office, warehouse,
35 place of storage, residence or vehicle, except with respect to
36 persons who do not make a majority of their sales directly to
37 consumers, in which case, “place of business” means a fixed
38 geographical location within this State at which the franchisee
39 displays for sale and sells the franchisor's goods or offers for sale
40 and sells the franchisor's services, or an office or a warehouse from
41 which franchisee personnel visit or call upon customers or from
42 which the franchisor's goods are delivered to customers.

43 “Program” means the program established by the authority
44 pursuant to section 2 of P.L. , c. (C.) (pending before the
45 Legislature as this bill).

46 “Qualified veteran” means a veteran who has applied to, and has
47 been approved by, the authority for participation in the program

1 established pursuant to section 2 of P.L. , c. (C.) (pending
2 before the Legislature as this bill).

3 “Veteran” means any resident of the State who has been
4 discharged honorably or under general honorable conditions in any
5 branch of the Armed Forces of the United States, or a Reserve
6 component thereof, or the National Guard of this State or another
7 state as defined in section 1 of P.L.1963, c.109 (C.38A:1-1).

8
9 2. a. The New Jersey Economic Development Authority shall
10 establish a program that provides grant funding to a qualified
11 veteran who becomes a franchisee after the effective date of P.L. ,
12 c. (C.) (pending before the Legislature as this bill) and who
13 is approved by the authority for participation in the program
14 established for this purpose.

15 b. The authority shall establish the terms and conditions by
16 which a veteran may apply and receive approval from the authority
17 for participation in the program. The authority shall enter into an
18 agreement with a qualified veteran concerning the authority's
19 provision of grant funding to a qualified veteran approved for
20 participation in the program established for this purpose. The
21 authority shall provide a one-time grant of no more than \$10,000 to
22 each qualified veteran approved by the authority for participation in
23 the program.

24 c. The authority shall provide priority assistance to a veteran
25 who submits an application and receives program approval,
26 pursuant to subsection b. of this section, within six months after the
27 effective date of P.L. , c. (C.) (pending before the
28 Legislature as this bill), in a manner determined by the authority,
29 providing proof the veteran is a franchisee or the veteran has a valid
30 offer from a franchisor for the veteran to become a franchisee
31 operating at a location within this State.

32
33 3. a. In administering the program, and the fund established
34 pursuant to section 4 of P.L. , c. (C.) (pending before the
35 Legislature as this bill), the authority shall establish:

36 (1) procedures and timelines for applications for the program
37 and approvals thereof;

38 (2) criteria for determining grant funding to be disbursed from
39 the fund to a qualified veteran;

40 (3) reporting requirements for a qualified veteran accepted into
41 the program and the manner in which the qualified veteran applied
42 grant funding to the franchise; and

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

b. The reporting requirements established pursuant to paragraph (3) of subsection a. of this section shall require a qualified veteran receiving grant funding under the program to report to the authority, in a form and manner determined by the authority, within a year of receiving grant funding. The report shall include:

7 (1) proof that the qualified veteran used grant funding to
8 purchase a franchise operated at location within this State; and

9 (2) any other information the authority requires in a form and
10 manner determined by the authority.

4. The authority shall establish and maintain within the program a fund to provide grant funding to a qualified veteran that participates in the program and to administer the program. The fund may be credited with an appropriation made to the authority, monies made available by the authority for the purpose of the fund, and monies 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 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.

24 5. This act shall take effect immediately.

STATEMENT

29 This bill requires the New Jersey Economic Development
30 Authority (EDA) to establish a program that provides grant funding
31 to a veteran, approved by the EDA for program participation, who
32 becomes a “franchisee,” as defined in the bill, after the effective
33 date of the bill. The EDA is to establish the terms and conditions
34 by which a veteran may apply and receive approval from the EDA
35 for program participation. The EDA is to enter into an agreement
36 with a qualified veteran concerning the EDA's provision of grant
37 funding to a qualified veteran for this purpose. The EDA is to
38 provide a one-time grant of no more than \$10,000 to each veteran
39 approved by the EDA for participation in the program. The EDA is
40 to provide priority assistance to a qualified veteran who submits an
41 application and receives program approval within six months after
42 the effective date of the bill providing proof the veteran is a
43 franchisee, or has received a valid offer from a franchisor for the
44 veteran to become a franchisee, operating at a location within this
45 State.

46 The bill requires the EDA to establish and maintain a fund to
47 provide grant funding to a veteran that participates in the program
48 and to administer the program. The fund is to be credited with an

1 appropriation made to the EDA, with monies made available by the
2 EDA for the purpose of the fund, and monies received by the EDA
3 from any other public or private donations.

4 In administering the program and the fund, the EDA is to
5 establish: 1) procedures and timelines for applications for the
6 program and approvals thereof; 2) criteria for determining grant
7 funding to be disbursed from the fund to a qualified veteran; 3)
8 reporting requirements for a veteran participating in the program
9 and the qualified veteran's receiving grant funding from the fund;
10 and 4) any other policies deemed necessary by the EDA for the
11 administration of the program and the fund. The EDA, in its sole
12 discretion, may amend these policies at any time if the policies are
13 established or amended in a manner consistent with the provisions
14 of the bill. The reporting requirements require a veteran receiving
15 grant funding under the program to report to the EDA, in a form and
16 manner determined by the EDA, within a year of receiving grant
17 funding. The report is to include: 1) proof that the veteran used
18 grant funding to purchase a franchise within the State; and 2) any
19 other information the EDA requires in a form and manner
20 determined by the EDA.