

ASSEMBLY RESOLUTION No. 74

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman P. CHRISTOPHER TULLY

District 38 (Bergen and Passaic)

SYNOPSIS

Urges governors of New Jersey, Delaware, New York, and Pennsylvania to collaborate on tax incentive agreement similar to Kansas and Missouri's agreement.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



AR74 TULLY

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- 1 **AN ASSEMBLY RESOLUTION** urging the governors of New Jersey,
2 Delaware, New York, and Pennsylvania to collaborate on a tax
3 incentive agreement similar to Kansas and Missouri's agreement.
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- 5 **WHEREAS**, Kansas and Missouri collaborated on an agreement
6 regarding tax incentives after years of competing to entice
7 businesses to move into their respective state; and
8 **WHEREAS**, The incentives cost the taxpayers of Kansas and Missouri
9 approximately \$335 million for very few job gains; and
10 **WHEREAS**, The money spent on incentives was money that could
11 have funded programs and education to assist the citizens of both
12 states develop the skills and talent necessary for modern day jobs,
13 as a significant amount of jobs in the two states may become
14 obsolete because of automation; and
15 **WHEREAS**, Kansas and Missouri decided to use their resources to
16 grow the region as opposed to trying to lure existing businesses that
17 move across the border solely for economic development
18 incentives; and
19 **WHEREAS**, Trying to lure companies from other states is often an
20 ineffective job growth strategy, as businesses already existing
21 within a state account for approximately 80 percent of the job
22 growth within the state; and
23 **WHEREAS**, Kansas and Missouri will benefit from real economic
24 growth through new job creation and investment in the region; and
25 **WHEREAS**, New Jersey shares a border with three other states and is a
26 part of the New York City and Philadelphia metropolitan statistical
27 areas; and
28 **WHEREAS**, The governors of New Jersey, Delaware, New York, and
29 Pennsylvania can collaborate to create an agreement that fosters
30 cooperation, generates economic growth in the region, and benefits
31 the citizens of the region; and
32 **WHEREAS**, By encouraging the negotiation of an agreement similar
33 to the one agreed by Kansas and Missouri, the Senate of the State of
34 New Jersey encourages these states to avoid the costly competition
35 that plagued Kansas and Missouri and instead focus on
36 collaborating to produce economic growth within the region; now,
37 therefore,
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- 39 **BE IT RESOLVED** *by the General Assembly of the State of New*
40 *Jersey:*
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- 42 1. This House urges the governors of New Jersey, Delaware,
43 New York, and Pennsylvania to collaborate on a tax incentive
44 agreement similar to Kansas and Missouri's agreement.
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- 46 2. Copies of this resolution, as filed with the Secretary of State
47 shall be transmitted by the Clerk of the General Assembly to the

1 Governor, and to the governors of Delaware, New York, and
2 Pennsylvania.

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STATEMENT

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7 This resolution urges the governors of New Jersey, Delaware,
8 New York, and Pennsylvania to collaborate on agreement similar to
9 the one agreed upon by Kansas and Missouri.

10 For years, Kansas and Missouri competed to entice businesses to
11 move into their respective states. By one estimate, the cost of these
12 estimates was approximately \$335 million and resulted in the
13 creation of very few job gains. This money could have assisted the
14 citizens of the two states with developing the skills and talent
15 necessary for modern day jobs through programs and education.
16 This is especially crucial because a significant amount of jobs in the
17 two states may become obsolete because of automation.
18 Furthermore, luring businesses from other states is often an
19 ineffective strategy for generating job growth because more than 80
20 percent of jobs created in a state come from companies that already
21 exist within the state.

22 New Jersey shares borders with three states and is a part of the
23 New York City and Philadelphia metropolitan statistical areas. It is
24 important to encourage the State of New Jersey and its neighbors to
25 collaborate and avoid engaging in a costly war to poach companies
26 from other states via tax incentives. By encouraging the Governor
27 and governors of neighboring states to collaborate on a tax
28 incentive agreement similar to the one negotiated by Kansas and
29 Missouri, the Senate encourages the governors to avoid trying to
30 lure companies across borders and instead focus on generating job
31 and economic growth in the region.