SENATE, No. 1383

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Senator SHIRLEY K. TURNER
District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes employment goals and requirements for development subsidies.

CURRENT VERSION OF TEXT

As introduced.

AN ACT establishing certain employment goals and requirements in connection with development subsidies and supplementing P.L.2007, c.200 (C.52:39-1 et seq.).

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

1. a. A public body shall not grant a development subsidy to a recipient corporation in any case in which the total value per job of all development subsidies provided from all sources to the recipient corporation is:

(1) Greater than $75,000 per job created or retained at the project site inside New Jersey if all of the jobs are located in an economically distressed municipality; or

(2) Greater than $50,000 per job created or retained at the project site inside New Jersey if not all of the jobs are located in an economically distressed municipality.

The value per job of the development subsidies shall be determined by dividing the total value of the subsidies by the anticipated number of full-time jobs created or retained inside New Jersey at the project site disclosed in the application pursuant to paragraph (6) of subsection a. of section 4 of P.L.2007, c.200 (C.52:39-4). Any job which is relocated to the project site from another site shall be subtracted from the number of jobs regarded as created or retained at the project site when calculating the number of jobs created or retained for the purpose of making the determination of the amount of assistance provided per job pursuant to this subsection. The granting body may, by regulation or policy or by agreements with recipient corporations, set maximum levels of development subsidy per job which are lower, but not higher, than the levels specified in this subsection.

b. (1) A granting body shall not grant a development subsidy to a recipient corporation that is a small business unless the average weekly wages plus the average weekly employer-paid costs of employee benefits paid to all employees at the project site, except employees in temporary jobs, equals or exceeds 50% of the Statewide average weekly remuneration paid to workers by employers, as determined under subsection (c) of R.S.43:21-3.

(2) A granting body shall not grant a development subsidy to a recipient corporation that is not a small business unless the average weekly wages plus the average weekly employer-paid benefit costs paid to all employees at the project site, except employees in temporary jobs, equals or exceeds two thirds of the Statewide average weekly remuneration paid to workers by employers, as determined under subsection (c) of R.S.43:21-3.

A granting body may, by regulation or policy or by agreements with recipient corporations, set minimum wage and benefit requirements higher, but not lower, than the level specified in this

subsection and set the maximum value of a development subsidy per job created at an amount lower, but not higher, than the level specified in this subsection.

c. The requirements of subsection b. of this section regarding wage levels shall not apply to any development subsidy with the exclusive purpose of providing subsidized employment or training services or other employment-directed and workforce development programs for employees or prospective employees of the recipient corporation, including services or programs for disabled individuals or individuals undergoing vocational rehabilitation, training or education of individuals less than 18 years old, or literacy, English as a second language or basic skills training.

d. For the purposes of this section:

"Economically distressed municipality" means a New Jersey municipality that had an unemployment rate more than 150% of the Statewide unemployment rate during not less than two of the last three calendar years, or is a municipality within a school district that received education opportunity aid or preschool expansion aid in the 2007-2008 school year.

“Small business” means a recipient corporation whose corporate parent, and all subsidiaries thereof, employ fewer than 25 full-time employees or have total gross receipts of less than $1,000,000 during the most recent calendar year.

2. A recipient corporation shall, not later than the end of the second full State fiscal year after the date of the development subsidy, fulfill the requirements of section 1 of this act regarding job creation and retention and wage and benefit requirements for the project site. The recipient corporation shall maintain its job creation and wage goals as long as the development subsidy is in effect, or five years, whichever is longer. A granting body may set a minimum period of time during which the recipient corporation is required to maintain its job creation and wage goals to be longer, but not shorter, than the minimum period specified by this section.

3. Any application submitted pursuant to section 4 of P.L.2007, c.200 (C.52:39-4) shall include, in the certification required pursuant to paragraph (5) of subsection a. of that section 4, a certification signed by the chief officer of the recipient corporation that the application meets all of the requirements of section 1 of this act regarding the minimum number and minimum weekly pay and benefit levels of the jobs created or retained as a result of the development subsidies.

4. Each annual progress report filed by a recipient corporation with the granting body pursuant to section 5 of P.L.2007, c.200 (C.52:39-5), except for the first annual report, shall certify whether the recipient corporation is in compliance with the job creation, wage

and benefit requirements of sections 1 and 2 of this act. If the requirements of those sections are not being met, the report shall provide a full disclosure of the amount of any shortfall in job creation and retention rates and wage and benefit rates compared to the rates required by those sections.

5. The provisions of sections 1 and 2 of this act shall not apply to any development subsidy awarded prior to the effective date of this act, except that any subsidy awarded prior to the effective date of this act shall, as long as it is in effect, be counted toward the maximum dollar amount permitted per job in the award of any development subsidy after the effective date of this act.

6. The State Treasurer shall, in consultation with the Commissioner of Labor and Workforce Development, and pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate any rules and regulations necessary to implement the provisions of this act.

7. This act shall take effect immediately, but the provisions of sections 1 and 2 of this act shall remain inoperative until the 180th day after the enactment of this act.

STATEMENT

This bill sets requirements regarding job creation, job retention, wage and benefit levels for certain businesses which are granted development subsidies, including tax incentives, by any State agency.

The bill limits the maximum total value of development subsidies granted to a business, from all sources, to $75,000 per job created or retained, if all of the jobs are in an economically distressed municipality, or $50,000 per job created or retained, if they are not. The jobs are required to provide, if the subsidy recipient is a small business, an average weekly pay and benefit level of at least 50% of the average pay level for all workers in the State, and, for other businesses, at least two thirds of the State average pay level.

The bill permits a granting agency, by regulation, policy or agreements with subsidy recipients, to set minimum wage and benefit requirements higher, but not lower, than the level specified by the bill and set the maximum value of a subsidy per job created at an amount lower, but not higher, than the specified level.

The bill’s wage-level requirements do not apply to development subsidies exclusively providing training and related services.

A development subsidy recipient is required, starting not later than the end of the second full fiscal year after the date of the subsidy, to fulfill the bill’s requirements for job creation, job retention, wage and

benefit levels and maintain those levels as long as the development subsidy is in effect, or five years, whichever is longer, although a granting agency may set a longer time period in which the job creation and wage requirements apply.