

SENATE, No. 1640

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senator Pou

SYNOPSIS

Authorizes political subdivisions to require recipients of economic development incentives to enter into community benefits agreements.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/24/2020)

1 AN ACT concerning community benefits agreements and
2 supplementing Title 40A of the New Jersey Statutes.

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

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7 1. a. A political subdivision within this State may condition the
8 grant of any economic development subsidy which either alone or in
9 the aggregate is in excess of \$100,000 from that political subdivision
10 upon the grantee's promise to enter into a community benefits
11 agreement.

12 b. As used in this section:

13 "Community benefits agreement" means a legally binding contract
14 concerning a specific project required by ordinance, resolution, or
15 policy of a county, municipality, or other political subdivision within
16 this State, which agreement shall include, but not be limited to,
17 provisions:

18 (1) requiring contractors and developers of the project to make
19 specific contributions for the benefit of the community; and

20 (2) detailing the project's contributions to the community related
21 to:

22 (a) local hiring provisions,

23 (b) area wage and benefits standards consistent with State statutes,

24 (c) the engagement of local businesses for the provision of goods
25 and services, or

26 (d) any other negotiated activity in exchange for the economic
27 development subsidy.

28 "Economic development subsidy" means the provision of an
29 amount of funds to a recipient business by or from a political
30 subdivision within the State for the purpose of stimulating economic
31 development in New Jersey, including, but not limited to, any bond,
32 grant, loan, loan guarantee, matching fund, tax credit, or other tax
33 expenditure. "Economic development subsidy" shall not mean any
34 contract under which a State public body purchases or otherwise
35 procures goods, services, or construction on an unsubsidized basis,
36 including any contract solely for the construction or renovation of a
37 facility owned by a State public body.

38 "Tax expenditure" means the amount of foregone tax collections
39 due to any abatement, reduction, exemption, credit, or transfer
40 certificate against any State or local tax, including, but not limited to:
41 taxes on raw materials, inventories, or other assets; taxes on gross
42 receipts, income, or sales; and any use, excise, or utility tax. "Tax
43 expenditure" shall not mean: any credit against any tax liability of an
44 employee; any personal exemption, homestead rebate, credit, or
45 deduction for the expenses of a household or individual; or other
46 reduction of the tax liability of an individual or household.

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48 2. This act shall take effect immediately.

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This bill authorizes any political subdivision within this State, when granting an economic development subsidy in an amount, either alone or in the aggregate, in excess of \$100,000 to a developer, to condition the grant proceeds upon the grantee's promise to enter into a community benefits agreement. The bill defines "community benefits agreement" to mean a legally binding contract concerning a specific project which requires contractors and developers of the project to make specific contributions for the benefit of the community including, but not limited to, provisions related to local hiring, area wage and benefits standards, or engaging local businesses for the provision of goods and services.