

SENATE, No. 2665

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JULY 6, 2020

Sponsored by:

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Senator ANTHONY M. BUCCO

District 25 (Morris and Somerset)

SYNOPSIS

Creates “Manufacturing Reboot Program” in EDA to provide financial assistance to certain manufacturing businesses; makes \$10 million appropriation to EDA.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 7/16/2020)

1 AN ACT establishing a “Manufacturing Reboot Program” in the
2 New Jersey Economic Development Authority, supplementing
3 P.L.1974, c.80 (C.34:1B-1 et seq.), and making an appropriation.
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 “Center” means the Business Action Center established in the
14 Department of State pursuant to Reorganization Plan No. 003-2011.

15 “Manufacturing equipment” means machinery, apparatus, or
16 equipment used in the production of tangible personal property that
17 is eligible for the sales tax exemption pursuant to section 25 of
18 P.L.1980, c.105 (C.54:32B-8.13).

19 “Manufacturing facility” includes, but is not limited to, a factory,
20 mill, or plant at which more than 50 percent of the personal
21 property housed in the facility is manufacturing equipment.

22 “Program” means the “New Jersey Manufacturing Reboot
23 Program” established pursuant to section 2 of P.L. , c. (C.)
24 (pending before the Legislature as this bill).

25 “Qualified manufacturing business” means a manufacturing
26 business, as determined by the authority using the North American
27 Industry Classification System of 2017 of codes numbering 311111
28 through 339999 and that, as of the effective date of
29 P.L. , c. (C.) (pending before the Legislature as this bill):

30 a. operates a manufacturing facility in this State at which the
31 manufacturing business:

32 (1) pays employees an average salary in excess of the existing
33 average salary for the county, as determined by the New Jersey
34 Department of Labor and Workforce Development, in which the
35 manufacturing facility is located; and

36 (2) provides employees with health benefits under a health
37 benefits plan authorized pursuant to State or federal law;

38 b. delivers products or services to customers outside the
39 manufacturing business's local market area or demonstrates the
40 capacity to do so; and

41 c. is organized for profit to perform a lawful, commercial
42 function.
43

44 2. a. (1) The New Jersey Economic Development Authority
45 shall establish the “New Jersey Manufacturing Reboot Program.”
46 The purpose of the program shall be to address the negative effect
47 the coronavirus disease 2019 pandemic has had on New Jersey
48 manufacturing businesses. The program shall be used by the

1 authority to assist qualified manufacturing businesses as they
2 develop new products or expand current manufacturing capabilities.

3 (2) The authority shall provide priority assistance to a qualified
4 manufacturing business having reduced sales revenues due to the
5 economic effects of, and increased costs to, its business operations
6 during the coronavirus disease 2019 pandemic, that is at risk of
7 discontinuing its manufacturing operations in this State as
8 determined by the authority, that is able to retool to produce
9 products for the healthcare industry such as medical devices,
10 personal protection equipment, or pharmaceuticals, especially any
11 vaccine used to reduce the spread of the transmission of coronavirus
12 disease 2019, and that is able to make adjustments for the qualified
13 manufacturing business's capacity to manufacture a vaccine for that
14 purpose.

15 (3) The authority shall provide assistance to a qualified
16 manufacturing business deemed eligible by the authority upon
17 application by a manufacturing business in a manner established by
18 the authority.

19 (4) The authority shall provide assistance to a qualified
20 manufacturing business only if the result of providing the assistance
21 will yield a net positive benefit to the State that equals a percentage
22 amount of a grant award determined by the authority.

23 (5) The authority shall work in conjunction with the center and
24 State, local, and private business assistance entities to develop and
25 promote the program.

26 b. (1) Under the program, the authority shall provide
27 assistance as grant awards ranging from \$25,000 to \$150,000 per
28 qualified manufacturing business as determined by the authority,
29 depending on the market potential and long-term economic impact
30 of a qualified manufacturing business's new production capabilities
31 on the State or regional economy. Each grant award to a qualified
32 manufacturing business shall be revenue neutral to the State as
33 determined by the authority. A grant award may be used by a
34 qualified manufacturing business for the purchase of manufacturing
35 equipment, machinery used in a manufacturing process, or
36 computer aided design or computer aided manufacturing equipment
37 or software, for payroll expenses or costs, or for the training of new
38 or existing employees, or both new and existing employees.

39 (2) A program application proposing new jobs creation shall
40 improve an applicant manufacturing business's chances of program
41 application approval; however, the creation of new jobs shall not be
42 required if the applicant manufacturing business can provide to the
43 authority evidence that the approval of a grant award will expand
44 sales, improve productivity, or increase diversification and
45 capabilities of the applicant manufacturing business.

46

47 3. a. A qualified manufacturing business shall provide to the
48 authority quarterly reports verifying its employment levels and

1 those expenditures from grant awards provided by the authority as
2 determined by the authority.

3 b. The authority shall report annually to the Governor and,
4 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the
5 Legislature on the functioning of the program and whether the
6 program meets the needs of qualified manufacturing businesses.
7 The report shall include, but not be limited to, the number and
8 locations of qualified manufacturing businesses participating in the
9 program, the number of jobs created or maintained by those
10 qualified manufacturing businesses, the amount of any capital
11 investment made by qualified manufacturing businesses as a result
12 of participation in the program, and the amount of any grants
13 awarded to those qualified manufacturing businesses.

14
15 4. a. There is appropriated from the General Fund to the New
16 Jersey Economic Development Authority the sum of \$10,000,000
17 solely for the award of grants to qualified manufacturing businesses
18 pursuant to P.L. , c. (C.) (pending before the Legislature as
19 this bill). Of that \$10,000,000 amount, \$5,000,000 shall be used to
20 provide grant awards to qualified manufacturing businesses
21 manufacturing a vaccine used to reduce the spread of the
22 transmission of coronavirus disease 2019, and that is able to make
23 adjustments for the qualified manufacturing business's capacity to
24 manufacture a vaccine for that purpose. The remaining \$5,000,000
25 shall be used to provide grant awards to qualified manufacturing
26 businesses producing products for the healthcare industry such as
27 medical devices, personal protection equipment, or pharmaceuticals
28 that are not vaccines used to reduce the transmission of coronavirus
29 disease 2019.

30 b. The authority is authorized to seek and accept gifts, grants,
31 or donations from private or public sources for funding the costs of
32 the program, except that the authority may not accept a gift, grant,
33 or donation that is subject to conditions that are inconsistent with
34 any other law of this State.

35
36 5. This act shall take effect immediately.

37
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39 STATEMENT

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41 This bill establishes a New Jersey “Manufacturing Reboot
42 Program” (program) within the New Jersey Economic Development
43 Authority (EDA). The purpose of the program is to address the
44 negative effects the coronavirus disease 2019 pandemic has had on
45 New Jersey manufacturing businesses. The program is to be used
46 by the EDA to assist “qualified manufacturing businesses,” as
47 defined in the bill, as they retool to develop new products or expand
48 current manufacturing capabilities. The EDA is to provide priority

1 assistance to a qualified manufacturing business (manufacturing
2 business) having sales revenues that have been reduced due to the
3 economic effects of, and increased costs to, its business operations
4 during the pandemic, that is at risk of discontinuing its
5 manufacturing operations in this State as determined by the EDA,
6 that is able to retool to produce products for the healthcare industry
7 such as medical devices, personal protection equipment, or
8 pharmaceuticals, especially any vaccine used to reduce the spread
9 of the transmission of coronavirus disease 2019, and that is able to
10 make adjustments for the manufacturing business's capacity to
11 manufacture a vaccine for that purpose.

12 The EDA is to provide a grant award to a qualified
13 manufacturing business deemed eligible by the EDA upon
14 application by a manufacturing business in a manner established by
15 the EDA, and only if the result of providing the grant will yield a
16 net positive benefit to the State that equals a percentage amount of a
17 grant award as determined by the EDA. The EDA is to work in
18 conjunction with the Business Action Center and State, local, and
19 private business assistance entities to develop and promote the
20 program.

21 Under the program, the EDA is to provide a grant award ranging
22 from \$25,000 to \$150,000 per manufacturing business, depending
23 on the market potential and long-term economic impact of a
24 manufacturing business's new production capabilities on the State
25 or regional economy. Each grant award is to be revenue neutral to
26 the State, as determined by the EDA, and a grant award may be
27 used by a manufacturing business for the purchase of manufacturing
28 equipment, machinery used in a manufacturing process, or
29 computer aided design or computer aided manufacturing equipment
30 or software, for payroll expenses or costs, or for the training of new
31 or existing employees. A program application proposing new jobs
32 creation will improve an applicant manufacturing business's
33 chances of application approval; however, the creation of new jobs
34 is not to be required if the applicant manufacturing business can
35 provide to the EDA evidence that the approval of a grant award will
36 expand sales, improve productivity, or increase diversification and
37 capabilities of the applicant manufacturing business.

38 The bill requires a manufacturing business to provide to the EDA
39 quarterly reports verifying its employment levels and expenditures
40 using grant funds provided by the EDA as determined by the EDA
41 and requires to EDA to report annually to the Governor and the
42 Legislature on the functioning of the program and whether the
43 program meets the needs of manufacturing businesses.

44 The bill appropriates from the General Fund to the EDA the sum
45 of \$10 million solely for the awarding of grants to manufacturing
46 businesses participating in the program. Of that amount, \$5 million
47 is to be used to award grants to manufacturing businesses
48 manufacturing a vaccine used to reduce the transmission of

1 coronavirus disease 2019, or is able to make adjustments for the
2 qualified manufacturing business's capacity to manufacture a
3 vaccine for that purpose. The remaining \$5 million is to be used to
4 provide grants to manufacturing businesses producing products for
5 the healthcare industry such as medical devices, personal protection
6 equipment, or pharmaceuticals that are not vaccines used to reduce
7 the spread of the transmission of coronavirus disease 2019. The
8 EDA may seek and accept gifts, grants, or donations from private or
9 public sources for funding the costs of the program, except that the
10 EDA may not accept a gift, grant, or donation that is subject to
11 conditions that are inconsistent with any other law of this State.