

SENATE BILL NO. 2704

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 2704 without my approval.

This bill would appropriate \$30 million to the New Jersey Economic Development Authority ("EDA") from a portion of the federal block grant funds allocated to the State from the federal Coronavirus Relief Fund, established pursuant to the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act for use by the EDA to provide loans and grants to food establishments for costs associated with business operation interruptions caused by Executive Order No. 158 (2020). Executive Order No. 158 temporarily paused the resumption of indoor dining in the State and was issued, after consultation with the Department of Health, in response to alarming spikes in Coronavirus disease 2019 ("COVID-19") cases across the nation. At the time, governors and health commissioners in several states, as well as independent public health experts, identified activities in indoor food and beverage establishments as a cause of the rise in cases.

The COVID-19 pandemic is having a devastating impact on small businesses throughout the country and here in New Jersey. With respect to the business community, the impacts of the crisis have reached every industry in the world, but the pandemic's impacts on the food establishments that drive the State's hospitality industry have been particularly acute. The bars and restaurants across our beach towns, villages, nature preserves, and urban centers are an indispensable component of the State's economy, and I commend the bill's sponsors for their efforts to assist these businesses during this extraordinarily challenging time.

To help these crucial businesses emerge from this pandemic stronger and more resilient, my Administration, together with our partners in the Legislature and members of our congressional delegation, announced on October 13, 2020 that \$100 million in additional CARES Act funding will be available to support New Jersey residents and businesses affected by the COVID-19 pandemic. The bulk of the money, \$70 million, will be

distributed to restaurants, microbusinesses, and other small businesses through Phase 3 of the EDA's Small Business Emergency Assistance Grant Program. This includes \$35 million reserved exclusively to support businesses classified as "Food Services and Drinking Places." These funds will supplement the \$115 million in CARES Act funds that have already been allocated for economic development and re-employment programs. Through a suite of highly effective programs, the EDA has utilized these funds to help tens of thousands of businesses with cash flow and working capital shortfalls, and for reimbursement of lost revenue that resulted from the business interruption caused by COVID-19.

I applaud the sponsors of Senate Bill No. 2704 for their proactive efforts to assist New Jersey businesses during this critical time. However, following the recent announcement that an additional \$100 million in CARES Act funding will be available to support New Jersey residents and businesses, including \$35 million dedicated to food establishments, the goals of this bill have already been achieved. I look forward to working closely with my partners in the Legislature in the days and weeks ahead to advance additional economic recovery programs to combat the economic turmoil caused by the COVID-19 pandemic.

Accordingly, I herewith return Senate Bill No. 2704 without my approval.

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Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor