

SENATE, No. 3457

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 11, 2021

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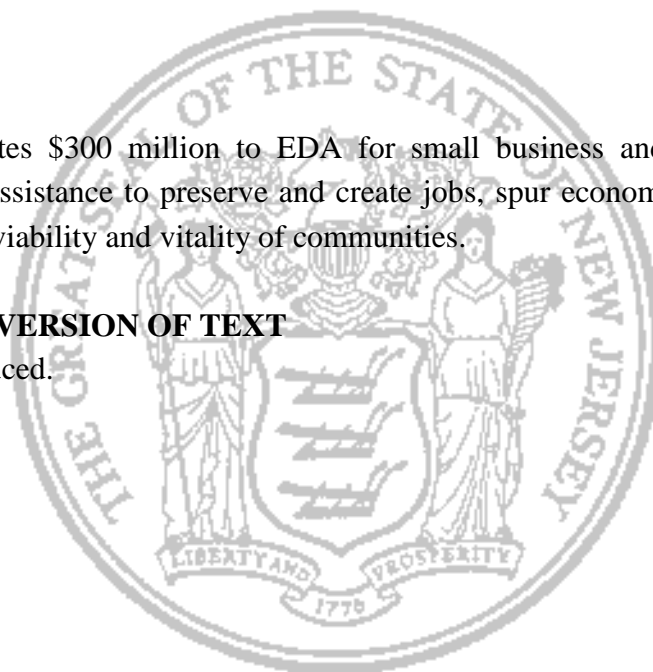
Senators Holzapfel, Corrado, Oroho, Pennacchio, Singer, A.M.Bucco, Bateman, Doherty, Thompson, Connors, Singleton and Pou

SYNOPSIS

Appropriates \$300 million to EDA for small business and not-for-profit corporation assistance to preserve and create jobs, spur economic growth, and preserve the viability and vitality of communities.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/25/2021)

1 AN ACT allocating funding to the New Jersey Economic
2 Development Authority for certain small business and not-for-
3 profit corporation assistance, 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. a. The Legislature finds and declares that:

9 (1) The negative effects of the coronavirus disease 2019
10 pandemic (COVID-19) have resulted in thousands of established
11 small businesses and (501)(c)(3) not-for-profit associations,
12 corporations, and organizations (nonprofits) suspending their
13 operations or scaling back their ability to serve customers and
14 remain viable, and led to some closing permanently;

15 (2) COVID-19 has significantly disrupted the otherwise
16 previously viable plans of small businesses and nonprofits that had
17 only recently opened, or had planned to open, early in 2020;

18 (3) The impact of COVID-19 has resulted not only in hardships
19 for small businesses and nonprofits, but has affected the viability
20 and vitality of “main streets” and other locales where small
21 businesses and nonprofits serve customers, meet community needs,
22 and create “livable communities”;

23 (4) Prior State and federal governmental programs providing
24 assistance to small business and nonprofits proved to be of only
25 limited value due to overly restrictive program eligibility
26 requirements and caps on the amount of financial assistance
27 provided under these programs;

28 (5) Small businesses and nonprofits seeking to reopen, ramp up,
29 or resume full operations will face a difficult and uncertain
30 economic climate as the State slowly recovers from the economic,
31 fiscal, and healthcare impact of COVID-19; and

32 (6) There will be significant additional closures of small
33 businesses and nonprofits leading to further job losses, reduced
34 economic activity, fewer services, and the deterioration of “main
35 streets” and “livable communities” without significant additional
36 assistance provided to small businesses and nonprofits.

37 b. The Legislature therefore determines that an appropriation of
38 \$300 million to the New Jersey Economic Development Authority
39 will allow the authority’s grant, loan, and loan guarantee programs
40 to meet the unmet Statewide needs of small businesses and
41 nonprofits in order to preserve and create jobs, spur economic
42 activity, provide services, and have a positive effect on the viability
43 and vitality of “main streets” and other locales where small
44 businesses and nonprofits serve customers, meet community needs,
45 and create “livable communities.”
46

47 2. There is appropriated from the General Fund, to the New
48 Jersey Economic Development Authority the sum of \$300 million

1 for use by the authority to provide financial support, such as loans,
2 loan guarantees, and grants, to small businesses and (501)(c)(3) not-
3 for-profit organizations whose revenues or budgets were
4 significantly impacted by the COVID-19 pandemic, and to small
5 businesses and (501)(c)(3) not-for-profit organizations that preserve
6 or create jobs, provide needed services, preserve or revitalize
7 communities, or fill vacant storefronts or occupy under-utilized
8 space.

9
10 3. When expanding existing or creating new authority
11 assistance programs with the funds appropriated pursuant to section
12 2 of this act, the authority shall do so with a sense of urgency to
13 prevent additional small business and nonprofit organization
14 closures, to preserve and create jobs, and to spur economic
15 recovery. Among other assistance program provisions that the
16 authority may adopt, the authority shall adopt provisions providing
17 for:

- 18 a. the availability of program assistance Statewide;
- 19 b. eligibility for small businesses and nonprofit organizations
20 that employed no more than 50 full-time employees in the previous
21 three months and have lost revenue due to the COVID-19
22 pandemic;
- 23 c. eligibility for new or existing small businesses and nonprofit
24 organizations that preserve or create jobs, preserve or revitalize
25 communities, provide needed services, or fill vacant stores or
26 occupy under-utilized space;
- 27 d. sufficiently higher caps on maximum grant or loan support
28 to make the assistance meaningful for applicants;
- 29 e. the simplicity of applications with rolling application
30 periods and adequate application submission deadlines;
- 31 f. the ability and resources of the authority to promptly review
32 and approve applications and expend funds in those instances where
33 awards are made;
- 34 g. reasonable flexibility in the use of grants or loans; and
- 35 h. an affirmative marketing and outreach effort by the authority
36 to publicize assistance to small businesses and nonprofit
37 organizations.

38
39 4. This act shall take effect immediately.
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42 STATEMENT
43

44 This bill appropriates \$300 million from the General Fund to the
45 New Jersey Economic Development Authority (EDA) for use by the
46 EDA to provide financial support, such as loans, loan guarantees,
47 and grants, to small businesses and (501)(c)(3) not-for-profit
48 organizations (nonprofits) whose revenues or budgets were

1 significantly impacted by the COVID-19 pandemic, and to small
2 businesses and nonprofits that preserve or create jobs, provide
3 needed services, preserve or revitalize communities, or fill vacant
4 stores or occupy under-utilized space.

5 The bill provides that, when expanding existing or creating new
6 EDA assistance programs with the funds appropriated pursuant to
7 the bill, the EDA is to do so with a sense of urgency to prevent
8 additional small business and nonprofit closures. Among other
9 assistance program provisions that the EDA may adopt, the EDA is
10 to adopt provisions providing for:

- 11 1) the availability of program assistance Statewide;
- 12 2) eligibility for small businesses and nonprofit organizations
13 that employed no more than 50 full-time employees on their payroll
14 for the previous three months and have lost revenue due to the
15 COVID-19 pandemic;
- 16 3) eligibility for new or existing small businesses and nonprofit
17 organizations that preserve or create jobs, preserve or revitalize
18 communities, provide needed services, or fill vacant stores or
19 occupy under-utilized space;
- 20 4) higher caps on maximum grant or loan support to make the
21 assistance meaningful for applicants;
- 22 5) the simplicity of applications with rolling application
23 periods and adequate application submission deadlines;
- 24 6) the ability and resources of the EDA to promptly review and
25 approve applications and expend funds in those instances where
26 awards are made;
- 27 7) reasonable flexibility in the use of grants or loans; and
- 28 8) an affirmative marketing and outreach effort by the EDA to
29 publicize assistance to small businesses and nonprofits.