

TRENTON WATCH

February 23, 2018

Tracking Legislation and Other Items Important to the Business Community:

ECONOMIC DEVELOPMENT

Senate Budget and Appropriations Committee



Urban Enterprise Zones - [S-846](#) (Turner/D-15; Cruz-Perez/D-5): Senate committee amended the bill and passed. Extends the duration of the first five (Bridgeton, Camden, Newark, Plainfield, and Trenton) designated urban enterprise zones (UEZ) for two years. The bill authorizes qualifying businesses within UEZ to continue charging and collecting the State's sales and use tax at 50 percent of its normal rate. The legislation also requires the New Jersey Urban Enterprise Zone Authority to review and issue a report on the UEZ program. **Contact:** [Michael Egenton](#)

Senate Budget and Appropriations Committee S-846

Vote: Sarlo, Paul A. (C) - Yes; Stack, Brian P. (VC) - Yes; Addiego, Dawn Marie - Yes; Bucco, Anthony R. - Not Voting; Cruz-Perez, Nilsa - Yes; Cunningham, Sandra B. - Yes; Diegnan, Patrick J., Jr. - Yes; Greenstein, Linda R. - Yes; O'Scanlon, Declan J., Jr. - Not Voting; Oroho, Steven V. - No; Ruiz, M. Teresa - Yes; Singleton, Troy - Yes; Thompson, Samuel D. - No

Senate Economic Growth Committee



Establishes Economic Redevelopment and Growth Grant Bond Financing Act - [A-2041](#) (Coughlin/D-19; Holley/D-20; Pintor Marin/D-29)/[S-1840](#) (Vitale/D-19; Gopal/D-11): Assembly passed 65-6. Referred to

Senate Economic Growth committee and passed. Authorizes creation of economic recovery districts under the Economic Redevelopment and Growth Grant (ERGG) program. These districts would be designated by municipalities to promote new project development. The legislation allows municipalities with these districts to provide additional funding through local incentive grants or bonds. The funding would be delivered by the municipality's economic recovery district management corporation to developers, and would serve as private financing for their development project. These municipalities also would be able to levy and collect a special assessment lien on the project to cover shortfalls between the grant and the debt service on bonds issued by the district utility. Allowing municipalities to monetize the ERGG program upfront will encourage the approval of new development projects. **Contact:** [Michael Egenton](#)

Senate Economic Growth Committee A-2041/S-1840

Vote: Cruz-Perez, Nilsa (C) - Yes; Singleton, Troy (VC) - Yes; Gopal, Vin - Yes; Oroho, Steven V. - Yes; Pennacchio, Joseph - Yes

**Creates Economic Gardening Program - [S-](#)**

[1311](#) (Cruz-Perez/D-5): Senate committee passed. This bill establishes an "Economic Gardening Program" within the Business Action Center (BAC) in the

Department of State. The program would provide customized services to qualified second-stage growth businesses in New Jersey. Among its qualifications, "second-stage growth businesses" are those that generate between \$600,000 and \$50 million annually, demonstrate revenue or job growth and/or are in the process of expanding beyond the local market area or have already done so. These services would focus on counseling or management consulting such as reviews of core strategies and guidance on how to increase visibility through the Internet. The BAC would be required to annually report the program's status to the Governor and the Legislature. **Contact:** [Michael Egenton](#)

Senate Economic Growth Committee S-1311

Vote: Cruz-Perez, Nilsa (C) - Yes; Singleton, Troy (VC) - Yes; Gopal, Vin - Yes; Oroho, Steven V. - Yes; Pennacchio, Joseph - Yes

**Creates EDA Development Program for Startup Businesses - [S-1898](#) (Cruz-Perez/D-5)/[S-1899](#)(Beach, James/D-6; Ruiz/D-29):** Senate committee combined

the two bills and passed with amendments. The legislation requires the Economic Development Authority (EDA) to establish the "Startup Businesses in Business Incubators Development Program." It is designed to provide financial assistance and support services to an accelerator business or incubator business. To qualify, the business must be located in an urban transit hub or within one mile of a research institution, and it must operate in specified industries. The business community was seeking amendments to the original legislation because it was allocating funds for the Grant Program using up to \$1 million from the societal benefits charge (SBC), diverting it from its original purpose. With the amendment to combine the two bills, the mandate to financially back the program with the SBC was removed. **Contact:** [Michael Egenton](#)

Senate Economic Growth Committee S-1898/S-1899

Vote: Cruz-Perez, Nilsa (C) - Yes; Singleton, Troy (VC) - Yes; Gopal, Vin - Yes; Oroho, Steven V. - Yes; Pennacchio, Joseph - Yes

ENERGY**RGGI - [A-1212](#) (McKeon/D-27; Gusciora/D-15; Vainieri Huttie/D-37):** Assembly Passed 48-24.

Clarifies previous law by requiring the State's full participation in the Regional Greenhouse Gas Initiative (RGGI). The State Chamber opposed this measure because the RGGI program ultimately contributes to higher energy prices for

residents and businesses in New Jersey. Additionally, states that contribute to New Jersey's overall air quality (such as Pennsylvania) continue to not participate in the RGGI cap-and-trade program. The State Chamber had requested updated data on the program as well as benchmarking of other states that were in the program to gauge effectiveness. **Contact:** [Michael Egenton](#)

Senate Environment and Energy Committee



Clean Energy Technology Center, Alternative and Clean Energy Investment Trust Fund - [S-359](#)

(Rice/D-28; Gill/D-34): Senate committee passed. Referred to Senate Budget and Appropriations

Committee. Establishes a Clean Energy Technology Center and Alternative Clean Energy Investment Trust Fund for the purpose of creating clean energy-related employment opportunities. These initiatives would be supported by the societal benefits charge (SBC). The business community contributes substantially to the societal benefits charge through energy utility bills. While the State Chamber supports the bill's intention, we oppose the measure because it diverts the SBC revenue from its original purpose, and there is no limit on the amount of funding to be used. **Contact:** [Michael Egenton](#)

Senate Environment and Energy Committee S-359

Vote: Smith, Bob (C) - Yes; Greenstein, Linda R. (VC) - Yes; Bateman, Christopher - No; Codey, Richard J. - Yes; Oroho, Steven V. - No

ENVIRONMENT

Senate Environment and Energy Committee



Allows the Creation of Stormwater Utilities - [S-1073](#)

(Smith/D-17; Bateman/R-16): This bill was open for discussion only. Authorizes municipalities, counties and certain authorities to establish stormwater utilities.

Municipalities and counties would be permitted to finance the operation of stormwater utilities through the imposition of "user fees" and the issuance of bonds. Under the bill, stormwater utility charges would be directly related to the specific costs of the stormwater utility, and the DEP would receive 5 percent of the fees collected to fund future programs related to stormwater utilities. The State Chamber has concerns with the cost of this legislation since it imposes an additional tax on businesses. **Contact:** [Michael Egenton](#)

INSURANCE

Senate Commerce Committee



Coverage Mandate for Amino Acid-Based Elemental Formulas - [S-1692](#) (Greenstein/D/14):

Senate committee passed. Referred to Senate Budget and Appropriations Committee. Requires certain health insurers (including the State Health Benefits Program and the School Employees' Health Benefits Program) to provide coverage for certain amino acid-based elemental formulas. These are used to treat those with abnormal amounts of eosinophils, a type of white blood cell that causes inflammation in the digestive system. The State Chamber opposes this measure because over-the-counter drugs are not normally covered by the School Employees' Health Benefits Program and the State Health Benefits Program, which means that costs will increase for the employers participating in these plans. This bill would also trigger the ACA's defrayment provision, which requires states to pick up the costs of additional services beyond the mandated essential health benefits. **Contact:** [Michael Egenton](#)

Senate Commerce Committee S-1692 Vote: Pou, Nellie (C) - Yes; Cryan, Joseph P. (VC) - Yes; Cardinale, Gerald - Yes; Kean, Thomas H., Jr. - Yes; Vitale, Joseph F. - Yes

TAXATION

Senate Budget and Appropriations Committee



Reciprocal Personal Income Tax Agreements - [S-878](#) (Madden/D-4; Sweeney/D-3; Singleton/D-7):

Senate committee passed. This bill restricts the authority of the Director of the Division of Taxation in the Department of the Treasury to terminate reciprocal personal income tax agreements with other states. This legislation would require that the termination of such an agreement only be completed through the enactment of a law by the State Legislature and Governor. Should a debate over a reciprocal income tax agreement come up in the future, this bill would ensure that this issue receives the deliberation it deserves. **Contact:** [Michael Egenton](#)

Senate Budget and Appropriations Committee S-878

Vote: Sarlo, Paul A. (C) - Yes; Stack, Brian P. (VC) - Yes; Addiego, Dawn Marie - Yes; Bucco, Anthony R. - Not Voting; Cruz-Perez, Nilsa - Yes; Cunningham, Sandra B. - Yes; Diegnan, Patrick J., Jr. - Yes; Greenstein, Linda R. - Yes; O'Scanlon, Declan J., Jr. - Not Voting; Oroho, Steven V. - Yes; Ruiz, M. Teresa - Yes; Singleton, Troy - Yes; Thompson, Samuel D. - Yes

Thumbs up and down indicates the chamber's support or opposition to issues. Call the State Chamber Government Relations Department at [\(609\) 989-7888](#) with questions or comments.

