

**CHAPTER 31**  
**AUTHORITY ASSISTANCE PROGRAMS**

**Authority**

N.J.S.A. 34:1B-1 et seq.; and P.L. 2008, c. 112 and P.L. 2008, c. 117.

**Source and Effective Date**

R.2005 d.274, effective July 22, 2005.  
See: 37 N.J.R. 1714(a), 37 N.J.R. 3058(a).

**Chapter Expiration Date**

Chapter 31, Authority Assistance Programs, expires on July 22, 2010.

Subchapter 5, InvestNJ Business Grant Program, and Subchapter 6, Main Street Business Assistance Program, expire February 2, 2010. See: 41 N.J.R. 1103(a).

**Chapter Historical Note**

Chapter 31, Authority Assistance Programs, was adopted as R.1990 d.410, effective August 20, 1990. See: 22 N.J.R. 1545(a), 22 N.J.R. 2536(a).

Subchapter 7, Local Development Financing Fund, was adopted as R.1992 d.421, effective October 19, 1992. See: 24 N.J.R. 2534(a), 24 N.J.R. 3735(a).

Subchapter 8, Hazardous Discharge Site Remediation Fund, was adopted as R.1994 d.192, effective April 18, 1994. See: 25 N.J.R. 4468(a), 26 N.J.R. 1706(c).

Subchapter 9, New Jersey Boat Industry Loan Guarantee Fund, was adopted as R.1994 d.376, effective July 18, 1994. See: 26 N.J.R. 1613(a), 26 N.J.R. 2919(a).

Pursuant to Executive Order No. 66(1978), Chapter 31, Authority Assistance Programs, was readopted as R.1995 d.435, effective July 20, 1995. See: 27 N.J.R. 2377(a), 27 N.J.R. 3216(a).

Subchapter 10, Business Employment Incentive Program, was adopted as R.1996 d.470, effective October 7, 1996. See: 28 N.J.R. 3058(a), 28 N.J.R. 4510(b).

Subchapter 11, Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund, was adopted as R.1998 d.151, effective March 16, 1998. See: 29 N.J.R. 5236(b), 30 N.J.R. 1054(a).

Subchapter 12, Technology Business Tax Certificate Transfer Program, was adopted as R.1999 d.381, effective November 1, 1999. See: 31 N.J.R. 2522(a), 31 N.J.R. 3525(a).

Pursuant to Executive Order No. 66(1978), Chapter 31, Authority Assistance Programs, was readopted as R.2000 d.297, effective June 16, 2000. See: 32 N.J.R. 1705(a), 32 N.J.R. 2602(c).

Chapter 31, Authority Assistance Programs, was readopted as R.2005 d.274, effective July 22, 2005. Subchapter 5, Export Revolving Line of Credit; Subchapter 6, New Jersey Trade Adjustment Assistance Center; Subchapter 9, New Jersey Boat Industry Loan Guarantee Fund and Subchapter 13, Rules for Implementation of an Act Concerning the Restructuring of Certain Solid Waste Facility Bonds, and Providing for the Financing Thereof through the New Jersey Economic Development Authority, P.L.2001, c.401 were repealed by R.2005 d.274, effective August 15, 2005. See: Source and Effective Date. See, also, section annotations.

Subchapter 4, Downtown Beautification Program, was repealed by R.2009 d.38, effective January 20, 2009. See: 40 N.J.R. 5954(a), 41 N.J.R. 638(a).

Subchapter 9, Urban Transit Hub Tax Credit Program, was adopted as new rules by R.2009 d.53, effective February 2, 2009. See: 40 N.J.R. 6426(a), 41 N.J.R. 807(a).

Pursuant to P.L. 2008, c. 27, §10 (N.J.S.A. 34:1B-219) and by notice of administrative change, Subchapter 3, Energy Sales Tax Exemption Program, of Chapter 121 of Title 12A was recodified as Subchapter 13 of Chapter 31 of Title 19, effective January 29, 2009. See: 41 N.J.R. 1102(a).

Subchapter 5, InvestNJ Business Grant Program, and Subchapter 6, Main Street Business Assistance Program, were adopted as special new rules by R.2009 d.73, effective February 2, 2009. See: 41 N.J.R. 1103(a).

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#### SUBCHAPTER 1. BOND FINANCING PROGRAM

##### 19:31-1.1 Program description

(a) The Authority is empowered to issue tax-exempt and taxable bonds, the proceeds of which can be used to provide low-interest loans to businesses, governmental entities and certain nonprofit organizations to finance projects which provide or maintain employment and/or tax ratables.

(b) Most bond financings are not guaranteed by the Authority or the State, and are payable solely from revenues generated by the project being financed.

(c) The general credit of neither the Authority nor the State is pledged to secure the bonds.

Amended by R.2000 d.297, effective July 17, 2000.

See: 32 N.J.R. 1705(a), 32 N.J.R. 2602(c).

In (a), inserted a reference to governmental entities.

##### 19:31-1.2 Bond purchaser

(a) The applicant shall secure a written commitment from a bond purchaser.

(b) A bond purchaser shall be:

1. A commercial bank or other institutional lender;
2. An underwriter or placement agent;
3. A privately owned entity; or
4. An individual.

1. The value of the grant shall be seven percent of the capital investment provided that no grantee shall receive more than \$1 million; and

2. The sum of investment grants awarded shall not exceed \$70 million, which not more than \$20 million shall be allocated for capital investment grants described under paragraph 2 of "capital investment" as defined in N.J.A.C. 19:31-5.2.

(b) The employment grant component shall provide an incentive to businesses to create full-time eligible positions that are retained for at least one year by the grantee, as follows:

1. The value of the grant shall be \$3,000 to qualified businesses for each eligible position created, provided that no grantee shall receive more than \$500,000; and

2. The sum of employment grants awarded shall not exceed \$50 million.

#### 19:31-5.4 Eligibility criteria

(a) A business shall be eligible for the issuance of an investment grant if it:

1. Has operated continuously for at least the two years preceding the filing of an application for a grant;
2. Employs at least five full-time employees; and
3. Makes a capital investment in New Jersey after December 9, 2008 but prior to January 1, 2011.

(b) A business shall be eligible for the issuance of an employment grant if it:

1. Has operated continuously in this State for at least the two years preceding the filing of an application for a grant;
2. Employs at least five full-time employees;
3. Adds an eligible position created in New Jersey after December 1, 2008 and before January 1, 2011, for a period of at least 12 consecutive months in this State; and
4. Has experienced a net increase in employment of eligible positions in this State during the same 12 consecutive months.

#### 19:31-5.5 Application requirements

(a) A business seeking to participate in the investment grant component or in the employment grant component shall submit an application prior to January 1, 2011. Applications shall be posted on the EDA's website at [www.njeda.com](http://www.njeda.com).

(b) The Chief Executive Officer shall review and may approve an application for the investment grant and issue payment of the grant amount pursuant to a series of scheduled payments as determined by the Chief Executive Officer and

subject to the submission of proof by an approved applicant of the expenditures contributing to the capital investment. Grants will be made in the order in which completed disbursement requests are received and approved; and approvals will be subject to the limits set forth at N.J.A.C. 19:31-5.3(a)2 and subject to appropriation and the availability of funds.

(c) The Chief Executive Officer shall review and may approve an application for the employment grant and issue payment of the grant upon the submission of proof by an approved applicant of the employment of an individual in the eligible position during a period of at least 12 consecutive months in this State and proof of the other requirements set forth in N.J.A.C. 19:31-5.4(b). Such submission shall be subject to review and audit by the Department of Labor and Workforce Development. Grants will be made in the order in which completed disbursement requests are received and approved; and approvals will be subject to the limits set forth at N.J.A.C. 19:31-5.3(b)2 and subject to appropriation and the availability of funds.

#### 19:31-5.6 Application procedures and disbursement process

(a) To apply, the applicant should complete the InvestNJ application and submit it to the Authority for review.

(b) A completed application includes:

1. The company's name, address and year established;
2. The number of existing full time employees;
3. The estimated number of eligible positions to be created (for job creation grant request);
4. A brief description of capital investment (for capital investment grant request) and a proposed line item budget for improvements to be made at site as well as a certification that business has not received a construction permit or ordered equipment after December 9, 2008; and
5. At the request of the Authority, any additional information deemed necessary to evaluate the application.

(c) Upon receipt of a completed application, the business will receive notification that the application has been received.

(d) For disbursement of job creation grants, funds may be provided after eligible positions have been sustained for a 12-month period. Companies will be required to:

1. Evidence that the position(s) has been maintained for a 12-month period;
2. Provide a copy of the original application;
3. Evidence that the positions were covered under a group health plan;
4. Complete a tax clearance certificate application and questionnaire to identify any pending legal matters; and

5. Evidence fulfillment of prevailing wage or affirmative action requirements, if applicable.

(e) For disbursement of capital investment grants, companies will be required to:

1. Provide those items at (d)2 through 5 above; and
2. Provide invoices for the capital investment expenses incurred.

(f) Once the items required in (d) and (e) above are received and reviewed by staff for completeness and eligibility, staff may make a recommendation to the Chief Executive Officer for approval. Upon approval, a grant agreement detailing the terms of the grant and any compliance requirements will be sent to the company. Upon execution of the grant agreement, the company may request disbursement and a check will be mailed to the company for the approved amount of the grant.

### 19:31-5.7 Restrictions

(a) For the purpose of determining eligibility for an investment grant pursuant to N.J.A.C. 19:31-5.3(a), the authority shall exclude any expenses incurred at a site for which the business is receiving a Business Employment Incentive Program grant pursuant to the provisions of P.L. 1996, c. 26 (N.J.S.A. 34:1B-124 et seq.), a Business Retention and Relocation Assistance Grant pursuant to P.L. 1996, c. 25 (N.J.S.A. 34:1B-112 et seq.) or an Urban Transit Hub Tax Credit pursuant to P.L. 2007, c. 346 (N.J.S.A. 34:1B-207 et seq.), and shall exclude any expenses covered by a retail sales purchase exemption pursuant to section 20 of P.L. 1983, c. 303 (N.J.S.A. 52:27H-79), section 25 of P.L. 1980, c. 105 (N.J.S.A. 54:32B-8.13), section 26 of P.L. 1980, c. 105 (N.J.S.A. 54:32B-8.14), section 28 of P.L. 1980, c. 105 (N.J.S.A. 54:32B-8.16), section 41 of P.L. 1980, c. 105 (N.J.S.A. 54:32B-8.29), section 45 of P.L. 1980, c. 105 (N.J.S.A. 54:32B-8.33), or section 11 of P.L. 1981, c. 546 (N.J.S.A. 54:32B-8.36).

(b) For the purpose of determining eligibility for an employment grant pursuant to N.J.A.C. 19:31-5.3(b), the authority shall not include any position that is included in the calculation of a Business Employment Incentive Program grant pursuant to the provisions of P.L. 1996, c. 26 (N.J.S.A. 34:1B-124 et seq.), a Business Retention and Relocation Assistance Grant pursuant to P.L. 1996, c. 25 (N.J.S.A. 34:1B-112 et seq.) or an Urban Transit Hub Tax Credit pursuant to P.L. 2007, c. 346 (N.J.S.A. 34:1B-207 et seq.).

### 19:31-5.8 Affirmative action and prevailing wage

The Authority's affirmative action requirements P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4) and prevailing wage requirements P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) will apply to both components of the InvestNJ Business Grant Program.

### 19:31-5.9 Forfeiture and repayment of grants

A grantee of the investment grant that fails to comply with a grant agreement, which shall include a requirement that the capital investment be maintained in New Jersey for not less than a year, shall repay any grant amount received and, if so determined by the Chief Executive Officer, shall pay a penalty not in excess of 10 percent of the grant amount.

## SUBCHAPTER 6. MAIN STREET BUSINESS ASSISTANCE PROGRAM

### 19:31-6.1 Applicability and scope

The New Jersey Economic Development Authority is promulgating these rules to implement the Main Street Business Assistance Program Act, P.L. 2008, c. 117 (the "Act"). The Act established the Main Street Business Assistance Program to provide guarantees and loans to small and mid-size businesses and not-for-profit organizations on an expedited basis for a period not to exceed two years from the date of enactment to stimulate the economy.

### 19:31-6.2 Terms of financial assistance

(a) Under the Main Street Business Assistance Program, the Authority may provide direct loan, loan participation and/or guarantee products and line of credit guarantee products.

1. For the direct loan and loan participation product, the maximum amount will be \$1 million per total transaction for fixed assets and \$750,000 per transaction for working capital, not to exceed 25 percent of total transaction;

2. For the loan guarantee product, the maximum guarantee will be \$2 million per transaction for fixed assets and \$1.5 million per transaction for working capital, not to exceed 50 percent of total transaction; and

3. For the line of credit product, the maximum amount will be \$250,000, not to exceed 50 percent of the total transaction.

(b) The combination of direct loan, loan participation, loan guarantee and line of credit guarantee shall not exceed the lesser of \$2 million or 50 percent of total bank commitment.

(c) The Authority shall provide public notice of the rate of interest to be charged for the Main Street Business Assistance Program as authorized by the Members through, among other methods, listing on the agency's website at [www.njeda.com](http://www.njeda.com).

(d) For purposes of (a)1 and 2 above, the term shall not exceed five years; and for (a)3 above, the term shall be up to two years based on the term of bank line of credit.

**19:31-6.3 Eligibility criteria**

(a) Under the Main Street Business Assistance Program, preference for assistance will be given to:

1. A business which has operated continuously for at least the two years preceding the filing of an application; and
2. A project which may:
  - i. Maintain employment;
  - ii. Create or maintain tax ratables;
  - iii. Be located in an economically distressed area; or
  - iv. Represent an important economic sector of the State.

**19:31-6.4 Application requirements**

(a) A business seeking to participate in the direct loan, loan participation and guarantee and line of credit products shall comply with the Authority's application procedures as set forth in N.J.A.C. 19:31-2.3.

(b) Authority staff will undertake the evaluation process set forth at N.J.A.C. 19:31-2.4. The Chief Executive Officer shall review and may approve applications, which will be processed in the order in which completed applications are received.

**19:31-6.5 Affirmative action and prevailing wage**

The Authority's affirmative action requirements P.L. 1979, c. 203 (N.J.S.A. 34:1B-5.4) and prevailing wage requirements P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) will apply to projects undertaken in connection with financial assistance received under the Main Street Business Assistance Program.

## SUBCHAPTER 7. LOCAL DEVELOPMENT FINANCING FUND

**19:31-7.1 Applicability and scope**

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority to implement "The New Jersey Local Development Financing Fund Act" (P.L. 1983, c. 190). This Act established the Local Development Financing Fund, a special depository fund for the purpose of providing financial assistance to certain commercial and industrial projects in certain municipalities who sponsor these projects.

**19:31-7.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the New Jersey Local Development Financing Fund Act (P.L. 1983, c.190) as amended and supplemented.

"Eligible project" means a project which has been approved by the Authority to receive financial assistance from the Local Development Financing Fund.

"Eligible project costs" means the costs of planning, developing, executing and making operative, an industrial or commercial redevelopment project. Eligible project costs include:

1. The cost of purchasing, leasing, condemning, or otherwise acquiring land or other property, or an interest therein, in the designated project area or as necessary for a right-of-way or other easement to or from the project area;
2. The cost incurred for, or in connection with, or incidental to, acquiring and managing the land, property or interest;
3. The cost incurred for, or in connection with, the relocating and moving of persons displaced by acquisition;
4. The cost of development or redevelopment, including:
  - i. The comprehensive renovation or rehabilitation of the land, property or interest;
  - ii. The cost of equipment and fixtures which are part of the real estate, and the cost of production machinery and equipment necessary for the operation of the project;
  - iii. The cost of energy conservation improvements designed to encourage the efficient use of energy resources, including renewable and alternative energy resources and cogenerating facilities; and
  - iv. The disposition of land or other property for these purposes.
5. The cost of demolishing, removing, relocating, renovating, altering, constructing, reconstructing, installing or repairing any land or any building, street, highway, alley, utility, service or other structure or improvement;
6. The cost of acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements necessary to the project; and
7. The cost incurred or incidental cost including, but not limited to:
  - i. Administrative, appraisal and economic analysis;
  - ii. Engineering service;
  - iii. Planning service;
  - iv. Design service;
  - v. Architectural service;

- vi. Surveying service; and
- vii. Other professional service.

“Financial assistance” means, but is not limited to, loans, loan guarantees, grants, secondary mortgages, and equity participation provided by the fund.

“Fund” means the Local Development Financing Fund.

“Municipality” means a New Jersey municipality qualifying for aid pursuant to the State formula for State aid to

municipalities (see N.J.S.A. 52:27D-178) for services and to offset property taxes.

“Project” means an industrial or commercial enterprise within a municipality that would not be undertaken in its intended scope but for the assistance provided for under the Act and these rules.

“Sponsor” means the governing body of a municipality or, with the approval of the government of the municipality, a