

**CHAPTER 2**  
**GRANT PROGRAMS**

**Authority**

N.J.S.A. 34:1B-112 and P.L. 1996, c.25.

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**SUBCHAPTER 1. BUSINESS RELOCATION ASSISTANCE GRANT PROGRAM**

**12A:2-1.1 Scope and purpose**

This subchapter establishes the rules governing the Business Relocation Assistance Grant Program. The Program provides funds to eligible applicants for the purpose of funding a portion of the cost associated with relocating a business to a new business location. The intent of the fund is to encourage economic development and job creation by providing grants in an amount up to and including 50 percent of the total allowable relocation costs. The amount of an individual grant shall not exceed 80 percent of the projected new income tax revenues from the new jobs created by a grant applicant.

**12A:2-1.2 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings, unless the content clearly indicates otherwise.

“Application” means a Business Relocation Assistance Grant Program application.

“Business” means any employer subject to the provisions of the Unemployment Compensation Law (N.J.S.A. 43:21-1 et seq.) and may include a sole proprietorship, a partnership, or a corporation that has made an election under Subchapter S of Chapter One of Subtitle A of the Internal Revenue Code of 1986, or any other business entity through which income flows as a distributive share to its owners, limited liability company, nonprofit corporation, or any other form of business organization located either within or outside the State, including a cooperative association.

“Business relocation grant” or “grant” means a grant provided to fund a portion of the employer’s relocation costs pursuant to the Business Relocation Assistance Grant Program.

“Commissioner” means the Commissioner of Commerce and Economic Development.

“Cooperative association” shall include financial, stock or commodities exchanges.

“Department” means the Department of Commerce and Economic Development.

“Full-time employee” means a person who is employed for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment.

“New business location” means the premises that the business has either purchased or built or for which the business has entered into a written lease for a period of no less than eight years from the date of relocation.

“New full-time job” means a job held by a full-time employee that did not exist in this State prior to the business relocating to the new business location.

“New income tax revenue” means the total amount withheld by the business during the taxable year from the wages of employees in new full-time jobs pursuant to the “New Jersey Gross Income Tax Act,” N.J.S.A. 54A:1-1 et seq., as certified by the Director of the Division of Taxation.

“Program” means the Business Relocation Assistance Grant Program created pursuant to N.J.S.A. 34:1B-112 et seq.

“Relocation costs” means the costs incurred by the business in moving and installing furniture, files, office equipment or other machinery or equipment in the new business location; the cost of installation of telephones and other communication equipment; and the cost incurred in the purchase of office furniture and fixtures.

“Total allowable relocation costs” means the lesser of total relocation costs or \$400.00 times the number of new full-time jobs created.

#### 12A:2-1.3 Funding limitations

(a) The program may provide grants in an amount up to and including 50 percent of the total allowable relocation costs, but in no case shall the amount of an individual grant exceed 80 percent of the projected new income tax revenues from the new jobs created by a grant applicant.

(b) No grant shall be disbursed until the new income tax revenues equal or exceed the amount of the grant.

#### 12A:2-1.4 Eligibility criteria

(a) To qualify for a grant, a business shall:

1. Relocate a minimum of 25 new full-time jobs to this State; or

2. Move to expanded facilities within the State and create a minimum of 25 new full-time jobs in the State.

(b) An employer that is receiving a Business Employment Incentive Grant pursuant to N.J.S.A. 34:1B-124 et seq., shall not be eligible to receive a Business Relocation Assistance Grant, except upon the approval of the State Treasurer.

(c) An employer that is receiving any other grant by operation of State law shall not receive an amount as a grant pursuant this subchapter which, when combined with such other grants, exceeds 80 percent of its new income tax revenue, except upon the approval of the State Treasurer. Amounts received as grants from the Office of Customized Training pursuant to the “1992 New Jersey Employment and Workforce Development Act,” P.L. 1992, c.43 (N.J.S.A. 34:15D-1 et seq.) shall be excluded from the calculation of the total amount permitted under this subchapter.

#### 12A:2-1.5 Requests for applications

The Department shall make available Business Relocation Assistance Grant Program applications on request. Application requests may be addressed to the Commissioner, Department of Commerce and Economic Development, 20 West State Street, CN 820, Trenton, NJ 08625.

#### 12A:2-1.6 Submission requirements

(a) Each program application to the Department for a Business Relocation Assistance Grant shall be submitted to the Department at least 45 days prior to moving to the new business location and shall include the following information:

1. The name and address of the applicant;

2. A schedule of short-term and long-term employment projections of the business in the State based upon the relocation;

3. An estimate of the projected relocation costs;
4. The terms of any lease agreements or details of the purchase or building of the new business location;
5. An estimate of the projected new income tax revenues resulting from the relocation;
6. A description of the type of contribution the employer can make to the long-term growth of the State's economy;
7. A description of the nature of the business or employer, such as sole proprietorship, partnership or S corporation, and a copy of the State income tax return for the business showing business activity or income, appropriate to the form of ownership of the business; and
8. Such additional information as may be required by the Commissioner to provide a complete and accurate description of the project.

#### 12A:2-1.7 Grant agreement

All applicants shall execute an agreement with the Department to establish the terms and conditions associated with the grant.

#### 12A:2-1.8 Application and review procedures

(a) Applicants shall submit to the Department a completed Business Relocation Assistance Grant Program application. The application shall bear either a legible (non-metered) post-mark or a date stamp from the Commissioner's Office.

(b) The Department shall conduct a review of the applications, commencing with the application bearing the earliest submission date. In determining credit given applicants for full time employees, the Department shall give preference to those whose employees earn an average of at least 1.5 times the minimum wage. The Department may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. The Department shall review the applications to determine whether:

1. The application is made on behalf of an eligible applicant; and

2. The application documents describe the proposed relocation of an employer to a new business location.

(c) Upon completion of the review of an application pursuant to (b) above, the Department shall notify the applicant in writing whether the application has been approved, approved with modification, or denied. Grants shall be decided in the order that applications are submitted.

1. In the event that an application is approved, an agreement shall be executed with the Department to establish the terms and conditions associated with the grant.

2. In the event that an application is approved with modification, the Department shall indicate preliminarily in writing, the terms under which a grant will be extended to the applicant and the amount of the grant.

3. In the event that an application is denied, the applicant shall be ineligible to receive a grant under this program and shall not be permitted to submit another application for the same project under this program.

#### **12A:2-1.9 Apportionment of grant**

A grant received under this program by a partnership, Subchapter S-Corporation, or other such business entity shall be apportioned among the persons to whom the income or profit of the partnership, Subchapter S-Corporation, or other entity is distributed, in the same proportions as those in which the income or profit is distributed.

#### **12A:2-1.10 Monitoring**

The Department shall monitor all grant recipients. Monitoring shall be for the purpose of assuring that the business receiving the grant meets the terms of the grant agreement and complies with any condition or requirement thereof.

#### **12A:2-1.11 Rescission and withholding of funds**

(a) The Department, in addition to any other rights or remedies available pursuant to law, may withhold, reduce or terminate payment of a grant or any portion thereof for good cause. The circumstances under which this may occur include:

1. Failure to comply with the requirements of this subchapter, or other applicable State laws or rules;
2. Failure to comply with any condition or requirement of the grant agreement;

3. Failure to maintain the employment levels stipulated in the grant agreement;

4. Submission of false or misleading information, or failure to submit relevant information to the Department;

5. Insolvency, bankruptcy or other conditions affecting the financial integrity of the applicant; and

6. Failure to comply with any condition or requirement of the Department.

(b) The Department shall provide written notice to the business of its intent to withhold, reduce or terminate the grant. The business may request, in writing, reconsideration of the Department's decision. The determination to withhold, reduce or terminate a grant shall be solely within the Department's discretion.

(c) In the event that a grant is to be terminated, the business shall immediately refund the total amount granted by the Department. Refunds shall be made payable to the State of New Jersey and mailed to the:

New Jersey Department of Commerce and Economic Development  
Business Relocation Assistance Grant Program  
CN 820  
Trenton, NJ 08625

(d) The Department shall return all rescinded monies to the Business Relocation Assistance Grant Program.

#### **12A:2-1.12 Severability**

If any section, subsection, provision, clause or portion of this subchapter is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.