

SENATE BILL NO. 250
(Second Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 250 (Second Reprint) with my recommendations for reconsideration.

I am strongly supportive of the economic growth and development of Cape May County. However, I remain concerned about the effectiveness of our current tax incentive programs to support that growth relative to their cost to taxpayers. I continue to believe that we must fully examine the merits of these tax incentive programs in light of evidence that they have been less effective than those in other states. That is why my administration is engaged in a full review of these programs before they are scheduled to expire next year.

I also believe that before we introduce Grow NJ incentives into a new part of the State, we should have a full understanding of which industries or industry sectors are best suited for Cape May County. The region's location and unique geography make it more suitable for certain industries and less suitable for others. Accordingly, I believe that it is important to determine which businesses and industries would best thrive in the area and to allow the State Comptroller to complete his study of the State's tax incentive programs before we determine how State government can best aid in the county's economic development.

Therefore, I herewith return Senate Bill No. 250 (Second Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Lines 7-44: Delete in their entirety

Page 2, Section 1, Line 7: Insert new section 1 to read as follows: "1. The New Jersey Economic Development Authority shall study the economic potential of Cape May County and shall determine which industries are best suited to provide sustained economic and job

growth in the region.

2. The study shall, at a minimum determine:

a. which, if any, industries or industry sectors are suited for location and operation in the area of Cape May County;

b. which industries or industry sectors are currently interested in Cape May County and the reasons for their interest; and

c. which, if any, tax credit incentives are needed to locate and to retain applicable industries or industry sectors in Cape May County.

3. When analyzing the tax credit incentives, the Authority shall rely on the data and analysis from the State Comptroller's audit of the Grow New Jersey Assistance Program and the Economic Redevelopment and Growth Grant Program that was authorized by Executive Order No. 3 dated January 19, 2018.

4. The Authority shall complete and submit a copy of the study to the Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature on or before the 365th day following the effective date of P.L. , c. (C.) (pending before the Legislature as this bill).

5. This act shall take effect immediately."

- Page 3, Section 1, Lines 1-48: Delete in their entirety
- Page 4, Section 1, Lines 1-48: Delete in their entirety
- Page 5, Section 1, Lines 1-48: Delete in their entirety
- Page 6, Section 1, Lines 1-47: Delete in their entirety
- Page 7, Section 1, Lines 1-47: Delete in their entirety
- Page 8, Section 1, Lines 1-47: Delete in their entirety
- Page 9, Section 1, Lines 1-48: Delete in their entirety
- Page 10, Section 1, Lines 1-47: Delete in their entirety
- Page 11, Section 1, Lines 1-48: Delete in their entirety
- Page 12, Section 1, Lines 1-48: Delete in their entirety
- Page 13, Section 1, Lines 1-5: Delete in their entirety

Page 13, Section 2, Lines 7-48: Delete in their entirety
Page 14, Section 2, Lines 1-48: Delete in their entirety
Page 15, Section 2, Lines 1-48: Delete in their entirety
Page 16, Section 2, Lines 1-48: Delete in their entirety
Page 17, Section 2, Lines 1-47: Delete in their entirety
Page 18, Section 2, Lines 1-47: Delete in their entirety
Page 19, Section 2, Lines 1-28: Delete in their entirety
Page 19, Section 3, Line 30: Delete in its entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor