

17: 9A-24.14

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:9A-24.14 (Minority and female businesses --permit banks and savings banks to make loan and assistance packages)

LAWS OF: 1985 CHAPTER: 385

BILL NO: A1824

Sponsor(s): Bryant, Watson and Charles

Date Introduced: March 20, 1984

Committee: Assembly: Independent Authorities and Commissions

Senate: Labor, Industry

Amended during passage: Yes Amendments denoted by asterisks according to Governor's recommendations

Date of Passage: Assembly: June 25, 1984 Re-enacted 11-18-85

Senate: December 17, 1984 Re-enacted 12-12-85

Date of Approval: December 18, 1985

Following statements are attached if available:

Sponsor statement: Yes (Below)

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

Sponsors' statement:

This bill would permit banks, bank holding companies, and savings banks to establish subsidiaries to originate loan and assistance packages for purchase by the New Jersey Business Development Corporation for Women and Minorities.

(OVER)

See newspaper clipping--attached:

"3 laws enacted to assist small businesses owned by minorities, women,"
12-19-875 Star Ledger.

[THIRD OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1824

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1984

By Assemblymen BRYANT, WATSON and CHARLES

AN ACT providing for the establishment of certain subsidiaries by banks, bank holding companies, *and***and*** savings banks ***[and savings and loan service corporations]***, and supplementing P. L. 1948, c. 67 (C. 17:9A-1 et seq.) ***[and P. L. 1963, c. 144 (C. 17:12B-1 et seq.)]***.

1 BE IT ENACTED by the Senate and General Assembly of the State
2 of New Jersey:

1 1. Any bank, bank holding company, or savings bank may estab-
2 lish a subsidiary for the purpose of originating loans or loans and
3 technical assistance packages for purchase by the New Jersey
4 *[Business Development Corporation for Women and Minorities]*
5 ***[Enterprise]** Development Authority for Small Businesses,
6 Minorities and **[Women]** **Women's Enterprises** estab-
7 lished pursuant to P. L., c. (C.) (now
8 pending before the Legislature as *Assembly Committee Substi-
9 tute for* Assembly Bill No. 1828 of 1984) or may originate those
10 loans directly, if the loans and assistance packages meet the under-
11 writing standards established by that act, and the businesses to
12 which the loans are made and assistance is provided are eligible
13 businesses as defined by that act.

1 ***[2. Any savings and loan service corporation may establish a
2 subsidiary for the purpose of originating loans or loans and tech-
3 nical assistance packages for purchase by the New Jersey **[Enter-
4 prise]** Development Authority for Small Businesses, Minorities
5 and **[Women]** **Women's Enterprises** established pursuant
6 to P. L., c. (C.) (now pending before the

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted May 17, 1984.

**—Senate committee amendments adopted September 13, 1984.

***—Assembly amendments adopted in accordance with Governor's recommendations April 15, 1985.

7 *Legislature as Assembly Committee Substitute for Assembly Bill*
8 *No. 1828 of 1984), if the loans and assistance packages meet the*
9 *underwriting standards established by that act, and the businesses*
10 *to which the loans are made are eligible businesses as defined by*
11 *that act.****

1 **[2.]***[3.]***2.**** This act shall take effect upon the
2 enactment into law of **Assembly Committee Substitute for** Assem-
3 bly Bill No. 1828 of 1984 (now pending before the Legislature).

ASSEMBLY, No. 1824

STATE OF NEW JERSEY

INTRODUCED MARCH 20, 1984

By Assemblymen BRYANT, WATSON and CHARLES

AN ACT providing for the establishment of certain subsidiaries by banks, bank holding companies, and savings banks.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Any bank, bank holding company, or savings bank may estab-
2 lish a subsidiary for the purpose of originating loans or loans and
3 technical assistance packages for purchase by the New Jersey Busi-
4 ness Development Corporation for Women and Minorities estab-
5 lished pursuant to P. L. . . . , c. . . . (C.) (now pending
6 before the Legislature as Assembly Bill No. 1828 of 1984) or may
7 originate those loans directly, if the loans and assistance packages
8 meet the underwriting standards established by that act, and the
9 businesses to which the loans are made and assistance is provided
10 are eligible businesses as defined by that act.

1 2. This act shall take effect upon the enactment into law of
2 Assembly Bill No. 1828 of 1984 (now pending before the Legis-
3 lature).

STATEMENT

This bill would permit banks, bank holding companies, and sav-
ings banks to establish subsidiaries to originate loan and assistance
packages for purchase by the New Jersey Business Development
Corporation for Women and Minorities.

ASSEMBLY INDEPENDENT AUTHORITIES AND
COMMISSIONS COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1824
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill, as amended, permits banks, bank holding companies, savings banks, and savings and loan service corporations to establish subsidiaries to originate loan and assistance packages for purchase by the New Jersey Enterprise Development Authority for Small Businesses, Minorities, and Women, which is to be established by the Assembly Committee Substitute for Assembly Bill No. 1828. A bank, bank holding company, or savings bank may also originate those loans directly.

The loans and assistance packages must meet the underwriting standards established pursuant to Assembly Bill No. 1828 Acs, and the businesses to which the loans are made and the assistance is provided must be "eligible businesses," that is, a small business, a minority business or a women's business, as those are defined in Assembly Bill No. 1828 Acs.

COMMITTEE ACTION

The committee amended the bill to incorporate provisions for savings and loan service corporations, which provisions were contained in Assembly Bill No. 1826, as introduced.

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1824

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

This bill permits banks, bank holding companies, savings banks, and savings and loan service corporations to establish subsidiaries to originate loan and assistance packages for purchase by the New Jersey Development Authority for Small Businesses, Minorities, and Women's Enterprises, which is to be established by the Assembly Committee Substitute for Assembly Bill No. 1828. A bank, bank holding company, or savings bank may also originate those loans directly.

The loans and assistance packages must meet the underwriting standards established pursuant to Assembly Bill No. 1828 Acs, and the businesses to which the loans are made and the assistance is provided must be "eligible businesses," that is, a small business, a minority business or a women's business, as those are defined in Assembly Bill No. 1828 Acs.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

April 15, 1985

ASSEMBLY BILL NO. 1824 (2nd OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1824 (2nd OCR) with my recommendations for amendment.

Assembly Bill No. 1824 (2nd OCR) would allow a bank, bank holding company, savings bank or savings and loan association to establish a subsidiary for the purpose of originating loans or loan and technical assistance packages for purchase by the New Jersey Development Authority for Small Businesses, Minority and Women's Enterprises. The bill also allows banks, bank holding companies and savings banks to offer these services directly. A savings and loan service corporation may only offer these services through a subsidiary.

Banks, bank holding companies and savings banks do not require an additional grant of authority to make commercial loans. These financial institutions have the authority for commercial lending. The purpose of this bill is to structure the process of lending to the New Jersey Development Authority created for Small, Minority and Women's Businesses.

I support the concept underlying the bill. I want to encourage banks to make loans to these enterprises. Minorities and women have not in the past been equal participants in the mainstream of commercial enterprise. This bill structures a loan service through the financial institutions for groups which have traditionally had a difficult time obtaining financing.

The bill extends the service too far. This extension of commercial lending power to the savings and loan associations is going beyond the scope of their statutory lending authority under N.J.S.A. 17:12B.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Accordingly, for the aforementioned reasons, I return Assembly Bill No. 1824 (2nd OCR) to you and recommend that it be amended as follows:

Pages 1-2, Section 2, Lines 1-11; Delete in its entirety.

Page 2, Section 3, Line 1: Delete "3." insert "2."

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:
/s/ W. Cary Edwards
Chief Counsel



REC'D JAN 16 1985

OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001
Contact: PAUL WOLCOTT
(609) 292-8956

TRENTON, N.J. 08625
Release: WED., DEC. 18, 1985

Governor Thomas H. Kean has signed three bills intended to enhance business opportunities for women and minority entrepreneurs.

The bills are S-1776, sponsored by State Senator Wynona M. Lipman, D-Essex, A-1824 and A-1828, both sponsored by Assemblyman Wayne R. Bryant, D-Camden. All were originally the subject of conditional vetoes.

"I'm proud to sign these bills, because they all reflect the policy I have been working to implement for the past four years --- a policy that provides opportunity for those who have the drive and spirit to develop and run their own businesses," Kean said. "I have long maintained that the real key to revitalizing our cities, and to bring minorities and women into the mainstream of our society and our economy is not handouts or support programs. It is the opportunity --- real and genuine opportunity --- to succeed.

"Small business is the backbone of our economy. With the enactment of these bills, we create new opportunities for men and women to start and succeed with their own businesses. The jobs, the pride and the successes these bills will help create will do more to strengthen the position of minorities and women than any government program," Kean said.

S-1776 amends the Small Business Set-Aside Act of 1983 by requiring State contracting agencies to establish goals of setting aside percentages of their contracts for minority business and women's business enterprises.

- more -

Bill Signings - S-1776, A-1824 and A-1828
Page 2
December 18, 1985

A-1824 allows a bank, bank holding company or savings banks to establish a subsidiary or originate loans or loan and technical assistance packages for purchase by the New Jersey Development Authority for Small, Minority and Women's Business Enterprises.

A-1828 creates the New Jersey Development Authority for Small, Minority and Women's Business Enterprises.

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