

52:27H-21.7 to 52:27H-21.16

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:27H-21.7 to 52:27H-21.16 (Division of Development for small Businesses and Women and Minority Businesses-- establish)

CHAPTER 55

Laws Of: 1987

Bill No: S1709

Sponsor(s): Lipman

Date Introduced: February 24, 1986

Committee: **Assembly:** Economic Development and Agriculture; Appropriations

Senate: State Government, Federal and Interstate Relations and Veterans' Affairs; Revenue, Finance and Appropriations.

Amended during passage: Yes Amendments during passage denoted by asterisks.

Date of Passage: **Assembly:** December 15, 1986

Senate: June 23, 1986

Date of Approval: March 2, 1987

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes 9-11-86 and 10-23-86

Senate Yes 6-9-86 and 5-12-86

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

Hearing on similar legislation introduced during previous session:

974.90 New Jersey. Legislature. Senate. State Government, Federal and Interstate
I42 Relations and Veterans' Affairs and Assembly State Government, Civil
1984a Service, Elections, Pensions and Veterans' Affairs Committee.
Public hearing, on S.544, held 4-27-84. Trenton, 1984.

3-2-87

[THIRD OFFICIAL COPY REPRINT]

SENATE, No. 1709

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 24, 1986

By Senator LIPMAN

Referred to Committee on State Government and Federal and
Interstate Relations and Veterans Affairs

AN ACT to create the Division of Development for Small Businesses and Women and Minority Businesses in the Department of Commerce and Economic Development, supplementing Title 52 of the Revised Statutes, repealing P. L. 1981, c. 283, and making an appropriation.

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

1 1. The Legislature finds and declares:

2 a. That small businesses play a major role in the economy of
3 this State; and

4 b. That small businesses, and businesses owned by minorities
5 and women in particular, are often in need of financial and tech-
6 nical assistance which may be unavailable to them through tradi-
7 tional sources; and

8 c. That it is the public policy of this State to provide a source
9 of technical assistance and financial assistance in order to encour-
10 age the establishment and the growth of small businesses and
11 businesses owned by minorities and women; and

12 d. That, in the interest of efficiency, the services now provided
13 by the State to these businesses should be combined into a single
14 division within the Department of Commerce and Economic De-
15 velopment; and

16 e. That it is the intention of this *****[Legislation]***** *Legis-*
17 *lature**** that the division, in concert with the New Jersey Develop-

**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:

*—Senate committee amendments adopted May 12, 1986.

**—Senate committee amendments adopted June 9, 1986.

***—Assembly committee amendments adopted September 11, 1986.

18 ment Authority for Small Businesses, Minorities and Women's
 19 Enterprises created pursuant to the provisions of P. L. 1985, c. 386
 20 (C. 34:1B-47 et seq.), provide a full range of financial and technical
 21 assistance to small businesses and businesses owned by minorities
 22 and women in order to ensure their success and their growth.

1 2. For the purposes of this act:

2 a. "Authority" means the New Jersey Development Authority
 3 for Small Businesses, Minorities and Women's Enterprises estab-
 4 lished pursuant to the provisions of P. L. 1985, c. 386 (C. 34:1B-47
 5 et seq.);

6 b. "Commissioner" means the Commissioner of the Department
 7 of Commerce and Economic Development;

8 c. "Division" means the Division of Development for Small
 9 Businesses and Women and Minority Businesses;

10 d. "Eligible business" means a small business or a minority
 11 or women's business certified by the division and determined to
 12 be eligible to receive assistance and to participate in programs
 13 according to the standards established pursuant to this act;

14 ***e. "Minority" means a person who is:*

15 (1) *Black, which is a person having origins in any of the black*
 16 *racial groups in Africa;*

17 (2) *Hispanic, which is a person of Spanish or Portuguese culture,*
 18 *with origins in Mexico, South or Central America, or the Caribbean*
 19 *islands, regardless of race;*

20 (3) *Asian American, which is a person having origins in any of*
 21 *the original people of the Far East, Southeast Asia, the Indian*
 22 *Subcontinent, Hawaii, or the Pacific Islands; or*

23 (4) *American Indian or Alaskan native, which is a person having*
 24 *origins in any of the original peoples of North America; ***

25 **[e. "Minority" or "minority group member" means a person*
 26 *who is:*

27 (1) *Black, which is a person having origins in any of the black*
 28 *racial groups in Africa; or*

29 (2) *Hispanic, which is a person of Spanish or Portuguese culture,*
 30 *with origins in Mexico, South or Central America, or the Carib-*
 31 *bean islands, regardless of race; or*

32 (3) *Asian American, which is a person having origins in any*
 33 *of the original people of the Far East, Southeast Asia, the Indian*
 34 *Subcontinent, Hawaii, or the Pacific Islands;*

35 (4) *American Indian or Alaskan native, which is a person having*
 36 *origins in any of the original peoples of North America;]**

37 **[f.]* **[*e.]* ** *f.* ** "Minority business" means a business*
 38 *which is:*

39 (1) A sole proprietorship, owned and controlled by a ***[minority**
 40 **group member]*** ****[*socially and economically disadvantaged indi-**
 41 **vidual*]**** ***minority* *****[group member]***** **;

42 (2) A partnership or joint venture owned and controlled by
 43 ***[minority group members]*** ****[*socially and economically disad-**
 44 **vantaged individuals*]**** ***minorities*** in which at least 51% of
 45 the ownership interest is held by ***[minority group members]***
 46 ****[*socially and economically disadvantaged individuals*]**** ***mi-*
 47 *norities*** and ***[the]*** **whose** management and daily business
 48 operations ***[of which]*** are controlled by one or more of the ***[mi-**
 49 **nority group members]*** ****[*socially and economically disadvan-**
 50 **taged individuals*]**** ***minorities*** who own it; or

51 (3) A corporation or other entity ****[controlled by]**** ***[mi-**
 52 **nority group members]*** ****[*socially and economically disadvan-**
 53 **taged individuals*]** in which at least 51% of the voting interest and
 54 51% of the beneficial ownership interest are held by ***[minority**
 55 **group members]*** **socially and economically disadvantaged indi-*
 56 *viduals*];*** ***the management and daily business operations of*
 57 *which are controlled by one or more minorities who own it, and*
 58 *which is at least 51% owned by one or more minorities, or, if stock*
 59 *is issued, at least 51% of the stock in which is owned by one or*
 60 *more minorities******[.]***** ***,*** **

61 ***[g.]*** ****[*f.]**** ***g.*** “Small business” means a ***[business]***
 62 **sole proprietorship, partnership or corporation** which is ***[to]***
 63 a size and type defined by the *****[Commissioner of the Department**
 64 **of Commerce and Economic Development]***** ***commissioner****
 64A ***[and which is:**

65 (1) A sole proprietorship owned and controlled by a person other
 66 than a minority group member or a woman;

67 (2) A partnership or joint venture owned and controlled by per-
 68 sons other than minority group members or women in which at
 69 least 51% of the ownership interest is held by such other persons
 70 and the management and daily business operations of which are
 71 controlled by one or more of its owners; or

72 (3) A corporation or other entity controlled by persons other
 73 than minority group members or women in which at least 51% of
 74 the voting interest and 51% of the beneficial ownership interest are
 75 held by such other persons*];

76 ****[*g.** “Socially and economically disadvantaged individual”
 77 means a person who has been subjected to racial or ethnic prejudice
 78 or cultural bias because of identity as a member of a group without
 79 regard to the person’s individual qualities. Socially and economi-
 80 cally disadvantaged individuals include members of certain groups

81-82 *which include, but are not limited to, Black Americans; Hispanic*
 83 *Americans; Portuguese, Native Americans, such as American*
 84 *Indians, Eskimos, Aleuts, Native Hawaiians and Asian Pacific*
 85 *Americans; persons with origins from Japan, China, the Phillip-*
 86 *ines, Vietnam, Korea, Samoa, Guam, the United States Trust*
 87 *Territory of the Pacific Islands, Northern Marianas Islands, Laos,*
 88 *Cambodia, and Taiwan; and Asian American Indians from Pakis-*
 89 *tan, India and Bangladesh.****

90 ***h.** "Women" means a woman, regardless of race;**]***

91 ***i.]** *****g.]***** **h.** "Women's business" means a business
 92 which is:

93 (1) A sole proprietorship owned and controlled by a woman; or

94 (2) A partnership or joint venture owned and controlled by
 95 women in which at least 51% of the ownership is held by women
 96 ***and the management and daily business operations of which are**
 97 **controlled by one or more women who own it]***; or

98 (3) A corporation or other entity ***controlled by women in which**
 99 **at least 51% of the voting interest and 51% of the beneficial**
 100 **ownership interests are held by women]*** *****which is at least**
 101 **51% owned and controlled by women, or, in the case of any business,**
 102 **at least 51% of the stock of which is owned by one or more women,**
 103 **and whose management and daily business operations are con-**
 104 **trolled by one or more of the women who own it*.]***** **the man-**
 105 **agement and daily business operations of which are controlled by**
 106 **one or more women who own it, and which is at least 51% owned by**
 107 **women, or, if stock is issued, at least 51% of the stock of which is**
 108 **owned by one or more women.***

1 3. There is established within the Department of Commerce
 2 and Economic Development a Division of Development for Small
 3 Businesses and Women and Minority Businesses. The adminis-
 4 trative head of the division shall be a division director, who shall
 5 be appointed by the *****Commissioner of the Department of Com-**
 6 **merce and Economic Development]***** **commissioner***** and
 7 who shall serve at the pleasure of the commissioner during the
 8 commissioner's term of office and until a successor is appointed and
 9 qualified. Any vacancy occurring in the office of division director
 10 shall be filled in the same manner as the original appointment. The
 11 position of division director shall be a full-time position and the
 12 salary shall be as provided by law. The division director may em-
 13 ploy professional, technical, research and clerical staff as necessary
 14 within the limits of available appropriations. The provisions of
 15 Title 11 (Civil Service) of the Revised Statutes, shall be construed
 16 to extend to all those personnel.

1 4. a. The division shall establish three offices for business
2 assistance for eligible businesses. One office shall be established
3 for business assistance to women, one office shall be established
4 for business assistance to minorities and one office shall be estab-
5 lished for small businesses.

6 b. There is created a Small Business Advisory Council, a
7 Women's Business Advisory Council and a Minority Business
8 Advisory Council.

9 (1) The Small Business Advisory Council shall consist of nine
10 members, who shall be appointed by the Governor with the advice
11 and consent of the Senate, five of whom shall be persons who own
12 or are affiliated with small businesses. Of the four remaining
13 members, one shall represent local government.

14 (2) The Minority Business Advisory Council shall consist of
15 nine members, who shall be appointed by the Governor with the
16 advice and consent of the Senate, six of whom shall be minorities,
17 one of whom shall have expertise in marketing, and one of whom
18 shall have expertise in capital formation and small business
19 finance.

20 (3) The Women's Business Advisory Council shall consist of
21 nine members, who shall be appointed by the Governor with the
22 advice and consent of the Senate, six of whom shall be women,
23 one of whom shall have expertise in marketing or advertising, one
24 of whom shall have expertise in capital formation or finance, and
25 one of whom shall represent the Division *****[of]*** *on******
26 Women in the Department of Community Affairs.

27 c. Members of the Small Business Advisory Council, the Minority
28 Business Advisory Council, and the Women's Business Advisory
29 Council shall serve without compensation but shall be reimbursed
30 for necessary expenses incurred in the performance of their duties.
31 The Governor shall designate from among each council's members
32 a person to serve as chairman. Members of each council shall serve
33 for a term of three years; provided, however, that of the members
34 first appointed, three shall be appointed for a one-year term, three
35 shall be appointed for a two-year term, and three shall be appointed
36 for a three-year term. Each advisory council established pursuant
37 to this section shall meet at least six times each year.

38 d. The Small Business Advisory Council shall assist the divi-
39 sion in the establishment of a financial and technical assistance
40 policy for the division's small business program. The policy shall
41 describe the proposed allocation of the resources of the division,
42 establish standards for eligibility for assistance and participation
43 in the program established and operated by the division, and estab-

44 lish a means of coordinating the programs of the division with the
 45 authority. To the extent possible, the programs established by the
 46 division in consultation with the advisory council shall be con-
 47 sonant with, and complementary to, the program established by
 48 the authority.

49 e. The Minority Business Advisory Council shall assist the di-
 50 vision in the establishment of a financial and technical assistance
 51 policy for the division's program for minority businesses. The
 52 policy shall describe the proposed allocation of the resources of
 53 the division, establish standards for eligibility for assistance and
 54 participation in the program established and operated by the divi-
 55 sion, and establish a means of coordinating the programs of the
 56 division with the authority. To the extent possible, the program
 57 for minority businesses established by the division in consultation
 58 with the advisory council shall be consonant with, and comple-
 59 mentary to, the program established by the authority.

60 f. The Women's Business Advisory Council shall assist the di-
 61 vision in the establishment of a financial and technical assistance
 62 policy for the division's program for women's businesses. The
 63 policy shall describe the proposed allocation of the resources of
 64 the division, establish standards for eligibility for assistance and
 65 participation in the program established and operated by the divi-
 66 sion, and establish a means of coordinating the programs of the
 67 division with the authority. To the extent possible, the program
 68 for women's businesses established by the division in consultation
 69 with the advisory council shall be consonant with, and comple-
 70 mentary to, the program established by the authority.

1 5. The division shall have the power to:

2 a. Establish a loan referral program and loan packaging pro-
 3 gram for eligible businesses, using criteria for eligibility which
 4 meet the standards established by the authority or which meet the
 5 standards established by private sources or by other State or fed-
 6 eral programs;

7 b. *****[Complete]***** ****Compile**** lists of qualified profes-
 8 sionals, including women and minorities in specific areas of ex-
 9 pertise, to be disseminated to eligible businesses and to be used in
 9A making referrals;

10 c. Use available resources within the State, including, but not
 11 limited to, small business development centers, business organiza-
 12 tions, academic institutions with business programs, and minority
 13 business development offices, to coordinate managerial and technical
 14 assistance;

15 d. Establish, in cooperation with institutions of higher education,
 16 an internship program for candidates for undergraduate and
 17 graduate degrees in business administration and related fields for
 18 the purpose of providing assistance to the division, the authority
 19 and to businesses which are eligible to receive assistance under this
 20 act;

21 e. Provide, consistent with the provisions of this act and in con-
 22 junction with, or at the request of, the authority, assistance to
 23 eligible businesses, including, but not limited to:

- 24 (1) Assistance in researching markets or in market analysis;
- 25 (2) Advice in advertising and marketing;
- 26 (3) Advice in selecting sales or other distribution channels;
- 27 (4) Providing information and training with respect to bidding
 28 on government contracts;
- 29 (5) Serving as liaison with the Department of the Treasury and
 30 other departments and agencies of State, federal and local govern-
 31 ment to promote the procurement of contracts for eligible ***[busi-
 32 ness firms]*** *businesses****;
- 33 (6) Assistance in obtaining legal counsel;
- 34 (7) Providing financial analysis and accounting assistance;
- 35 (8) Assistance in obtaining appropriate insurance, including
 36 benefit packages for employees;
- 37 (9) Assistance in arranging contracts with franchisers;
- 38 (10) Assistance in arranging commercial loans made by a State
 39 or federally chartered bank, savings bank, or savings and loan
 40 association, if, with respect to loans made by State chartered in-
 41 stitutions, ***[and]*** *the**** loans are made in accordance
 42 with the powers conferred on those institutions pursuant to Title
 43 17 of the Revised Statutes, including bridge loans and cash flow
 43A loans;
- 44 (11) Assistance in negotiating license agreements;
- 45 (12) Assistance in procuring bonding or substitutes therefor;
- 46 (13) Making referrals to private consultants, institutions, and
 47 other providers of services, according to the specific needs of an
 48 eligible business;
- 49 (14) Assistance in finding sources of financing from federal,
 50 State, and local sources;
- 51 (15) Assistance in gaining information about employee training
 52 and development programs; ****and****

53 f. Provide a central resource for eligible businesses in their
 54 dealing with federal, State, and local governments, including in-

55 formation regarding government regulations or *****[legislation]*****
 56 *****laws***** which affect eligible businesses;

57 g. Initiate and encourage education programs for eligible busi-
 58 nesses;

59 h. Notwithstanding any other provision of law, exercise exclusive
 60 authority within the State to **[certify to]** *establish a uniform*
 61 *procedure for* departments, agencies and authorities of the State
 62 and of its political subdivisions **[.]** *to certify* the eligibility of
 63 a business to bid on contracts, **[apply for assistance]** or other-
 64 wise represent itself as a **[small business or a]** minority or
 65 women's business under any program of the State or of its political
 66 subdivisions for which that certification is required*. *The division*
 67 *shall be the certifying authority for departments, agencies and*
 68 *authorities of the State**, except that when the division's procedure
 69 for certification of a business as a **[small business]** minority
 70 business or women's business conflicts with a federal certification
 71 procedure that affects a State project in which the federal govern-
 72 ment participates, the federal certification procedure shall take
 73 precedence. Public agencies shall identify those projects and shall
 74 notify the division*. *A political subdivision shall have the re-*
 75 *responsibility of certifying the eligibility of a [small busi-*
 76 *ness]*** [.]*** women's business or minority business to bid on*
 77 *contracts*** [.]*** [apply for assistance]* or otherwise repre-
 78 sent itself as a **[small business]** **[.]***** women's business
 79 or minority business within the political subdivision***, except
 80 that, if the business is certified by the division to represent itself
 81 as being a minority or women's business under State programs,
 82 the political subdivision may accept that certification for eligibility
 83 of the business under programs of the political subdivision***. *A*
 84 *political subdivision shall utilize the uniform certification procedure*
 85 *formulated by the division**;

86 i. Submit to the Governor and the Legislature an annual report
 87 regarding its activities and setting forth recommendations of
 88 methods which might be utilized to more efficiently and effectively
 89 carry out the purposes of this act, and submit to the commissioner
 90 periodic reports on the condition of small businesses, and women's
 91 and minority businesses in the State; and

92 j. Provide any other services which it deems necessary or which
 93 may be requested by the authority.

1 6. The division may charge any fees to eligible businesses as
 2 are reasonable and necessary for the provision of technical or
 3 other assistance under this act. The division may contract with
 4 any person to provide technical or other assistance to eligible
 5 businesses on a discounted fee basis or otherwise, or it may provide
 6 these services directly.

1 *****[7.]** The division may establish a Venture Capital Fund by
 2 accepting moneys from private investors for the purpose of pro-
 3 viding equity capital to eligible businesses. These investments shall
 4 be made under an equity investment policy established by the divi-
 5 sion. The division may charge a service fee to investors from any
 6 profit accrued by the fund. No profit or loss from investments in the
 7 fund shall be payable or chargeable to the State or any agency
 8 or instrumentality thereof other than the service fees charged pur-
 9 suant to this section.***

1 *****[8.]***** ***7.*** The division shall conduct advertising and
 2 promotional campaigns to increase awareness of the services pro-
 3 vided by the division to eligible businesses and shall prepare, com-
 4 pile, and disseminate research and other information useful to
 5 eligible businesses. The division shall sponsor seminars and pro-
 6 grams directed toward eligible businesses to provide information
 7 which is useful to persons seeking practical information on business
 8 management, marketing, and other matters, and shall compile lists
 9 of qualified professionals in specific areas of expertise, which shall
 10 be disseminated to eligible businesses or used by the division in
 11 making referrals.

1 *****[9.]***** ***8.*** The division may, in order to carry out the
 2 purpose of this act, request from any department, division, board,
 3 bureau, commission or other agency of the State or from any public
 4 corporation or district, and the same are authorized to provide, any
 5 assistance, services and data as will enable the division properly
 6 to carry out its functions, powers, and duties hereunder.

1 *****[10.]***** ***9.*** The ***[director of the division]*** **commis-*
 2 *sioner** may promulgate rules and regulations necessary to effec-
 3 tuate the purposes of this act.

1 *****[11.]***** ***10.*** The functions of the Office of Small Busi-
 2 ness Assistance and the Office of Minority Business Enterprise are
 3 transferred to the Division of Development for Small Businesses
 4 and Women and Minority Businesses and the provisions of the
 5 "State Agency Transfer Act," P. L. 1971, c. 375 (C. 52:14D-1
 6 et seq.) shall apply to the transfer.

1 *****[12.]***** ***11.*** Sections 1 through 6 of P. L. 1981, c. 283
 2 (C. 52:27H-21.1 through C. 52:27H-21.6) are repealed.

1 *****[13.]***** ***12.*** There is appropriated ***[\$90,000.00]***
 2 *\$340,000.00* from the General Fund to the Department of Com-
 3 merce and Economic Development to effectuate the provisions of
 4 this act.

1 *****[14.]***** ***13.*** This act shall take effect on the 90th day
 2 after enactment.

COMMERCE AND INDUSTRY

Establishes Division of Development for Small Businesses and
Women and Minority Businesses and appropriates \$340,000.00.

4 tion or district, and the same are authorized to provide, any
5 assistance, services and data as will enable the division properly
6 to carry out its functions, powers, and duties hereunder.

1 10. The director of the division may promulgate rules and regu-
2 lations necessary to effectuate the purposes of this act.

1 11. The functions of the Office of Small Business Assistance and
2 the Office of Minority Business Enterprise are transferred to the
3 Division of Development for Small Businesses and Women and
4 Minority Businesses and the provisions of the "State Agency
5 Transfer Act," P. L. 1971, c. 375 (C. 52:14D-1 et seq.) shall apply
6 to the transfer.

1 12. Sections 1 through 6 of P. L. 1981, c. 283 (C. 52:27H-21.1
2 through C. 52:27H-21.6) are repealed.

1 13. There is appropriated \$90,000.00 from the General Fund to
2 the Department of Commerce and Economic Development to effec-
3 tuate the provisions of this act.

1 14. This act shall take effect on the 90th day after enactment.

STATEMENT

This bill establishes a Division of Development for Small Busi-
nesses and Women and Minority Businesses in the Department of
Commerce and Economic Development. The division shall have
the power to establish loan referral and packaging programs, com-
pile lists of qualified professionals, coordinate managerial and
technical assistance, establish internship programs, offer various
assistance functions to eligible businesses, certify the eligibility of
a business as a small, women's or minority business, and establish
a Venture Capital Fund.

The bill establishes a Women's Business Advisory Council, a
Minority Business Advisory Council and a Small Business Advisory
Council, and provides that the Governor shall designate the chair-
man of each advisory council. The bill appropriates \$90,000.00
and takes effect on the 90th day after enactment.

STATE GOVERNMENT—GENERAL

Establishes a Division of Development for Small Businesses and
Women and Minority Businesses and appropriates \$90,000.00.

51707 (1987)

ASSEMBLY ECONOMIC DEVELOPMENT AND
AGRICULTURE COMMITTEE

STATEMENT TO

SENATE, No. 1709

[SECOND OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: SEPTEMBER 11, 1986

This bill, as amended by the committee, establishes a Division of Development for Small Businesses and Women and Minority Businesses in the Department of Commerce and Economic Development. The bill gives the division the power to:

- (1) Establish loan referral and packaging programs;
- (2) Compile lists of professionals qualified to assist eligible businesses;
- (3) Coordinate managerial and technical assistance;
- (4) Establish internship programs;
- (5) Provide, in conjunction with the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises, various assistance functions to eligible businesses;
- (6) Certify women and minority businesses to represent themselves as such when dealing with the State Government, including when bidding for State contracts; and
- (7) Establish a uniform procedure for certification by political subdivisions of the State.

The bill establishes a Women's Business Advisory Council, a Minority Business Advisory Council and a Small Business Advisory Council to assist the division in the establishment of a financial and technical assistance policy. Council members would be appointed by the Governor with the advice and consent of the Senate. The bill also transfers the functions of the Office of Small Business Assistance and the Office of Minority Business Enterprise to the new division and repeals sections 1 through 6 of P. L. 1981, c. 283 (C. 52:27H-21.1 through C. 52:27H-21.6), which established the Office of Small Business Assistance.

\$340,000.00 is appropriated from the General Fund to the department to effectuate the purposes of the bill.

The committee amended this bill to:

- (1) Permit any political subdivision of the State to accept certification of a women's or minority business by the division when determining the business's eligibility for programs of the political subdivision; and
- (2) Delete the authorization for the division to establish a Venture Capital Fund to provide equity capital to eligible businesses.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1709

[ASSEMBLY REPRINT]

STATE OF NEW JERSEY

DATED: OCTOBER 23, 1986

The Assembly Appropriations Committee favorably reports Senate Bill No. 1709 (AR).

Senate Bill No. 1709 (AR) establishes a Division of Development for Small Businesses and Women and Minority Businesses in the Department of Commerce and Economic Development. The division is authorized to:

- (a.) establish loan referral and packaging programs;
- (b.) compile lists of professionals qualified to assist eligible businesses;
- (c.) coordinate managerial and technical assistance;
- (d.) establish internship programs;
- (e.) provide, in conjunction with the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises, various assistance functions to eligible businesses;
- (f.) certify women and minority businesses to represent themselves as such when dealing with the State Government, including when bidding for State contracts; and
- (g.) establish a uniform procedure for certification by political subdivisions of the State.

Also, established are a Women's Business Advisory Council, a Minority Business Advisory Council and a Small Business Advisory Council to assist in financial and technical assistance policy. The Office of Small Business Assistance and the Office of Minority Business Enterprise are transferred to the new division. The bill is identical to Assembly Bill No. 2413 (OCR).

FISCAL IMPACT:

There is an appropriation of \$340,000.00 from the General Fund to the department.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 1709

[OFFICIAL COPY REPRINT]

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 9, 1986

The Senate Revenue, Finance and Appropriations Committee reported this bill favorably, with amendments.

This bill establishes a Division of Development for Small Businesses and Women and Minority Businesses in the Department of Commerce and Economic Development. The division shall have the power to: (1) establish loan referral and packaging programs; (2) compile lists of qualified professionals; (3) coordinate managerial and technical assistance; (4) establish internship programs; (5) offer various assistance functions to eligible businesses; (6) establish a uniform procedure to certify (or for a political subdivision to use in certifying) the eligibility of a business to represent itself as a small business, minority business or women's business; and (7) establish a Venture Capital Fund.

The bill also establishes a Women's Business Advisory Council, a Minority Business Advisory Council and a Small Business Advisory Council to assist the division in the establishment of a financial and technical assistance policy. Council members shall be appointed by the Governor with the advice and consent of the Senate. Further, the legislation transfers the functions of the Office of Small Business Assistance and the Office of Minority Business Enterprise to the new division and repeals sections 1 through 6 of P. L. 1981, c. 283 (C. 52:27H-21.1 et seq.), which established the Office of Small Business Assistance.

COMMITTEE AMENDMENTS:

The committee amended the bill to: (1) clarify that the term "minority" shall mean persons who are Black, Hispanic, Asian American, or American Indian or Alaskan native and that a minority business is one owned and controlled by a person or persons from these groups; (2) clarify language concerning what constitutes ownership and control of a business by minorities or women; and (3) clarify that the division shall not exercise exclusive authority to establish procedures for determining small business status or eligibility for applying to the division for assistance under the bill, in line with other language in the bill granting general regulatory authority, and authority to define small business to the Commissioner of Commerce and Economic Development.

FISCAL IMPACT:

The bill appropriates \$340,000.00, from the General Fund, to the Department of Commerce and Economic Development to effectuate the purposes of the bill.

SENATE STATE GOVERNMENT AND FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
SENATE, No. 1709

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 12, 1986

The Senate State Government Committee reports favorably and with committee amendments Senate Bill No. 1709.

This bill establishes a Division of Development for Small Businesses and Women and Minority Businesses in the Department of Commerce and Economic Development. The division shall have the power to establish loan referral and packaging programs, compile lists of qualified professionals, coordinate managerial and technical assistance, establish internship programs, offer various assistance functions to eligible businesses, establish uniform procedure to certify the eligibility of a business to represent itself as a small business, minority business or women's business, and establish a Venture Capital Fund.

The bill also establishes a Women's Business Advisory Council, a Minority Business Advisory Council and a Small Business Advisory Council to assist the division in the establishment of a financial and technical assistance policy. Council members shall be appointed by the Governor with the advice and consent of the Senate. Further, the legislation transfers the functions of the Office of Small Business Assistance and the Office of Minority Business Enterprise to the new division and repeals sections 1 through 6 of P. L. 1981, c. 283, which established the Office of Small Business Assistance.

The bill appropriates \$340,000.00 to the Department of Commerce and Economic Development to effectuate the purposes of this act.

The committee amended the bill to:

(1) Amend the definitions of "minority businesses," "small business" and "women's business" to conform them to the definitions currently utilized by the Department of Commerce and Economic Development and federal agencies;

(2) Provide that the division shall establish a uniform certification procedure and shall be the certifying authority for State agencies;

(3) Provide that political subdivisions shall have a certifying re-

sponsibility within their jurisdiction based upon the division's certification procedure;

(4) Increase the appropriation from \$90,000.00 to \$340,000.00; and

(5) Provide that the Commissioner of the Department of Commerce and Economic Development, not the division director, shall have the authority to promulgate rules and regulation to effectuate the purposes of this act.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001
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TRENTON, N.J. 08625

Release: WED., MARCH 4, 1987

Governor Thomas H. Kean yesterday signed legislation to create a Division within the Department of Commerce and Economic Development to consolidate all activities and programs involving assistance for small businesses, women-owned and operated businesses and minority businesses.

The legislation, S-1709, was sponsored by Senator Wyona Lipman, D-Essex, and was recommended by the Governor in his 1986 "State of the State" message to the Legislature.

The current offices of Small Business Assistance and Minority Business Enterprise will be transferred to the new Division. The Division will then consist of an Office of Business Assistance for Women, an Office of Business Assistance for Minorities, and an Office of Small Business Assistance.

The legislation also creates advisory councils of nine members each to serve each of the three offices in the new Division.

"The Division will be a central place where persons wishing to launch a small business can go to receive the kind of help and technical expertise necessary to make a good beginning," Kean said. "The Division will be in a position to offer entrepreneurs loan assistance information, marketing and advertising help, employee training and assist in the many other areas involved in running a business."

- more -

The new Division will be headed by a director to be appointed by the Commission of the Department.

It will be effective in 90 days.

Kean also signed S-2303, sponsored by Senator John Lynch, D-Middlesex, to establish a one-year pilot program of grants to counties and municipalities to aid in providing technical and certification assistance to small and minority owned businesses.

The one-year pilot program makes \$95,000 available for grants to local governing bodies to provide the assistance.

Identical legislation, A-2880, was sponsored in the Assembly by Assemblymen Jose Arango and Ronald Dario, both R-Hudson.

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