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LAW/KR

[First Reprint]

**SENATE, No. 104**

**STATE OF NEW JERSEY**  
**214th LEGISLATURE**

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**Assemblyman GORDON M. JOHNSON**

**District 37 (Bergen)**

**Assemblyman HERB CONAWAY, JR.**

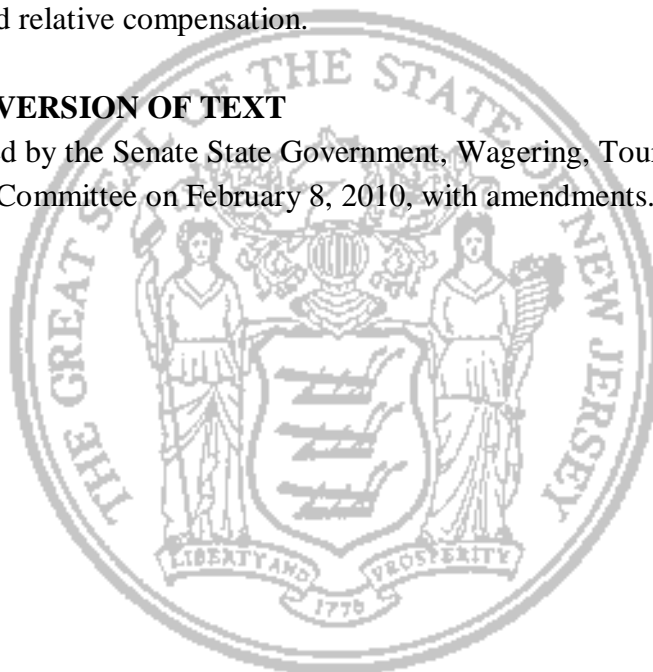
**District 7 (Burlington and Camden)**

**SYNOPSIS**

Requires State entities to examine opportunity of minority and women-owned financial institutions to serve as senior managing underwriters, imposes reporting requirements, and enables establishment of aspirational levels of utilization and relative compensation.

**CURRENT VERSION OF TEXT**

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on February 8, 2010, with amendments.



**(Sponsorship Updated As Of: 11/23/2010)**

1 AN ACT requiring State entities to examine the opportunity of  
2 minority and women-owned financial institutions to serve as  
3 senior managing underwriters for State debt transactions,  
4 imposing reporting requirements, and enabling the establishment  
5 of aspirational levels of utilization and relative compensation,  
6 supplementing chapter 32 of Title 52 of the Revised Statutes.

7  
8 **BE IT ENACTED** by the Senate and General Assembly of the State  
9 of New Jersey:

10  
11 1. a. For each State fiscal year commencing after the effective  
12 date of P.L. , c. (C. ) (pending before the Legislature as  
13 this bill), a State entity which engages in debt transactions shall  
14 examine the opportunity of qualified minority and women-owned  
15 financial institutions to serve as senior managing underwriters for  
16 such transactions. The State entity shall report the findings of the  
17 examination to the State Treasurer <sup>1</sup> and <sup>1</sup> [ , in accordance with  
18 section 2 of P.L.1991, c.164 (C.52:14-19.1), ] to<sup>1</sup> the Legislature  
19 'upon the explicit request thereof'<sup>1</sup>.

20 b. The report required by subsection a. of this section shall  
21 include:

22 (1) the total number of the State entity's debt transactions in  
23 which qualified minority and women-owned financial institutions  
24 served as senior managing underwriters;

25 (2) the total number of qualified minority and women-owned  
26 financial institutions which sought unsuccessfully to serve as senior  
27 managing underwriters for the State entity's debt transactions;

28 (3) the total number of qualified minority and women-owned  
29 financial institutions available to serve as senior managing  
30 underwriters for the State entity's debt transactions;

31 (4) the total number of qualified minority and women-owned  
32 financial institutions available to serve as senior managing  
33 underwriters for the State entity's debt transactions whose primary  
34 trading, underwriting or investment banking activities were located  
35 within the State;

36 (5) the total number of State entity debt transactions in which a  
37 qualified minority and women-owned financial institution served as  
38 senior managing underwriters, relative to the total number of debt  
39 transactions undertaken by the State entity;

40 (6) the total value of the State entity's debt transactions in  
41 which a qualified minority and women-owned financial institution  
42 served as senior managing underwriters, relative to the total value  
43 of debt transactions undertaken by the State entity; and

**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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SSG committee amendments adopted February 8, 2010.

1 (7) the total and per transaction value of the compensation  
2 provided to qualified minority and women-owned financial  
3 institutions who serve as senior managing underwriters for the State  
4 entity's debt transactions relative to the total and per transaction  
5 value of compensation provided to financial institutions, other than  
6 qualified minority and women-owned financial institutions, who  
7 serve as senior managing underwriters for the State entity's debt  
8 transactions.

9 c. A report owed pursuant to this section shall be due on the  
10 first business day after the January 1 immediately following the end  
11 of the State fiscal year for which the report is due. The State  
12 Treasurer shall determine uniform methods of data collection and  
13 reporting to effectuate this section. The State Treasurer may  
14 provide for a reporting method in which the requirements of  
15 subsection b. of this section are reported within categories defined  
16 by intervals of debt transaction valuations.

17 d. The State Treasurer may establish an aspirational level of  
18 utilization and relative compensation of qualified minority and  
19 women-owned financial institutions serving as senior managing  
20 underwriters in the State entity's debt transactions if such an  
21 aspirational level of utilization and relative compensation can be  
22 established in a manner consistent with the responsibility to seek  
23 out the most economically optimal arrangements available for debt  
24 transactions, in accordance with the requirement that all persons  
25 shall have the full and equal benefit of all laws, and in the presence  
26 of a gross statistical disparity in the utilization and relative  
27 compensation of qualified minority and women-owned financial  
28 institutions serving as senior managing underwriters for a State  
29 entity's debt transactions as evidenced in a report due under  
30 subsection a. of this section. An aspirational level of utilization and  
31 relative compensation shall not be construed as a mandated quota  
32 and shall not be enforceable, but shall be considered as a goal that  
33 the State entity is encouraged to achieve. The State Treasurer shall  
34 suspend an aspirational level of utilization and relative  
35 compensation upon finding the conditions which lead to its  
36 establishment are no longer present.

37 e. A State entity, having been assigned an aspirational level of  
38 utilization and relative compensation of minority and women-  
39 owned financial institutions serving as senior managing  
40 underwriters in the State entity's debt transactions, shall include in  
41 its report due under subsection a. of this section a listing of  
42 impediments to the utilization and comparable compensation of  
43 minority and women-owned financial institutions serving as senior  
44 managing underwriters for the State entity's debt transactions and  
45 proposals to enhance the utilization and compensation of qualified  
46 minority and women-owned financial institutions serving as senior  
47 managing underwriters for the State entity's debt transactions.

1 f. 'In the event the State Treasurer finds and certifies that  
2 impediments to the utilization and comparable compensation of  
3 minority and women-owned financial institutions continue to exist  
4 six months before the initial expiration date of P.L. \_\_\_\_\_,  
5 c. (C. \_\_\_\_\_)(pending before the Legislature as this bill), the State  
6 Treasurer shall report such findings to the Legislature in accordance  
7 with section 2 of P.L.1991, c.164 (C.52:14-19.1) within 60 days  
8 thereof and P.L. \_\_\_\_\_, c. (C. \_\_\_\_\_)(pending before the Legislature as  
9 this bill) shall not expire but shall remain in effect for another five  
10 years, or until the State Treasurer finds and certifies that the  
11 impediments to the utilization and comparable compensation of  
12 minority and women-owned financial institutions cease to exist,  
13 whichever occurs first. P.L. \_\_\_\_\_, c. (C. \_\_\_\_\_)(pending before the  
14 Legislature as this bill) shall expire upon the State Treasurer  
15 notifying the Legislature that the impediments cease to exist or that  
16 the five-year period has ended, whichever occurs first.

17 g.<sup>1</sup> As used in this section:

18 "Debt transaction" means the creation or refinancing of a bond,  
19 note or other financial instrument for which repayment is due.

20 "Qualified minority and women-owned financial institution"  
21 means a financial institution qualified to engage in State entity debt  
22 transactions that has a valid certification as a "minority business" or  
23 a "women's business" pursuant to P.L.1986, c.195 (C.52:27H-21.17  
24 et. seq.);

25 "Senior managing underwriter" means the lead and book running  
26 manager of the syndicate of underwriters of the State's or State  
27 entity's debt transactions.

28 "State entity" means a State department or agency, board,  
29 commission, corporation or authority.

30 **[g.] h.<sup>1</sup>** If any section, subsection, paragraph, sentence or  
31 other part of this act is adjudged unconstitutional or invalid, such  
32 judgment shall not affect, impair or invalidate the remainder of this  
33 act, but shall be confined in its effect to the section, subsection,  
34 paragraph, sentence or other part of this act directly involved in the  
35 controversy in which said judgment shall have been rendered.

36  
37 2. This act shall take effect immediately 'and shall expire on  
38 the fifth anniversary of the effective date, except as provided for by  
39 subsection f. of section 1<sup>1</sup>.

# SENATE, No. 104

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**SYNOPSIS**

Requires State entities to examine opportunity of minority and women-owned financial institutions to serve as senior managing underwriters, imposes reporting requirements, and enables establishment of aspirational levels of utilization and relative compensation.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT requiring State entities to examine the opportunity of  
2 minority and women-owned financial institutions to serve as  
3 senior managing underwriters for State debt transactions,  
4 imposing reporting requirements, and enabling the establishment  
5 of aspirational levels of utilization and relative compensation,  
6 supplementing chapter 32 of Title 52 of the Revised Statutes.

7  
8 **BE IT ENACTED** by the Senate and General Assembly of the State  
9 of New Jersey:

10  
11 1. a. For each State fiscal year commencing after the effective  
12 date of P.L. , c. (C. ) (pending before the Legislature as  
13 this bill), a State entity which engages in debt transactions shall  
14 examine the opportunity of qualified minority and women-owned  
15 financial institutions to serve as senior managing underwriters for  
16 such transactions. The State entity shall report the findings of the  
17 examination to the State Treasurer and, in accordance with section 2  
18 of P.L.1991, c.164 (C.52:14-19.1), the Legislature.

19 b. The report required by subsection a. of this section shall  
20 include:

21 (1) the total number of the State entity's debt transactions in  
22 which qualified minority and women-owned financial institutions  
23 served as senior managing underwriters;

24 (2) the total number of qualified minority and women-owned  
25 financial institutions which sought unsuccessfully to serve as senior  
26 managing underwriters for the State entity's debt transactions;

27 (3) the total number of qualified minority and women-owned  
28 financial institutions available to serve as senior managing  
29 underwriters for the State entity's debt transactions;

30 (4) the total number of qualified minority and women-owned  
31 financial institutions available to serve as senior managing  
32 underwriters for the State entity's debt transactions whose primary  
33 trading, underwriting or investment banking activities were located  
34 within the State;

35 (5) the total number of State entity debt transactions in which a  
36 qualified minority and women-owned financial institution served as  
37 senior managing underwriters, relative to the total number of debt  
38 transactions undertaken by the State entity;

39 (6) the total value of the State entity's debt transactions in which  
40 a qualified minority and women-owned financial institution served  
41 as senior managing underwriters, relative to the total value of debt  
42 transactions undertaken by the State entity; and

43 (7) the total and per transaction value of the compensation  
44 provided to qualified minority and women-owned financial  
45 institutions who serve as senior managing underwriters for the State  
46 entity's debt transactions relative to the total and per transaction  
47 value of compensation provided to financial institutions, other than



1 qualified minority and women-owned financial institutions, who  
2 serve as senior managing underwriters for the State entity's debt  
3 transactions.

4 c. A report owed pursuant to this section shall be due on the first  
5 business day after the January 1 immediately following the end of  
6 the State fiscal year for which the report is due. The State  
7 Treasurer shall determine uniform methods of data collection and  
8 reporting to effectuate this section. The State Treasurer may  
9 provide for a reporting method in which the requirements of  
10 subsection b. of this section are reported within categories defined  
11 by intervals of debt transaction valuations.

12 d. The State Treasurer may establish an aspirational level of  
13 utilization and relative compensation of qualified minority and  
14 women-owned financial institutions serving as senior managing  
15 underwriters in the State entity's debt transactions if such an  
16 aspirational level of utilization and relative compensation can be  
17 established in a manner consistent with the responsibility to seek  
18 out the most economically optimal arrangements available for debt  
19 transactions, in accordance with the requirement that all persons  
20 shall have the full and equal benefit of all laws, and in the presence  
21 of a gross statistical disparity in the utilization and relative  
22 compensation of qualified minority and women-owned financial  
23 institutions serving as senior managing underwriters for a State  
24 entity's debt transactions as evidenced in a report due under  
25 subsection a. of this section. An aspirational level of utilization and  
26 relative compensation shall not be construed as a mandated quota  
27 and shall not be enforceable, but shall be considered as a goal that  
28 the State entity is encouraged to achieve. The State Treasurer shall  
29 suspend an aspirational level of utilization and relative  
30 compensation upon finding the conditions which lead to its  
31 establishment are no longer present.

32 e. A State entity, having been assigned an aspirational level of  
33 utilization and relative compensation of minority and women-  
34 owned financial institutions serving as senior managing  
35 underwriters in the State entity's debt transactions, shall include in  
36 its report due under subsection a. of this section a listing of  
37 impediments to the utilization and comparable compensation of  
38 minority and women-owned financial institutions serving as senior  
39 managing underwriters for the State entity's debt transactions and  
40 proposals to enhance the utilization and compensation of qualified  
41 minority and women-owned financial institutions serving as senior  
42 managing underwriters for the State entity's debt transactions.

43 f. As used in this section:

44 "Debt transaction" means the creation or refinancing of a bond,  
45 note or other financial instrument for which repayment is due.

46 "Qualified minority and women-owned financial institution"  
47 means a financial institution qualified to engage in State entity debt

1 transactions that has a valid certification as a “minority business” or  
2 a “women’s business” pursuant to P.L.1986, c.195 (C.52:27H-21.17  
3 et. seq.);

4 “Senior managing underwriter” means the lead and book running  
5 manager of the syndicate of underwriters of the State’s or State  
6 entity’s debt transactions.

7 “State entity” means a State department or agency, board,  
8 commission, corporation or authority.

9 g. If any section, subsection, paragraph, sentence or other part of  
10 this act is adjudged unconstitutional or invalid, such judgment shall  
11 not affect, impair or invalidate the remainder of this act, but shall be  
12 confined in its effect to the section, subsection, paragraph, sentence  
13 or other part of this act directly involved in the controversy in  
14 which said judgment shall have been rendered.

15

16 2. This act shall take effect immediately.

17

18

19

#### STATEMENT

20

21 This bill requires State entities to examine the opportunity of  
22 minority and women-owned financial institutions to serve as senior  
23 managing underwriters for State debt transactions, imposes related  
24 reporting requirements, and enables the establishment of  
25 aspirational levels of utilization and relative compensation.

26 For each State fiscal year in which a State entity engages in a  
27 debt transaction, this bill requires the State entity to examine the  
28 opportunity and compensation of qualified minority and women-  
29 owned financial institutions to serve as senior managing  
30 underwriters for such transactions. Based on the examination, the  
31 State entity must submit a report to the State Treasurer and the  
32 Legislature. If upon review of the report the State Treasurer  
33 discovers gross statistical disparities in utilization and  
34 compensation, the State Treasurer may establish an aspirational  
35 level of utilization and relative compensation for minority and  
36 women-owned financial institutions serving as senior managing  
37 underwriters in a State entity’s debt transactions. An aspirational  
38 level of utilization and relative compensation is not a mandated  
39 quota and is not enforceable, rather it is a goal that the State entity  
40 is encouraged to achieve.

41 Having been assigned an aspirational level of utilization and  
42 relative compensation, a State entity must comply with additional  
43 reporting requirements. Specifically, the State entity must identify  
44 the impediments to the utilization and comparable compensation of  
45 minority and women-owned financial institutions as senior  
46 managing underwriters for the State entity’s debt transactions and  
47 provide proposals to enhance the use and compensation thereof.

**S104 RICE**

5

- 1 The State Treasurer must suspend an aspirational level of utilization
- 2 and relative compensation upon finding the conditions which lead
- 3 to its establishment no longer exist.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &  
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

**SENATE, No. 104**

with committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 8, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably and with committee amendments Senate Bill No. 104.

This bill requires State entities to examine the opportunity of minority and women-owned financial institutions to serve as senior managing underwriters for State debt transactions, imposes related reporting requirements, and enables the establishment of aspirational levels of utilization and relative compensation.

For each State fiscal year in which a State entity engages in a debt transaction, this bill requires the State entity to examine the opportunity and compensation of qualified minority and women-owned financial institutions to serve as senior managing underwriters for such transactions. Based on the examination, the State entity must submit a report to the State Treasurer, and to the Legislature upon the explicit request thereof. If upon review of the report the State Treasurer discovers gross statistical disparities in utilization and compensation, the State Treasurer may establish an aspirational level of utilization and relative compensation for minority and women-owned financial institutions serving as senior managing underwriters in a State entity's debt transactions. An aspirational level of utilization and relative compensation is not a mandated quota and is not enforceable, rather it is a goal that the State entity is encouraged to achieve.

Having been assigned an aspirational level of utilization and relative compensation, a State entity must comply with additional reporting requirements. Specifically, the State entity must identify the impediments to the utilization and comparable compensation of minority and women-owned financial institutions as senior managing underwriters for the State entity's debt transactions and provide proposals to enhance the use and compensation thereof. The State Treasurer must suspend an aspirational level of utilization and relative compensation upon finding the conditions which lead to its establishment no longer exist.

Under the amendments adopted by the committee, if the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of minority and women-owned financial institutions continue to exist six months before the initial expiration date of the bill, the State Treasurer is to report such findings to the Legislature within 60 days thereof and the bill, as enacted, would not expire but remain in effect for another five years, or until the State Treasurer finds and certifies that that situation has ceased to exist, whichever occurs first.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

#### COMMITTEE AMENDMENTS

The committee amended the bill to provide that: 1) the report from the State entity to the State Treasurer on the opportunities of qualified minority and women-owned financial institutions to serve as senior managing underwriters is to be reported to the Legislature upon the explicit request thereof; 2) if the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of minority and women-owned financial institutions continue to exist six months before the initial expiration date of the bill, the State Treasurer is to report such findings to the Legislature within 60 days thereof and the bill, as enacted, would not expire but remain in effect for another five years, or until the State Treasurer finds and certifies that that situation has ceased to exist, whichever occurs first; and 3) the bill, upon enactment, would expire on the fifth anniversary of its effective date, except under the conditions noted above.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO

[First Reprint]  
**SENATE, No. 104**

**STATE OF NEW JERSEY**

DATED: OCTOBER 18, 2010

The Assembly Financial Institutions and Insurance Committee reports favorably Senate Bill No. 104(1R).

This bill requires State entities to examine the opportunity of minority and women-owned financial institutions to serve as senior managing underwriters for State debt transactions, imposes related reporting requirements, and enables the establishment of aspirational levels of utilization and relative compensation.

For each State fiscal year in which a State entity engages in a debt transaction, this bill requires the State entity to examine the opportunity and compensation of qualified minority and women-owned financial institutions to serve as senior managing underwriters for such transactions. Based on the examination, the State entity must submit a report to the State Treasurer, and to the Legislature upon the explicit request thereof. If upon review of the report the State Treasurer discovers gross statistical disparities in utilization and compensation, the State Treasurer may establish an aspirational level of utilization and relative compensation for minority and women-owned financial institutions serving as senior managing underwriters in a State entity's debt transactions. An aspirational level of utilization and relative compensation is not a mandated quota and is not enforceable, rather it is a goal that the State entity is encouraged to achieve.

Having been assigned an aspirational level of utilization and relative compensation, a State entity must comply with additional reporting requirements. Specifically, the State entity must identify the impediments to the utilization and comparable compensation of minority and women-owned financial institutions as senior managing underwriters for the State entity's debt transactions and provide proposals to enhance the use and compensation thereof. The State Treasurer must suspend an aspirational level of utilization and relative compensation upon finding the conditions which lead to its establishment no longer exist.

The bill provides that if the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of

minority and women-owned financial institutions continue to exist six months before the initial expiration date of the bill, the State Treasurer is to report such findings to the Legislature within 60 days thereof and the bill, as enacted, would not expire but remain in effect for another five years, or until the State Treasurer finds and certifies that that situation has ceased to exist, whichever occurs first.

The bill, as reported, is identical to A-1758, as amended and also reported by the committee today.

# ASSEMBLY, No. 1758

## STATE OF NEW JERSEY 214th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2010 SESSION

**Sponsored by:**

**Assemblywoman BONNIE WATSON COLEMAN**

**District 15 (Mercer)**

**SYNOPSIS**

Requires State entities to examine opportunity of minority and women-owned financial institutions to serve as senior managing underwriters, imposes reporting requirements, and enables establishment of aspirational levels of utilization and relative compensation.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel





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5 of aspirational levels of utilization and relative compensation,  
6 supplementing chapter 32 of Title 52 of the Revised Statutes.

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8 **BE IT ENACTED** by the Senate and General Assembly of the State  
9 of New Jersey:

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12 date of P.L. , c. (C. ) (pending before the Legislature as  
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15 financial institutions to serve as senior managing underwriters for  
16 such transactions. The State entity shall report the findings of the  
17 examination to the State Treasurer and, in accordance with section 2  
18 of P.L.1991, c.164 (C.52:14-19.1), the Legislature.

19 b. The report required by subsection a. of this section shall  
20 include:

21 (1) the total number of the State entity's debt transactions in  
22 which qualified minority and women-owned financial institutions  
23 served as senior managing underwriters;

24 (2) the total number of qualified minority and women-owned  
25 financial institutions which sought unsuccessfully to serve as senior  
26 managing underwriters for the State entity's debt transactions;

27 (3) the total number of qualified minority and women-owned  
28 financial institutions available to serve as senior managing  
29 underwriters for the State entity's debt transactions;

30 (4) the total number of qualified minority and women-owned  
31 financial institutions available to serve as senior managing  
32 underwriters for the State entity's debt transactions whose primary  
33 trading, underwriting or investment banking activities were located  
34 within the State;

35 (5) the total number of State entity debt transactions in which a  
36 qualified minority and women-owned financial institution served as  
37 senior managing underwriters, relative to the total number of debt  
38 transactions undertaken by the State entity;

39 (6) the total value of the State entity's debt transactions in  
40 which a qualified minority and women-owned financial institution  
41 served as senior managing underwriters, relative to the total value  
42 of debt transactions undertaken by the State entity; and

43 (7) the total and per transaction value of the compensation  
44 provided to qualified minority and women-owned financial  
45 institutions who serve as senior managing underwriters for the State  
46 entity's debt transactions relative to the total and per transaction  
47 value of compensation provided to financial institutions, other than

1 qualified minority and women-owned financial institutions, who  
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3 transactions.

4 c. A report owed pursuant to this section shall be due on the  
5 first business day after the January 1 immediately following the end  
6 of the State fiscal year for which the report is due. The State  
7 Treasurer shall determine uniform methods of data collection and  
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12 d. The State Treasurer may establish an aspirational level of  
13 utilization and relative compensation of qualified minority and  
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19 transactions, in accordance with the requirement that all persons  
20 shall have the full and equal benefit of all laws, and in the presence  
21 of a gross statistical disparity in the utilization and relative  
22 compensation of qualified minority and women-owned financial  
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25 subsection a. of this section. An aspirational level of utilization and  
26 relative compensation shall not be construed as a mandated quota  
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28 the State entity is encouraged to achieve. The State Treasurer shall  
29 suspend an aspirational level of utilization and relative  
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32 e. A State entity, having been assigned an aspirational level of  
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40 proposals to enhance the utilization and compensation of qualified  
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42 managing underwriters for the State entity's debt transactions.

43 f. As used in this section:

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45 note or other financial instrument for which repayment is due.

46 "Qualified minority and women-owned financial institution"  
47 means a financial institution qualified to engage in State entity debt

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2 a “women’s business” pursuant to P.L.1986, c.195 (C.52:27H-21.17  
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8 commission, corporation or authority.

9 g. If any section, subsection, paragraph, sentence or other part  
10 of this act is adjudged unconstitutional or invalid, such judgment  
11 shall not affect, impair or invalidate the remainder of this act, but  
12 shall be confined in its effect to the section, subsection, paragraph,  
13 sentence or other part of this act directly involved in the  
14 controversy in which said judgment shall have been rendered.

15

16 2. This act shall take effect immediately.

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#### STATEMENT

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21 This bill requires State entities to examine the opportunity of  
22 minority and women-owned financial institutions to serve as senior  
23 managing underwriters for State debt transactions, imposes related  
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25 aspirational levels of utilization and relative compensation.

26 For each State fiscal year in which a State entity engages in a  
27 debt transaction, this bill requires the State entity to examine the  
28 opportunity and compensation of qualified minority and women-  
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30 underwriters for such transactions. Based on the examination, the  
31 State entity must submit a report to the State Treasurer and the  
32 Legislature. If upon review of the report the State Treasurer  
33 discovers gross statistical disparities in utilization and  
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41 Having been assigned an aspirational level of utilization and  
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44 the impediments to the utilization and comparable compensation of  
45 minority and women-owned financial institutions as senior  
46 managing underwriters for the State entity’s debt transactions and  
47 provide proposals to enhance the use and compensation thereof.

**A1758 WATSON COLEMAN**

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- 2 and relative compensation upon finding the conditions which lead
- 3 to its establishment no longer exist.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1758**

with committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 18, 2010

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. 1758.

This bill, as amended, requires State entities to examine the opportunity of minority and women-owned financial institutions to serve as senior managing underwriters for State debt transactions, imposes related reporting requirements, and enables the establishment of aspirational levels of utilization and relative compensation.

For each State fiscal year in which a State entity engages in a debt transaction, this bill requires the State entity to examine the opportunity and compensation of qualified minority and women-owned financial institutions to serve as senior managing underwriters for such transactions. Based on the examination, the State entity must submit a report to the State Treasurer, and to the Legislature upon the explicit request thereof. If upon review of the report the State Treasurer discovers gross statistical disparities in utilization and compensation, the State Treasurer may establish an aspirational level of utilization and relative compensation for minority and women-owned financial institutions serving as senior managing underwriters in a State entity's debt transactions. An aspirational level of utilization and relative compensation is not a mandated quota and is not enforceable, rather it is a goal that the State entity is encouraged to achieve.

Having been assigned an aspirational level of utilization and relative compensation, a State entity must comply with additional reporting requirements. Specifically, the State entity must identify the impediments to the utilization and comparable compensation of minority and women-owned financial institutions as senior managing underwriters for the State entity's debt transactions and provide proposals to enhance the use and compensation thereof. The State Treasurer must suspend an aspirational level of utilization and relative compensation upon finding the conditions which lead to its establishment no longer exist.

If the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of minority and women-owned financial institutions continue to exist six months before the initial expiration date of the bill, the State Treasurer is to report such findings to the Legislature within 60 days thereof and the bill, as enacted, would not expire but remain in effect for another five years, or until the State Treasurer finds and certifies that that situation has ceased to exist, whichever occurs first.

This bill was pre-filed for introduction in the 2010-2011 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

The bill, as reported with committee amendments, is identical to S-104(1R), also reported by the committee today.

#### COMMITTEE AMENDMENTS

The committee amended the bill to provide that:

1) the report from the State entity to the State Treasurer on the opportunities of qualified minority and women-owned financial institutions to serve as senior managing underwriters is to be reported to the Legislature upon the explicit request thereof;

2) if the State Treasurer finds and certifies that impediments to the utilization and comparable compensation of minority and women-owned financial institutions continue to exist six months before the initial expiration date of the bill, the State Treasurer is to report such findings to the Legislature within 60 days thereof and the bill, as enacted, would not expire but remain in effect for another five years, or until the State Treasurer finds and certifies that that situation has ceased to exist, whichever occurs first; and

3) the bill, upon enactment, would expire on the fifth anniversary of its effective date, except under the conditions noted above.