

34: 1A-64 to 34: 1A-69

LEGISLATIVE HISTORY CHECKLIST

(Creates Office of Technical Innovation
within Department of Labor & Industry)

HJSA 34:1A-64 to 34:1A-69

LAWS OF 1977 CHAPTER 429

Bill No. S1648

Sponsor(s) Buehler and Merlino

Date Introduced Sept. 16, 1976

Committee: Assembly Labor

Senate State Govt., Federal & Interstate Relations & Veterans Affairs

Amended during passage Yes Amendments during passage denoted by asterisks

Date of Passage: Assembly Dec. 19, 1977

Senate April 18, 1977

Date of approval Feb. 28, 1978

Following statements are attached if available:

Sponsor statement	Yes	no
Committee Statement: Assembly	Yes	no
Senate	Yes	no
Fiscal Note	Yes	no
Veto message	Yes	No
Message on signing	Yes	no
Following were printed:		
Reports	Yes	no
Hearings	Yes	no

974.901 Broner, Adam.
E18 N.J.'s comparative advantage for technical
no.9 progress (a proposal for action)
(In: New Jersey Economic Policy Council.
Annual Report, 9th, Trenton, 1976. p.52-63).

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429
APPROVED 2/28/78

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SENATE, No. 1648

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 16, 1976

By Senators BUEHLER and MERLINO

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

AN ACT to promote technical innovation and new enterprise in
New Jersey, creating an Office for Promoting Technical Innova-
tion in the Division of Economic Development of the Department
of Labor and Industry, defining its purposes, powers, and duties,
and making an appropriation therefor.

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

1 1. The Legislature hereby finds and declares:

2 a. That there exists in the State a great and growing need to
3 stimulate manufacturing investment and industrial and commer-
4 cial development to enhance opportunities for economic growth
5 and provide and maintain employment and tax revenues;

6 b. That continuing technological progress is a key element in
7 economic growth and labor productivity and that a climate of
8 scientific enterprise receptive to new products and processes can
9 be a significant factor in encouraging manufacturing, industrial,
10 commercial, and business enterprises to locate, remain, or expand
11 in this State;

12 c. That New Jersey, by virtue of its wealth of scientific and
13 technological research facilities, technically sophisticated personnel,
14 and sources of venture capital, has the capacity not only to
15 accelerate the pace of technological innovation and progress, but
16 to promote the transformation of new ideas into commercial
17 products fabricated in New Jersey;

18 d. That a State office to provide assistance and encouragement
19 to the individual inventor and entrepreneur would play a vital role
20 in realizing fully the State's potential for technical advancement
21 and thus contribute to the State's economic growth and the welfare
22 of all its citizens.

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

1 2. For the purposes of this act, the following words and phrases
2 shall have the following meanings, unless the context clearly
3 requires otherwise:

4 a. "Board" means the Technical Advisory Board created in
5 section 3. b. of this act;

6 b. "Fund" means the Technical Innovation Financing Fund
7 created in section 6 of this act;

8 c. "Invention" means any new process, product, or technique
9 without regard to whether or not a patent has or could be granted;

10 d. "Office" means the Office for Promoting Technical Innovation
11 created by this act;

12 e. "Product" means any product, device, technique or process
13 which is or may be exploitable commercially; such term shall not
14 refer to pure research but shall be construed to apply to such
15 products, devices, techniques or processes which have advanced
16 beyond the conceptual stage and are readily capable of being, or
17 have been, reduced to practice.

1 3. a. There is hereby created within the Division of Economic
2 Development in the Department of Labor and Industry an Office
3 for Promoting Technical Innovation. The administrative head of
4 the office shall be an executive director, who shall be appointed by
5 the ***[Governor, with the advice and consent of the Senate]***
6 **Commissioner of Labor and Industry**, and who shall serve at
7 the pleasure of the ***[Governor]*** **Commissioner** during the
8 ***[Governor's]*** **Commissioner's** term of office and until his
9 successor is appointed and qualified. Any vacancy occurring in
10 the office of the executive director shall be filled in the same manner
11 as the original appointment. The executive director shall devote
12 his entire time to the performance of his duties and shall receive
12A such salary as shall be provided by law.

13 b. Within the Office for Promoting Technical Innovation there
14 shall be a Technical Advisory Board, which shall assist the executive
15 director in carrying out the purposes of this act. The board shall
16 comprise seven members, who shall be appointed by the Governor
17 with the advice and consent of the Senate; provided, however, that,
18 to the maximum extent possible, the members shall be chosen so
19 that expertise in the fields of science and technology, law, eco-
20 nomics, marketing and management are represented. Of the seven
21 members first to be appointed, two shall be appointed for terms of
22 1 year, two for terms of 2 years, and three for terms of 3 years.
23 Thereafter, all appointments shall be made for terms of 3 years.
24 All members shall serve after the expiration of their terms until
25 their respective successors are appointed and qualified, and any

26 vacancy occurring in the membership of the board shall be filled in
27 the same manner as the original appointment, but for the unexpired
28 term only. Members of the board shall serve without compensation,
29 but shall be entitled to reimbursement for expenses incurred in
30 attendance at meetings of the board and in performance of their
31 duties as members thereof. The board shall meet at the call of the
32 executive director and shall address itself to such matters as are
33 referred to it by the executive director.

34 c. The Division of Economic Development shall make available
35 to the office such research and other professional staff as may be
36 needed to assist the executive director and the board in discharging
37 their duties.

38 d. The executive director may employ such technical and clerical
39 staff and other employees as may be necessary to assist him in
40 the performance of his duties, within the limits of available appro-
41 priations therefor. The provisions of Title 11 (Civil Service) of
42 the Revised Statutes and acts amendatory thereof and supplemental
43 thereto, shall be construed to extend to all such personnel. He may
44 also employ consultants from time to time as may be necessary to
45 assist him on particular projects.

1 4. The purpose of the Office for Promoting Technical Innovation
2 shall be to stimulate and encourage the development of new com-
3 mercial products to be fabricated in New Jersey by providing such
4 assistance to the individual inventor and small entrepreneur as is
5 needed to realize the full potential of his invention and to apprise
6 business and industry leaders of new and prospective technical
7 advancements which may be of value to them. In order to carry out
8 this purpose, the office shall have the following powers and duties:

9 a. Establish communication between inventors, sources of capital,
10 entrepreneurs, and technical, legal, marketing and managerial
11 experts for the purpose of selecting and developing new product
12 enterprises;

13 b. Organize teams of inventors and technical consultants who
14 will cooperate at all stages in the development of selected inventions
15 into commercial products, including, but not limited to, the screen-
16 ing of patents and inventions for their market potential, the under-
17 taking of feasibility studies, the process of prototype fabrication,
18 the identification of sources of venture capital, the undertaking of
19 market studies, and the organization and management of new
20 enterprises;

21 c. Advocate the interests of promising enterprises before State
22 and local agencies and authorities and the Division of Economic
23 Development;

24 d. Inform inventors of available research and development grants
25 from Federal sources and assist in the preparation of applications
26 therefor;

27 e. Grant or guarantee low interest loans, within the limits of
28 revenues available in the Technical Innovation Financing Fund, to
29 inventors and product developers for projects whose benefit to the
30 State in terms of future applications, employment potential, and
31 tax revenues and ratables can be clearly demonstrated but for
32 which no private or other public sources of financial assistance are
33 available;

34 f. Maintain liaison with the Federal Intergovernmental Science,
35 Engineering and Technology Advisory Panel established by
36 P. L. 94-282 and represent the State's interests to Federal agencies;

37 g. Propose legislation aimed at promoting technical progress;

38 h. Publish and promote its services and activities to the public
39 at large;

40 i. Seek and accept financial assistance in the form of contribu-
41 tions, gifts, grants, or matching funds from the Federal Government
42 and any other public or private sources to carry out its program;

43 j. Submit to the Governor and the Legislature an annual report
44 regarding its activities and setting forth recommendations of
45 methods which might be utilized to more efficiently and effectively
46 carry out the purposes of this act;

47 k. Collect, and serve as clearinghouse of, technical information
48 and resource materials; provided, however, that any information
49 collected which, in the opinion of the board and the executive
50 director, may constitute a trade secret shall be so designated and
51 shall thereby be exempt from the requirements of P. L. 1963, c. 73
52 (C. 47:1A-1 et seq.).

53 l. Adopt and promulgate rules and regulations necessary to
54 carry out the purposes of this act, including, but not limited to,
55 codes of behavior and regulations to preserve the confidentiality of
56 inventions and the integrity of all who may be involved in new
57 product development.

1 5. A copy of any application for assistance under this act received
2 by the office shall be submitted to, and for the review and advice of,
3 the Director of the Division of Economic Development. Prior to
4 making any commitment for such assistance, the office, after con-
5 sultation with the director of said division, shall, upon the concu-
6 rrence of the executive director and at least five of the members of
7 the board, find and determine, on the basis of all information
8 reasonably available to it, that such assistance will tend to promote

9 practical technical innovation in this State and otherwise serve the
10 purposes of the office and this act.

1 6. a. There is hereby created in the State Treasury a special
2 account which shall be known as the Technical Innovation Financ-
3 ing Fund and which shall be used by the office as a nonlapsing
4 revolving fund. The fund shall be credited with such moneys as
5 shall be appropriated by the State for the purpose of such fund
6 and all moneys received from contributions, gifts, and grants to
7 the office.

8 b. The State Treasurer, with the advice of the executive director,
9 may invest and reinvest any moneys in said fund determined not
10 to be needed for its current responsibilities. Any income or interest
11 on, or increment to, moneys so invested or reinvested shall be
12 added to the principal of the fund.

13 c. The moneys in said fund shall be applied, upon ****[warrant]****
14 ***the recommendation*** of the executive director of the office ***and*
15 *in accordance with section 5 of this act***, for the purpose of grant-
16 ing or guaranteeing low interest loans pursuant to the provisions
17 of ****[subsection 4]**** ***section 4*** of this act, subject to any con-
18 ditions upon which such grants or guarantees may have been made,
19 and for any other purposes consistent with the objectives of this act.

1 7. There is hereby appropriated ***from the Unemployment*
2 *Compensation Auxiliary Fund*** to the Department of Labor and
3 Industry the sum of \$250,000.00 for the establishment and admini-
4 stration of the Office for Promoting Technical Innovation.

1 8. This act shall take effect 90 days following enactment ***and*
2 *shall expire 5 years following enactment.***

9 practical technical innovation in this State and otherwise serve the
10 purposes of the office and this act.

1 6. a. There is hereby created in the State Treasury a special
2 account which shall be known as the Technical Innovation Finance-
3 ing Fund and which shall be used by the office as a nonlapsing
4 revolving fund. The fund shall be credited with such moneys as
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7 the office.

8 b. The State Treasurer, with the advice of the executive director,
9 may invest and reinvest any moneys in said fund determined not
10 to be needed for its current responsibilities. Any income or interest
11 on, or increment to, moneys so invested or reinvested shall be
12 added to the principal of the fund.

13 c. The moneys in said fund shall be applied, upon warrant of the
14 executive director of the office, for the purpose of granting or
15 guaranteeing low interest loans pursuant to the provisions of
16 subsection 4 of this act, subject to any conditions upon which such
17 grants or guarantees may have been made, and for any other pur-
18 poses consistent with the objectives of this act.

1 7. There is hereby appropriated to the Department of Labor and
2 Industry the sum of \$250,000.00 for the establishment and admini-
3 stration of the Office for Promoting Technical Innovation.

1 8. This act shall take effect 90 days following enactment.

STATEMENT

This bill creates an Office for Promoting Technical Innovation in the Department of Labor and Industry. The purpose of the Office is to stimulate manufacturing investment and industrial and commercial development by providing such assistance to individual inventors and small entrepreneurs as is needed to help transform promising new ideas into commercial products fabricated in New Jersey or into new processes to serve the needs of New Jersey industry and commerce.

Economic experts have long recognized that technological progress is a key element in economic growth and labor productivity. New Jersey's extensive network of scientific and technical research facilities and wealth of highly trained personnel constitute one of the strongest potential growth sectors in its economy. A State program to help realize this enormous potential for technological progress would, therefore, make a positive contribution to the State's economy.

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The Office for Promoting Technical Innovation would, among its other duties, assist the individual inventor or entrepreneur by 1) providing such technical assistance as he may need to develop his invention into a commercially marketable and useful product; 2) serve as a liaison to sources of capital needed to finance the development of new products and processes; and 3) serve as a financing agent of last resort for inventions which promise great benefit to the State but for which no other sources of financial assistance are available.

The establishment of this office would also demonstrate to the Federal Government New Jersey's commitment to technological advancement and thereby encourage Federal assistance in the form of grants, loans, or matching funds to the program.

This measure appropriates \$250,000.00 to establish and administer the office. Although the mechanism for a "Technical Innovation Financing Fund" for making loans for innovations deemed worthy of State support is provided in section 6 of this act, no appropriation is made for it. It is anticipated that contributions, gifts, grants, or matching funds from Federal and other public and private sources will provide ample resources for the fund.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

SENATE, No. 1648

[SECOND OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: OCTOBER 17, 1977

The Assembly Labor Committee favorably reports this bill and endorses the Senate committee statement thereon.

The committee therefore gives its support to a new Office for Promoting Technical Innovation, viewing its establishment in the Department of Labor and Industry as an experimental plan to capitalize on the disproportionately high level of "brain power" and skills in our State's labor force. New Jersey regularly finds itself near the highest-ranked states in the nation in the number of patents granted its residents and represents just less than 10% of the nation's inventive output. In fact, New Jersey is reported to have more scientists and engineers than any other state with approximately 10% of all research and development expenditures by industry and government disbursed here.

The proposed office, it is hoped, will successfully rely on the individual initiative of the interested parties, induce new entries and stir competition while, at the same time, providing assistance to the inventor or small entrepreneur whose knowledge of the market is lacking, who has no manufacturing experience, and does not know how to go about raising the necessary capital.

The Labor Committee's endorsement of the bill is based on two assumptions: (a) that product development is the forerunner of manufacturing opportunity and (b) the manufacture of new products is the path to the creation of jobs.

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

STATEMENT TO

SENATE, No. 1648

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 17, 1977

This bill creates an Office for Promoting Technical Innovation in the Department of Labor and Industry. The purpose of the office is to stimulate manufacturing investment and industrial and commercial development by providing such assistance to individual inventors and small entrepreneurs as is needed to help transform promising new ideas into commercial products fabricated in New Jersey or into new processes to serve the needs of New Jersey industry and commerce.

As originally drafted the bill called for the administrative head of the office to be an "executive director" appointed by the Governor with the advice and consent of the Senate. With the sponsor's consent and at the suggestion of the Commissioner of Labor and Industry the committee has amended the bill so that the executive director will be appointed by the commissioner. The bill appropriates \$250,000.00 for the establishment and administration of the office and also creates in the State Treasury a special account known as the Technical Innovation Financing Fund.

The State Office of Economic Policy under its director Dr. Adam Broner, the Commissioner of Labor and Industry and individual inventors have all worked with the sponsor in developing the legislation and in providing background information.

The bill provides for the Office for Promoting Technical Innovation to have two components. Firstly, there is a regular staff of technical, professional and clerical personnel. At the committee's request a tentative organization plan was furnished which specifies a professional and technical staff of eight, including the executive director, and a secretarial staff of three. This tentative organization plan, a copy of which is attached, provides for four sections as follows:

1. *Technical Section*—This section would evaluate inventors and inventions and should contain personnel in the fields of chemistry, pharmaceuticals, mechanical and electrical engineering and if possible, people whose expertise would include solid state electronics and solid waste and energy conservation.

2. *Business Section*—This section will evaluate the market potential, capital costs and financial support requirements for inventions.
3. *Legal Section*—Will provide the legal advice on patents. This section will require a patent attorney.
4. *Resources and Publication*—This section is responsible for:
 1. Informing inventors of available research and development grants from government agencies and private foundations.
 2. Collecting and distributing technical information and resource materials.
 3. Public information.

The total salary requirement according to this organization plan is \$212,000.00.

The other component of the office is the Technical Advisory Board which is created pursuant to section 3 of the act. This seven member board is to be appointed by the Governor with the advice and consent of the Senate and will serve without compensation.

Because of the complexity of introducing and marketing inventions the advisory board is constituted to have representation from banking, marketing, the academic world, corporate research, the legal profession and a representative from among the independent inventors. Due to the complicated process involved in developing and introducing an invention the bill specifies that at least five members of the advisory board as well as the executive director approve applications from inventors for assistance.

Among the duties of the office in accomplishing its larger goals of stimulating and encouraging “the development of new commercial products” by assisting individual inventors will be the establishment of communications between inventors and sources of capital, and technical, legal, marketing and managerial experts, the organization of teams of inventors and technical consultants to cooperate in the development of selected inventions, the advocacy of the interests of “promising enterprises” before governmental agencies, and the transmittal of information on available research and development grants to individual inventors.

The Office for Promoting Technical Innovation will be authorized to grant or guarantee low interest loans to inventors and product developers, subject to the limitations of the act, and within the limits of the revenue of the “Technical Innovation Financing Fund,” which is created by this act.

The Federal Government, through its Office of Science and Technology Policy in the Executive Office of the President, has committed itself to encourage and support scientific and technological activities

such as the office created by this act. It is anticipated that the "Technical Innovation Financing Fund" shall be funded through such programs as the U.S. Department of Commerce's Experimental Technology Incentives Program (ETIP) which is presently supporting the Connecticut Development Corporation. It is also anticipated that the agency will be eligible for Federal funds through the Small Business Administration and the United States Economic Development Authority.

Each application for assistance received by the office will be sent to the Director of the Division of Economic Development in the Department of Labor and Industry for "review and advice" in addition to the aforementioned approval by the executive director and five members of the advisory council in order to qualify for a loan the inventor must demonstrate that his invention will benefit the State in terms of future application and employment potential. He must also demonstrate that there are no other private or public sources of revenue available.

Among its other duties the office is charged by this bill to propose other legislation aimed at promoting technical progress, to adopt and promote rules and regulations necessary to carry out the purposes of the act, to seek and accept financial assistance from Federal or other sources, to maintain liaison with the Federal Intergovernmental Science, Engineering and Technical Advisory Panel and to represent the State's interests to Federal agencies. The office is required to make an annual report to the Governor and Legislature.

There is considerable support among economists for the position that economic growth and development is correlated with technological progress. It is the purpose of this bill to stimulate this progress.

FEBRUARY 28, 1978

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FOR FURTHER INFORMATION

KATHY FORSYTH

MAR 28 1978

Acting Governor Joseph P. Merlino today signed into law the following bills:

S-1648, sponsored by former Senator ^{185 W. State Street} ~~Senator~~ ^{Trenton, N. J.} Robert Buehler (D-Monmouth) which creates

an Office for Promoting Technical Innovation in the Department of Labor and Industry.

The office will provide assistance to individual inventors and small entrepreneurs in developing and marketing inventions.

Main functions of the office will include:

- establishing communications between inventors, potential investors and technical and business experts for the purpose of identifying commercially viable inventions and developing related products and enterprises.
- organizing teams of inventors and technical consultants to cooperate at specific stages in the commercial development of selected inventions, including the screening of patents and inventions for market potential, conducting feasibility and market studies, identification of sources of venture capital, and the organization and management of new enterprises.
- assisting promising local enterprises in dealings with federal, state and local agencies, especially with respect to applications to federal agencies for available research and development grants.
- seeking contributions, gifts, grants and matching funds from federal agencies and other public and private sources.
- serve as a clearinghouse for technical information and resource materials for inventors and product developers.
- granting and guaranteeing low-interest loans (within the limits of funds earmarked for that purpose) for projects having economic promise for the state.

The bill also creates a special account in the State Treasury known as the Technical Innovation Financing Fund which will be used by the office as a revolving fund for financing low-interest loans and guarantees.



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The fund will be credited with money received from gifts, contributions and grants as well as specific appropriations by the state.

Headed by an Executive Director, appointed by the Commissioner of Labor and Industry, the office will also have a seven-member Technical Advisory Board, appointed by the Governor with the advice and consent of the Senate.

The bill appropriates \$250,000 from the Unemployment Compensation Auxiliary Fund for the establishment and administration of the office. None of these funds will be credited to the Technical Innovation Financing Fund.

A-3432, sponsored by Assemblywoman Helen C. Szabo (D-Mercer) which permits a joint county and municipal building commission to receive municipal and county funds for the construction or rehabilitation of a memorial building.

The bill also provides that either the county or the municipality may transfer its title or interest in such buildings to one or the other by resolution of the governing body.

The purpose of the bill is to allow a municipality or county to take title to an existing monument or memorial in which the other party has relinquished its interest.

A-3033, sponsored by Assemblyman Byron Baer (D-Bergen) which amends the child labor laws to permit children under the age of 8 to perform in theatrical productions.

Prior law allowed the professional employment of children between the ages of 8 and 16 in stage, motion picture and television performances under certain conditions. This measure strengthens the safeguards applicable to all minors under the age of 16 and provides that certain special conditions must be met for children under the age of 8.

The bill requires, as an additional condition of employment, certification by a licensed physician based upon physical examination that the minor is in good health and "will not likely be endangered by the working conditions of the prospective employment. For minors under the age of 8, the physical examination must include a visual acuity screening if practicable. Under the measure, it will be a high misdemeanor for anyone who obtains a permit to employ minors under the age of 16 in pornographic movies.