

LEGISLATIVE HISTORY CHECKLIST
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("Industry Sector Network Development Act")

NJSA: 34:1B-80

LAWS OF: 1995 **CHAPTER:** 207

BILL NO: A17

SPONSOR(S): Geist, Jones & Felice

DATE INTRODUCED: December 15, 1994

COMMITTEE: **ASSEMBLY:** Economic Development
SENATE: Natural Resources

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** February 27, 1995
SENATE: June 19, 1995

DATE OF APPROVAL: August 14, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: Yes

HEARINGS: Yes

974.90 New Jersey. Legislature. Assembly. Task Force on Business
 E19 Retention, Expansion & Export Opportunities.
 1994a A new tide of change: blueprint for growth. August, 1994.
 [see especially pp. 58-59]

974.90 New Jersey. Legislature. Assembly. Task Force on Business
 E19 Retention, Expansion & Export Opportunities.
 1994e Meeting, held 3-29-94, 5-18-94, 6-14-94, Warren, Trenton,
 1994.

074.90 New Jersey. Economic Master Plan Commission.
 E19 Short and long term recommendations for economic improvement.
 1994g Trenton, 1994.
 [see especially pp.12 &39]

974.90 New Jersey. Legislature. Assembly. Task Force on Business
 E19 Retention, Expansion & Export Opportunities.
 1994b A new tide of change: blueprint for growth. Executive Summary.
 August, 1994.
 [see pp. 4-5]

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P.L.1995, CHAPTER 207, *approved August 14, 1995*
1994 Assembly No. 17 (*Second Reprint*)

1 AN ACT ¹[directing] authorizing¹ the Commissioner of
2 Commerce and Economic Development to develop new
3 strategies to attract and retain businesses and supplementing
4 chapter 1B of Title 34 of the Revised Statutes.

5

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

8 1. This act shall be known and may be cited as the "New
9 Jersey Industry Sector Network Development Act."

10 2. The Legislature finds and declares that:

11 a. The Department of Commerce and Economic Development
12 admirably provides generic services and technical assistance to
13 businesses that request such help;

14 b. The department should now complement its existing,
15 generic types of assistance with appropriate, specific strategies
16 oriented towards promoting businesses in high potential and
17 mid-potential growth industry sectors, and businesses in declining
18 industry sectors that have the potential for revitalization; and

19 c. These new, specific strategies ¹[should] may¹ include
20 assistance in¹ the creation of industry sector networks wherein
21 similar businesses work together and learn from each other
22 thereby enabling such networks to benefit from economies of
23 scale and thus enhance their competitiveness in current markets
24 and also permit their entry into new, larger markets.

25 3. As used in this act:

26 ²["Department" means the Department of Commerce and
27 Economic Development.]¹²

28 "Commissioner" means the Commissioner of Commerce and
29 Economic Development²[.];²

30 ²["Department" means the Department of Commerce and
31 Economic Development;]²

32 ¹["Economic master plan commission" means the New Jersey
33 Economic Master Plan Commission established by Executive
34 Order No. 1 issued by the Governor on January 18, 1994]²[.];¹²

35 "Industry sector network" means ¹[groups] clusters¹ of two or
36 more ¹[key industries] businesses within a key industry¹ working
37 jointly to manufacture, sell or market products, develop
38 technologies or create or disseminate information²[.]; and²

39 "Key industry" means an industry that makes or could make an
40 important contribution to the economy of the State, ¹[including
41 but not limited to,] which may include^{2,2} but need not be limited
42 to, healthcare,¹ pharmaceuticals, chemicals, communications,

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:

¹ Assembly AEA committee amendments adopted January 19, 1995.

² Senate SNT committee amendments adopted March 20, 1995.

1 ¹telecommunications,¹ electronics, software, insurance, tourism,
2 transportation, construction, agriculture, and biotechnology.

3 4. The commissioner ¹[shall] may¹ undertake ¹[a program] to
4 act through the Division of Economic Development, or through a
5 non-profit entity which may include a non-profit corporation
6 organized to implement the recommendations of the economic
7 master plan commission,¹ to assist key industries with:

8 a. The creation of industry sector networks and the
9 development of a program designed to train persons who would
10 assist in the formation of such networks;

11 b. The development of industry related markets;

12 c. The establishment of industry related training and education
13 programs;

14 d. The improvement of industry products or quality of services;

15 e. The development of solutions to industry problems that
16 hinder the marketing of products or services;

17 f. The adoption of policies to assure that industry proprietary
18 information remains confidential; and

19 g. Such other industry problems or opportunities that may
20 arise or be so identified.

21 ¹5. In implementing the goals of section 4 of this act, the
22 commissioner shall encourage the division or a designated
23 non-profit entity, as the case may be, to coordinate efforts with
24 existing economic development programs and to cooperate with
25 other public and private organizations, which may include, but
26 need not be limited to, State and local agencies and commissions
27 involved with business network development, utility companies,
28 industry trade and business groups or associations, or ²[a]²
29 private sector non-profit groups organized to promote economic
30 development in the State.¹

31 ¹[5.] 6.¹ ²[The] To the extent that the commissioner acts
32 pursuant to section 4 of this act, the² commissioner shall
33 encourage industry sector networks to support their network
34 activities with private industry membership fees ¹to enable the
35 networks to be self-supporting¹² [. ¹[The commissioner shall
36 assist each network in developing and implementing a] The
37 commissioner], and² shall encourage members of particular
38 industry sector networks to adopt, by mutual agreement of the
39 members, a¹ schedule of fees to be paid by members of the
40 particular network. ¹[The fees shall be established to provide
41 sufficient funding to permit the networks to be self-supporting
42 within 24 months after their creation.]¹

43 ¹[6. From amounts appropriated or otherwise available for
44 economic development, the] 7. The¹ commissioner may allocate
45 matching funds to help an industry sector network with network
46 start-up costs and activities ¹[within the first 24 months of the
47 creation of a network] in order to stimulate private sector
48 financing to promote self-sufficient networks¹.

49 ¹[7.] 8.¹ The commissioner shall, pursuant to the
50 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
51 seq.), adopt any rule and regulation necessary to effectuate the
52 purposes of this act.

53 ¹[8.] 9.¹ This act shall take effect immediately.

- 1 e. The development of solutions to industry problems that
2 hinder the marketing of products or services;
- 3 f. The adoption of policies to assure that industry proprietary
4 information remains confidential; and
- 5 g. Such other industry problems or opportunities that may
6 arise or be so identified.
- 7 5. The commissioner shall encourage industry sector networks
8 to support their network activities with private industry
9 membership fees. The commissioner shall assist each network in
10 developing and implementing a schedule of fees to be paid by
11 members of the particular network. The fees shall be established
12 to provide sufficient funding to permit the networks to be
13 self-supporting within 24 months after their creation.
- 14 6. From amounts appropriated or otherwise available for
15 economic development, the commissioner may allocate matching
16 funds to help an industry sector network with network start-up
17 costs and activities within the first 24 months of the creation of
18 a network.
- 19 7. The commissioner shall, pursuant to the "Administrative
20 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt any
21 rule and regulation necessary to effectuate the purposes of this
22 act.
- 23 8. This act shall take effect immediately.
- 24
25

26 STATEMENT

27
28 This bill directs the Commissioner of Commerce and Economic
29 Development to assist industries with similar products or services
30 to join into networks. It is intended that networks of similar
31 industries would work together and learn from each other thereby
32 enhancing their competitiveness in current markets and also
33 permitting their entry into new, larger market areas. The need
34 for job retention and job expansion is important to the economic
35 well-being of the State and the creation of industry networks
36 would surely promote our economy. Therefore, it is essential
37 that the State act as a catalyst for the creation of industry
38 sector networks.

39
40
41

42
43 _____
44 Directs Commissioner of Commerce and Economic Development
to assist in creation of industry sector networks.

ASSEMBLY ECONOMIC DEVELOPMENT, AGRICULTURE, AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 17

with committee amendments

STATE OF NEW JERSEY

DATED: JANUARY 19, 1995

The Assembly Economic Development, Agriculture and Military and Veterans' Affairs Committee reports favorably Assembly Bill No. 17, with committee amendments.

As amended, this bill authorizes the Commissioner of Commerce and Economic Development to assist industries with similar products or services to join into networks. It is intended that networks of similar industries would work together and learn from each other thereby enhancing their competitiveness in current markets and also permitting their entry into new, larger market areas. The need for job retention and job expansion is important to the economic well-being of the State and the creation of industry networks would surely promote our economy. Therefore, it is essential that the State act as a catalyst for the creation of industry sector networks.

The committee amended the bill to authorize rather than require the commissioner to assist in the development of industry sector networks.

The amendments also redefine and clarify the term "industry sector network" and give the commissioner discretion to determine which sectoral networks shall be developed. The committee amendments also give the commissioner the flexibility to delegate responsibilities for developing industry sector networks to a non-profit corporation to assist the department in implementing the goals of the bill.

The New Jersey Economic Master Plan Commission and the Assembly Task Force on Business Retention, Expansion, and Export Opportunities both recommended the formation of industry networks. The committee amendments are intended to enhance the commissioner's ability to implement the Economic Master Plan Commission's recommendation that the proposed non-profit corporation, Prosperity New Jersey, be involved with network formation. The committee also intends that the proposed Blueprint for Growth, Inc., recommended by the Assembly Task Force, should also provide assistance in this effort, thereby, promoting an Executive/Legislative partnership to strengthen the growth of industry sector networks in the State.

SENATE NATURAL RESOURCES, TRADE AND
ECONOMIC DEVELOPMENT COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 17

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 20, 1995

The Senate Natural Resources, Trade and Economic Development Committee favorably reports Assembly Bill No. 17 (1R), with committee amendments.

This bill authorizes the Commissioner of Commerce and Economic Development to act (1) through the Department of Commerce and Economic Development, or (2) through a non-profit entity which may include a non-profit corporation organized to implement the recommendations of the economic master plan commission, to assist certain New Jersey "key industries." Key industry, as defined in the bill, means an industry that makes or could make an important contribution to the economy of the State. The bill lists types of industries that would be considered "key industries."

The bill authorizes the commissioner to assist these key industries with the creation of industry sector networks, which are defined by the bill to mean clusters of two or more businesses within a key industry working together to manufacture, sell or market products, develop technologies or create or disseminate information. The commissioner is also authorized to assist with: the development of a program designed to train persons who would assist in the formation of industry sector networks; the development of industry related markets; the establishment of industry related training and education programs; the improvement of industry products or quality of services; the development of solutions that hinder the marketing of products or services; the adoption of policies to ensure that industry proprietary information remains confidential; and, any other industry problems or opportunities that may arise.

The bill also authorizes the commissioner to allocate matching funds to help an industry sector network with network start-up costs and activities in order to stimulate private sector financing to promote self-sufficient networks.

The committee amendments are technical in nature and serve to clarify the sponsor's intent.