

52:27D-443 to 52:27D-451

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 1999 **CHAPTER:** 239

NJSA: 52:27D-443 to 52:27D-451 (Establishes "New Jersey Women's Micro-Business Pilot Program")

BILL NO: A2454 / A2273

SPONSOR(S): Wright and Murphy

DATE INTRODUCED: September 28, 1998

COMMITTEE: **ASSEMBLY:** Commerce, Tourism, Gaming and Military and Veterans' Affairs

SENATE: Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** February 18, 1999

SENATE: July 1, 1999

DATE OF APPROVAL: October 14, 1999

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL: Assembly Committee Substitute A2454/A2273
(Amendments during passage denoted by superscript numbers)

A2454

SPONSORS STATEMENT: (Begins on page 7 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: Yes

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

A2273

SPONSORS STATEMENT: (Begins on page 8 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L.1999, CHAPTER 239, *approved October 14, 1999*
Assembly Committee Substitute for
Assembly, Nos. 2454 and 2273

1 **AN ACT** concerning financial assistance to certain businesses and
2 supplementing P.L.1966, c.293 (C.52:27D-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. This act shall be known and may be cited as the "New Jersey
8 Women's Micro-Business Assistance Act."

9

10 2. The Legislature finds and declares that:

11 a. Micro-business loans are usually granted to those business
12 entrepreneurs with prior business experience who operate firms with
13 a small number of employees and are granted mostly to expand an
14 existing business;

15 b. Experience in numerous other states and in certain urban areas
16 in New Jersey has shown that "micro lending," or carefully
17 underwriting small loans to individual entrepreneurs with
18 well-developed, realistic business plans, has been successful in helping
19 individuals, without regard to geographical location, to start micro-
20 businesses;

21 c. Nonprofit community-based development corporations have the
22 experience of providing the training and technical assistance that is
23 necessary for prospective entrepreneurs to establish a viable business;

24 d. While the New Jersey Economic Development Authority
25 currently manages several programs to promote the development of
26 micro and small businesses in the State, there is a need to establish a
27 separate micro-business credit program to provide the help needed to
28 assist unemployed women and underemployed women in all areas of
29 the State to enter or reenter the marketplace; and

30 e. It is appropriate to establish a pilot program to accomplish
31 these goals in the Department of Community Affairs which has
32 experience in evaluating and monitoring community development
33 corporations and which already manages a number of programs
34 through its Division on Women to assist women to improve their lives.

35

36 3. As used in this act:

37 "Act" means the "New Jersey Women's Micro-Business Assistance
38 Act."

39 "Certified nonprofit community development corporation" or
40 "certified corporation" means a nonprofit community development
41 corporation, established pursuant to Title 15 of the Revised Statutes,

1 Title 15A of the New Jersey Statutes, or other law of this State, and
2 certified by the department pursuant to section 6 of this act to receive
3 funds for the purpose of issuing loans to qualified women-owned
4 business;

5 "Commissioner" means the Commissioner of Community Affairs.

6 "Department" means the Department of Community Affairs;

7 "Development loan" means money loaned to a certified corporation
8 by the department for the purpose of making micro-credit loans to
9 qualified recipients;

10 "Micro-credit loan" or "loan" means a loan made or guaranteed to
11 a qualified woman-owned home-based business under the terms and
12 conditions set forth by a certified nonprofit community development
13 corporation established pursuant to Title 15 of the Revised Statutes,
14 Title 15A of the New Jersey Statutes, or other law of this State to
15 provide training, technical assistance, and access to capital for the
16 startup of qualified woman-owned businesses, including businesses
17 conducted from a residence;

18 "Program" or "pilot program" means the New Jersey Women's
19 Micro-Business Pilot Program established pursuant to section 4 of this
20 act; and

21 "Qualified recipient" means one or more women who intend to
22 establish a business enterprise which is to be independently owned and
23 operated solely by the woman or women, as appropriate, having a
24 level of prior business experience and gross annual personal income
25 determined to be appropriate by the commissioner, provided that the
26 commissioner shall make, to the greatest extent feasible, every effort
27 to include women having little or no prior business experience and
28 having a gross annual personal income less than 125% of the official
29 poverty line, as determined by the Director of the federal Office of
30 Management and Budget. A qualified recipient may conduct a
31 business enterprise on a part-time basis, from a residence, or both.

32

33 4. a. There is created, in the department, a "New Jersey Women's
34 Micro-Business Pilot Program." The program shall be established by
35 the department in consultation with the New Jersey Economic
36 Development Authority. The program shall consist of loans, loan
37 guarantees, or both, and training and technical assistance to be
38 provided to qualified recipients from certified corporations for the
39 purposes of the program.

40 b. To implement the program, the department shall provide
41 development loans to certified corporations from such moneys that the
42 department determines are necessary to effectively implement the
43 program, in response to the demand for the program, and as may be
44 available from the repayment to the department by certified
45 corporations of development loans, from other assistance programs
46 administered by the department or by other State agencies or

1 authorities, or from such other moneys as may be made available for
2 the program pursuant to this act.

3 c. The commissioner shall designate areas for the location of three
4 certified corporations as part of the pilot program. In selecting the
5 areas for the certified corporations, the commissioner shall strive to
6 allocate the areas in an equitable manner to achieve representation
7 from the northern, central and southern regions of the State. In
8 selecting the areas in each region for the location of the certified
9 corporations, the department shall consider the following factors:
10 comparative unemployment or underemployment; an economic
11 environment conducive to the establishment of businesses built around
12 qualified businesses; the need for assistance in creating qualified
13 businesses where such activity will protect or enhance a small business
14 economy; and the level of anticipated financial and other participation
15 of county economic development agencies, municipal economic
16 development agencies or business organizations, and county or
17 municipal educational and nonprofit organizations.

18 d. The department shall, to the greatest extent feasible, coordinate
19 its efforts to implement the program with other State or federal
20 agencies or authorities including, but not limited to, the New Jersey
21 Development Authority for Small Businesses, Minorities' and Women's
22 Enterprises established pursuant to P.L.1985, c.386 (C.34:1B-47 et
23 seq.), the New Jersey Economic Development Authority established
24 pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.), and the Department
25 of Human Services and shall enter into agreements to leverage the
26 monies in the program with moneys that may be available from other
27 sources of financing including, but not limited to, the Fund for
28 Community and Economic Development and the Statewide Loan Pool
29 for Business.

30 e. The department shall, to the greatest extent feasible, advertise
31 the program to community development organizations in the northern,
32 central and southern regions of the State. In order to advertise and
33 promote the program, the department is authorized to organize or
34 participate in the organization of a nonprofit corporation which is
35 exempt from federal taxation under section 501(c)(3) of the Internal
36 Revenue Code. Such nonprofit corporation must directly further the
37 statutory mission of the department and the intent of this act.
38 Expenses incurred by such nonprofit corporations shall be payable
39 from funds raised by the nonprofit corporation, and no liability or
40 obligation, in tort or contract, shall be incurred by the department for
41 the operation of the nonprofit corporation. The nonprofit corporation
42 shall obtain private counsel and shall not be represented by the
43 department or indemnified by the department.

44
45 5. a. The department shall use the moneys in the program as
46 established pursuant to section 4 of this act to make development

1 loans to certified corporations.

2 b. In determining the criteria for making development loans
3 available to certified corporations, the department shall, in addition to
4 applying customary underwriting criteria, also consider:

5 (1) the plan and scope of business training and technical assistance
6 to be provided to qualified recipients;

7 (2) the plan and scope of other services to be provided to
8 qualified recipients;

9 (3) geographic representation among the regions chosen, pursuant
10 to section 4 of this act;

11 (4) the ability of the certified corporation, with its plan, to monitor
12 and provide financial oversight of recipients of loans, to administer a
13 revolving loan fund, and to investigate and qualify financing proposals
14 and to service credit accounts;

15 (5) the sources and the sufficiency of operating funds, other than
16 those provided herein, for the certified corporations; and

17 (6) the intent of the certified corporation, as set forth in its plan
18 and written indications of local institutional support, to provide
19 services to qualified recipients in the region within which it is located.

20 c. Development loan funds may be used by a certified corporation
21 to:

22 (1) satisfy matching requirements for other State, federal, or
23 private funding only if funding is intended and used for the purpose of
24 providing or enhancing the certified corporation's ability to provide
25 and administer loans, technical assistance, or business training to
26 qualified recipients; and

27 (2) establish a revolving loan fund from which the certified
28 corporation may issue loans to qualified recipients.

29 d. Development loan funds shall not be:

30 (1) loaned for relending or investment in stocks, bonds, or other
31 securities or for property not intended for use in production by the
32 recipient of the loan; or

33 (2) used to refinance a nonperforming loan held by a financial
34 institution or to pay the operating costs of a certified corporation;
35 however, interest income earned from the proceeds of a development
36 loan may be used to pay operating expenses.

37 e. Certified corporations are required to contribute cash from
38 other sources to leverage and secure loans from the program.
39 Contributions provided by the certified corporation must be in a ratio
40 of at least \$1 from other sources for each \$3 in loans from the
41 program and at least \$1 from other sources for each \$4 for training,
42 technical assistance and administrative expenses. These contributions
43 may come from a public or private source other than the program and
44 may be in the form of loans or grants.

45 f. Development loans to a certified corporation shall be made
46 pursuant to a loan agreement and may be amortization or term loans,

1 bear interest at less than the market rate, be renewable, and contain
2 other terms and conditions considered appropriate by the department
3 that are consistent with the purposes of this act and with rules and
4 regulations promulgated by the department to implement this act.

5 g. (1) Unless subject to federal law, rule or regulation, each
6 certified corporation that receives a development loan under this act
7 shall undergo an audit, at its own expense, at least once every two
8 years. The department shall designate an auditor to conduct the audit
9 who shall submit a copy of the audit to the department.

10 (2) If an audit is performed under a requirement of federal law,
11 rule or regulation, the department shall waive the audit required in this
12 subsection with respect to all issues addressed by the federal audit
13 report. However, the department may require an audit of matters that
14 are not, in the department's judgment, addressed by the federal report
15 including, but not limited to, verification of compliance with
16 requirements specific to the program, such as job-generation standards
17 and reporting.

18
19 6. The department may certify a nonprofit community
20 development corporation when it determines that the corporation:

21 a. has developed a viable plan for providing training, access to
22 financing, and technical assistance for qualified recipients;

23 b. has demonstrated an ability to successfully provide training and
24 technical assistance to qualified recipients;

25 c. has broad-based community support within a region and has
26 demonstrated support from other regional entities to provide
27 assistance with service delivery and financial aspects; and

28 d. has an adequate source of operating capital.

29
30 7. a. The department shall have, in addition to the powers
31 enumerated in section 9 of P.L.1966, c.293 (C.52:27D-9), the power
32 to enter into written agreements, including, but not limited to, limited
33 partnership agreements with one or more professional investors or
34 small business investment corporations, or inter-agency agreements
35 with one or more State agencies or authorities, including but not
36 limited to, the New Jersey Economic Development Authority and the
37 New Jersey Development Authority for Small Businesses, Minorities'
38 and Women's Enterprises, for the purposes of establishing a pool of
39 additional moneys which is to be used exclusively for funding certified
40 corporations for the sole purpose of providing loans to qualified
41 recipients and for the purposes of providing training and technical
42 assistance to qualified recipients to effectuate the purposes of the
43 program.

44 b. The department may also accept grants, donations, and other
45 private and public funds, including payments of interest on
46 development loans made by the department and use such moneys

1 received under this subsection for the purposes of the program.

2

3 8. The department shall, in conjunction with certified corporations
4 and the New Jersey Economic Development Authority, prepare a
5 report within two years following the effective date of this act, and not
6 later than September 15 of each third year thereafter. The report shall
7 include, but not be limited to: a description of the demand for the
8 program from qualified recipients; the number of qualified recipients
9 the program has assisted; the efforts made by the department and the
10 certified corporations to promote the program; the efforts of the
11 certified corporations to establish a pool of funds from private and
12 public sources; the total amount of loans issued by the certified
13 corporations; and an assessment of the effectiveness of the program in
14 meeting the goals of this act. The department shall submit its reports
15 to the Governor and the Legislature, along with any recommendations
16 for legislation regarding the advisability and feasibility of expanding
17 the program Statewide, as appropriate, and to improve the
18 effectiveness of the program.

19

20 9. The department shall adopt, pursuant to the "Administrative
21 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
22 regulations as may be necessary to effectuate the purposes of this act
23 including, but not limited to: the criteria and procedures concerning
24 certification of certified corporations; the criteria and procedures for
25 selecting from competing applications and for awarding development
26 loans to certified corporations; the criteria and procedures to be
27 followed by certified corporations in administering revolving loan
28 funds supported by the program; the criteria for determining the terms
29 and conditions of development loans and micro-credit loans and loan
30 repayments; the criteria for determining nonperformance and declaring
31 default in the administration of development loans and micro-credit
32 loans; and the criteria and procedures to be followed by certified
33 corporations in providing training and technical assistance to qualified
34 recipients.

35

36 10. This act shall take effect immediately.

37

38

39

40

41 Establishes the "New Jersey Women's Micro-Business Pilot Program"
42 in DCA.

ASSEMBLY, No. 2454

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED SEPTEMBER 28, 1998

Sponsored by:

Assemblywoman BARBARA WRIGHT

District 14 (Mercer and Middlesex)

Assemblywoman CAROL J. MURPHY

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

Assemblyman Augustine and Assemblywoman Weinberg

SYNOPSIS

The "New Jersey Women's Micro-Business Credit Act"; appropriates \$750,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/10/1998)

A2454 WRIGHT, MURPHY

2

1 AN ACT concerning financial assistance to certain businesses,
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.), and making an
3 appropriation.

4

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

7

8 1. This act shall be known and may be cited as the "New Jersey
9 Women's Micro-Business Credit Act."

10

11 2. The Legislature finds and declares that:

12 a. Micro-business loans are usually granted to those business
13 entrepreneurs with prior business experience who operate firms with
14 up to five employees and are granted loans in amounts from \$5,000 to
15 \$25,000, mostly to expand an existing business;

16 b. Experience in numerous other states and in certain urban areas
17 in New Jersey has shown that "micro-lending," or carefully
18 underwriting small loans to individual entrepreneurs with
19 well-developed, realistic business plans, has been successful in helping
20 individuals, without regard to geographical location, to start micro-
21 businesses;

22 c. While the New Jersey Development Authority for Small
23 Businesses, Minorities' and Women's Enterprises has a peer group
24 micro-lending program in place which targets urban areas of the State,
25 it is imperative that we find new and innovative ways to help more
26 unemployed women and underemployed women in all areas of the
27 State to enter or reenter the marketplace;

28 d. Nonprofit community-based development corporations have the
29 experience of providing the training and technical assistance that is
30 necessary for prospective entrepreneurs to establish a viable business;
31 and

32 e. There is a need to create a micro-business credit loan program
33 that would target only those potential female entrepreneurs who have
34 little or no prior business experience, are self-motivated and are willing
35 to undertake an extensive training program and receive other kinds of
36 technical assistance in order to gain the necessary experience to start
37 a successful business through grants given to certified nonprofit
38 community development corporations.

39

40 3. As used in this act:

41 "Authority" means the New Jersey Development Authority for
42 Small Businesses, Minorities' and Women's Enterprises;

43 "Certified corporation" means a nonprofit community development
44 corporation, established prior to or after the effective date of this act,
45 and pursuant to Title 15 of the Revised Statutes, Title 15A of the New
46 Jersey Statutes, or other law of this State, and certified by the

1 authority to receive grants for the purpose of issuing loans and
2 providing training and technical assistance to qualified recipients
3 pursuant to section 6 of this act;

4 "Grant" means money given to a certified nonprofit community
5 development corporation by the authority for the purpose of issuing
6 loans or loan guarantees pursuant to section 4 of this act;

7 "Loan" means a loan issued or guaranteed to a qualified recipient
8 under the terms and conditions set forth by a certified corporation;

9 "Program" means the New Jersey Women's Micro-Business Credit
10 Program established pursuant to section 4 of this act; and

11 "Qualified recipient" means one or more women who intend to
12 establish a business enterprise which is to be independently owned and
13 operated solely by the woman or women, as appropriate, who have
14 had little or no prior business experience, and each having a gross
15 annual personal income of an amount less than 125% of the official
16 poverty line, as determined by the Director of the federal Office of
17 Management and Budget. A qualified recipient may conduct a
18 business enterprise on a part-time basis, from a residence, or both.

19

20 4. a. There is created, in the authority, a "New Jersey Women's
21 Micro-Business Credit Program." The program shall be established by
22 the authority in cooperation with the New Jersey Economic
23 Development Authority. The program shall consist of 10 grants of
24 \$75,000 each to certified corporations for the following purposes:

25 (1) \$35,000 for issuing loans to qualified recipients;

26 (2) \$15,000 for providing training and technical assistance to
27 qualified recipients;

28 (3) \$20,000 for reimbursing the certified corporation for
29 administrative expenses; and

30 (4) \$5,000 for reimbursing the certified corporation for payment of
31 auditing or consulting fees.

32 b. To implement the program, the authority shall, to the greatest
33 extent feasible, cooperate with certified corporations in no less than
34 seven different counties in seeking to involve the resources of local
35 banks and financial institutions in order to leverage funds available for
36 the program. The counties shall be determined by the authority on the
37 basis of: comparative unemployment or underemployment; an
38 economic environment conducive to the establishment of businesses
39 built by qualified recipients; the need for assistance in creating business
40 opportunities for qualified recipients where such activity will enhance
41 a small business economy; and the level of anticipated financial and
42 other participation of county economic development agencies,
43 municipal economic development agencies or business organizations,
44 and county or municipal educational and nonprofit organizations.

45 c. In order to advertise and promote the program, the authority is
46 authorized to organize or participate in the organization of a nonprofit

1 corporation which is exempt from federal taxation under section
2 501(c)(3) of the Internal Revenue Code. Such nonprofit corporation
3 must directly further the statutory mission of the authority and the
4 intent of this act. Expenses incurred by such nonprofit corporations
5 shall be payable from funds raised by the nonprofit corporation, and no
6 liability or obligation, in tort or contract, shall be incurred by the
7 authority for the operation of the nonprofit corporation. The nonprofit
8 corporation shall obtain private counsel and shall not be represented
9 by the authority or indemnified by the authority.

10
11 5. a. The authority shall use the moneys in the program as
12 established and for the purposes designated pursuant to section 4 of
13 this act.

14 b. In determining the criteria for making grants to each of the 10
15 certified corporations, the authority shall, in addition to applying its
16 customary underwriting criteria, also consider:

17 (1) the plan and scope of business training and technical assistance
18 to be provided to qualified recipients;

19 (2) the plan and scope of other services to be provided to qualified
20 recipients;

21 (3) geographic representation among the counties chosen, pursuant
22 to subsection b. of section 4 of this act;

23 (4) the ability of the certified corporation, with its plan, to monitor
24 and provide financial oversight of recipients of loans, to administer a
25 revolving loan fund, and to investigate and qualify financing proposals
26 and to service credit accounts;

27 (5) the sources and the sufficiency of operating funds, other than
28 those provided herein, for the certified corporations; and

29 (6) the intent of the certified corporation, as set forth in its plan and
30 written indications of local institutional support, to provide services to
31 qualified recipients in the county within which it is located.

32 c. Loan funds may be used by a certified corporation to:

33 (1) satisfy matching requirements for other State, federal, or private
34 funding only if funding is intended and used for the purpose of
35 providing or enhancing the certified corporation's ability to provide
36 and administer loans, technical assistance, or business training to
37 qualified recipients; and

38 (2) establish a revolving loan fund from which the certified
39 corporation may issue loans to qualified recipients, provided that a
40 single loan amount, as part of a loan agreement, does not exceed
41 \$5,000, or issue additional loans to qualified recipients which have
42 completed payments on an earlier loan, under terms and conditions of
43 the certified corporation.

44 d. Loan funds created by a certified corporation shall not be:

45 (1) loaned for relending or investment in stocks, bonds, or other
46 securities or for property not intended for use in production by the

1 recipient of the loan; or

2 (2) used to refinance a nonperforming loan held by a financial
3 institution or to pay the operating costs of a certified corporation;
4 however, interest income earned from the proceeds of a loan may be
5 used to pay operating expenses.

6 e. Certified corporations are required to contribute cash from other
7 sources to leverage and secure loans from the program. Contributions
8 provided by the certified corporation must be in a ratio of at least \$1
9 from other sources for each \$3 in loans from the program and at least
10 \$1 from other sources for each \$4 for training, technical assistance and
11 administrative expenses. These contributions may come from a public
12 or private source other than the program and may be in the form of
13 loans or grants.

14 f. Loans made by a certified corporation to a qualified recipient
15 shall be made pursuant to a loan agreement and may be amortization
16 or term loans, bear interest at less than the market rate, be renewable,
17 and contain other terms and conditions considered appropriate by the
18 authority that are consistent with the purposes of this act and with
19 rules and regulations promulgated by the authority to implement this
20 act.

21 g. (1) Unless subject to federal law, rule or regulation, each
22 certified corporation that receives a grant under this act shall undergo
23 an audit, at its own expense, at least once every two years. The
24 authority shall designate an auditor to conduct the audit who shall
25 submit a copy of the audit to the authority.

26 (2) If an audit is performed under a requirement of federal law, rule
27 or regulation, the authority shall waive the audit required in this
28 subsection with respect to all issues addressed by the federal audit
29 report. However, the authority may require an audit of matters that
30 are not, in the authority's judgment, addressed by the federal report
31 including, but not limited to, verification of compliance with
32 requirements specific to the program, such as job-generation standards
33 and reporting.

34
35 6. The authority may certify a nonprofit community development
36 corporation when it determines that the corporation:

37 a. has developed a viable plan for providing training, access to
38 financing, and technical assistance for qualified recipients;

39 b. has demonstrated an ability to successfully provide training and
40 technical assistance to qualified recipients;

41 c. has broad-based community support within a county and has
42 demonstrated support from other regional entities to provide
43 assistance with service delivery and financial aspects; and

44 d. has an adequate source of operating capital.

45

46 7. a. The authority shall have, in addition to the powers

1 enumerated in section 4 of P.L.1985, c.386 (C.34:1B-50), the power
2 to enter into written agreements, including, but not limited to, limited
3 partnership agreements with one or more professional investors or
4 small business investment corporations or with one or more State
5 agencies or authorities for the purposes of establishing a pool of
6 additional moneys which is to be used exclusively for grants to
7 certified corporations for the sole purpose of providing loans to
8 qualified recipients.

9 b. The authority may also accept grants, donations, and other
10 private and public funds, including payments of interest on loans made
11 by the authority and use such moneys received under this subsection
12 for the purposes of the program.

13

14 8. The authority shall, in conjunction with certified corporations
15 and the New Jersey Economic Development Authority, prepare a
16 report within two years following the effective date of this act, and not
17 later than September 15 of each third year thereafter. The report shall
18 include, but not be limited to: a description of the demand for the
19 program from qualified recipients; the number of qualified recipients
20 the program has assisted; the efforts made by the authority and the
21 certified corporations to promote the program; the efforts of the
22 certified corporations to establish a pool of funds from private and
23 public sources; the total amount of loans issued by the certified
24 corporations; and an assessment of the effectiveness of the program in
25 meeting the goals of this act. The authority shall submit its reports to
26 the Governor and the Legislature, along with any recommendations for
27 legislation to improve the effectiveness of the program.

28

29 9. The authority shall adopt, pursuant to the "Administrative
30 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and
31 regulations as may be necessary to effectuate the purposes of this act
32 including, but not limited to: the criteria and procedures concerning
33 certification of certified corporations; the criteria and procedures for
34 selecting from competing grant applications and for awarding grants
35 to certified corporations; the criteria and procedures to be followed by
36 certified corporations in administering revolving loan funds supported
37 by the program; the criteria for determining the terms and conditions
38 of loans and loan repayments; the criteria for determining
39 nonperformance and declaring default in the administration of loans;
40 and the criteria and procedures to be followed by certified
41 corporations in providing training and technical assistance to qualified
42 recipients.

43

44 10. There is appropriated from the General fund to the New Jersey
45 Development Authority for Small Business Minorities' and Women's
46 Enterprises \$750,000 to carry out the purposes of this act.

1 11. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill creates, in the New Jersey Development Authority for
7 Small Businesses, Minorities' and Women's Enterprises ("authority"),
8 a "New Jersey Women's Micro-Business Credit Program" ("program")
9 which would target only those potential female entrepreneurs who
10 have little or no prior business experience, are self-motivated and are
11 willing to undertake an extensive training program and receive other
12 kinds of technical assistance in order to gain the necessary experience
13 to start a successful business through grants given to certified
14 nonprofit community development corporations. The program is to
15 consist of 10 grants of \$75,000 each to certified nonprofit community
16 development corporations ("certified corporations") for the following
17 purposes: (1) \$35,000 for issuing loans, loan guarantees, or both, to
18 certain women-owned qualified recipients ("qualified recipients"); (2)
19 \$15,000 for providing training and technical assistance to qualified
20 recipients; (3) \$20,000 for reimbursing the certified corporation for
21 administrative expenses; and (4) \$5,000 for reimbursing the certified
22 corporation for payment of auditing or consulting fees.

23 A qualified recipient must be one or more women, as appropriate,
24 who intend to establish a business enterprise which is to be
25 independently owned and operated solely by the woman or women,
26 each having a gross annual personal income of an amount less than
27 125% of the official poverty line, as determined by the Director of the
28 federal Office of Management and Budget. A qualified recipient may
29 conduct a business enterprise on a part-time basis, from a residence,
30 or both.

31 In determining the criteria for making grants to each of the 10
32 certified corporations, the authority shall, in addition to applying its
33 customary underwriting criteria, also consider: (1) the plan and scope
34 of business training and technical assistance to be provided to qualified
35 recipients; (2) the plan and scope of other services to be provided to
36 qualified recipients; (3) geographic representation among the counties
37 involved (at least seven must be chosen); (4) the ability of the certified
38 corporation, with its plan, to monitor and provide financial oversight
39 of recipients of loans and loan guarantees, to administer a revolving
40 loan fund, and to investigate and qualify financing proposals and to
41 service credit accounts; (5) the sources and the sufficiency of
42 operating funds for the certified corporations; and (6) the intent of the
43 certified corporation, with its plan and written indications of local
44 institutional support, to provide services to qualified recipients in the
45 county within which it is located.

46 Loan funds may be used by a certified corporation to satisfy

A2454 WRIGHT, MURPHY

8

1 matching requirements for other State, federal, or private funding only
2 if funding is intended and used for the purpose of providing or
3 enhancing the certified corporation's ability to provide and administer
4 loans, loan guarantees, technical assistance, or business training to
5 qualified recipients; and to establish a revolving loan fund from which
6 the certified corporation may issue loans and loan guarantees to
7 qualified recipients, provided that a single loan or loan guarantee
8 amount, as part of a loan agreement, does not exceed \$5,000, or issue
9 additional loans to qualified recipients which have completed payments
10 on an earlier loan, under terms and conditions of the certified
11 corporation.

ASSEMBLY COMMERCE, TOURISM, GAMING AND
MILITARY AND VETERANS' AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2454 and 2273

STATE OF NEW JERSEY

DATED: JANUARY 21, 1999

The Assembly Commerce, Tourism, Gaming and Military and Veterans' Affairs Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 2454 and 2273.

This committee substitute creates, in the New Jersey Department of Community Affairs (the department), a "New Jersey Women's Micro-Business Pilot Program" ("program") which would target assistance for potential female entrepreneurs, with or without prior business experience, who are self-motivated and are willing to undertake an extensive training program and receive other kinds of technical assistance in order to gain the necessary experience to start a successful business through loans from certified nonprofit community development corporations. The pilot program is to consist of loans, loan guarantees, or both, for qualified recipients from three certified nonprofit community development corporations selected by the department in accordance with eligibility criteria established for participation in the program.

The committee substitute provides that a qualified recipient for a micro-business loan shall have a level of prior business experience and a gross income determined to be appropriate by the commissioner. The substitute further provides that the commissioner shall make every effort feasible to include women having little or no prior business experience and having personal income less than 125% of the official poverty line.

The committee substitute directs the department to implement the program from such moneys as may be available to effectively implement the program by utilizing repayments of development loans, moneys from other assistance programs and such other moneys as may be available.

The committee substitute also authorizes the department to enter into written agreements with private sector individuals, small business investment corporations and with State agencies or authorities to create a pool of additional moneys to be used for the purposes of the program.

The committee substitute further provides that in determining the criteria for making development loans to each of the certified corporations, the department shall, in addition to applying its customary underwriting criteria, also consider: (1) the plan and scope of business training and technical assistance to be provided to qualified recipients; (2) the plan and scope of other services to be provided to qualified recipients; (3) geographic representation among the regions involved; (4) the ability of the certified corporation, with its plan, to monitor and provide financial oversight of recipients of loans and loan guarantees, to administer a revolving loan fund, and to investigate and qualify financing proposals and to service credit accounts; (5) the sources and the sufficiency of operating funds for the certified corporations; and (6) the intent of the certified corporation, with its plan and written indications of local institutional support, to provide services to qualified recipients in the region within which it is located.

Loan funds may be used by a certified corporation to satisfy matching requirements for other State, federal, or private funding only if funding is intended and used for the purpose of providing or enhancing the certified corporation's ability to provide and administer loans, loan guarantees, technical assistance, or business training to qualified recipients; and to establish a revolving loan fund from which the certified corporation may issue loans and loan guarantees to qualified recipients or issue additional loans to qualified recipients which have completed payments on an earlier loan, under terms and conditions of the certified corporation.

The committee substitute requires the department to report, within two years after the effective date of the substitute, to the Governor and the Legislature with an assessment of the program along with recommendations concerning expansion of the program, as appropriate, and to improve the effectiveness of the program.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2454 and 2273**

STATE OF NEW JERSEY

DATED: JUNE 17, 1999

The Senate Budget and Appropriations Committee reports favorably Assembly Bill Nos. 2454 and 2273 (ACS).

This bill creates, in the New Jersey Department of Community Affairs (the department), a "New Jersey Women's Micro-Business Pilot Program" ("program") which would target assistance for potential female entrepreneurs, with or without prior business experience, who are self-motivated and are willing to undertake an extensive training program and receive other kinds of technical assistance in order to gain the necessary experience to start a successful business through loans from certified nonprofit community development corporations. The pilot program is to consist of loans, loan guarantees, or both, for qualified recipients from three certified nonprofit community development corporations selected by the department in accordance with eligibility criteria established for participation in the program.

The bill provides that a qualified recipient for a micro-business loan shall have a level of prior business experience and a gross income determined to be appropriate by the commissioner. The bill further provides that the commissioner shall make every effort feasible to include women having little or no prior business experience and having personal income less than 125% of the official poverty line.

The bill directs the department to implement the program from such moneys as may be available to effectively implement the program by utilizing repayments of development loans, moneys from other assistance programs and such other moneys as may be available.

The bill also authorizes the department to enter into written agreements with private sector individuals, small business investment corporations and with State agencies or authorities to create a pool of additional moneys to be used for the purposes of the program.

The bill provides that in determining the criteria for making development loans to each of the certified corporations, the department shall, in addition to applying its customary underwriting criteria, also consider: (1) the plan and scope of business training and technical assistance to be provided to qualified recipients; (2) the plan and scope of other services to be provided to qualified recipients; (3)

geographic representation among the regions involved; (4) the ability of the certified corporation, with its plan, to monitor and provide financial oversight of recipients of loans and loan guarantees, to administer a revolving loan fund, and to investigate and qualify financing proposals and to service credit accounts; (5) the sources and the sufficiency of operating funds for the certified corporations; and (6) the intent of the certified corporation, with its plan and written indications of local institutional support, to provide services to qualified recipients in the region within which it is located.

Loan funds may be used by a certified corporation to satisfy matching requirements for other State, federal, or private funding only if funding is intended and used for the purpose of providing or enhancing the certified corporation's ability to provide and administer loans, loan guarantees, technical assistance, or business training to qualified recipients; and to establish a revolving loan fund from which the certified corporation may issue loans and loan guarantees to qualified recipients or issue additional loans to qualified recipients which have completed payments on an earlier loan, under terms and conditions of the certified corporation.

The bill requires the department to report, within two years after the effective date of the substitute, to the Governor and the Legislature with an assessment of the program along with recommendations concerning expansion of the program, as appropriate, and to improve the effectiveness of the program.

FISCAL IMPACT

This bill has not been certified as having a fiscal impact.

ASSEMBLY, No. 2273

STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED JUNE 29, 1998

Sponsored by:

Assemblywoman BARBARA BUONO
District 18 (Middlesex)

Co-Sponsored by:

Assemblyman Conaway

SYNOPSIS

The "New Jersey Women's Micro-Credit Assistance Act;" appropriates \$765,000.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/16/1999)

1 AN ACT concerning micro-business grants and loans, and
2 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.) and making an
3 appropriation.
4

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

7
8 1. This act shall be known and may be cited as the "New Jersey
9 Women's Micro-Credit Assistance Act."
10

11 2. The Legislature finds and declares that:

12 a. Micro-business loans are usually granted to those business
13 entrepreneurs with prior business experience who operate firms with
14 up to five employees and are granted loans in amounts from \$5,000 to
15 \$25,000, mostly to expand an existing business;

16 b. Experience in numerous other states and in certain urban areas
17 in New Jersey has shown that "micro lending," or carefully
18 underwriting small loans to individual entrepreneurs with
19 well-developed, realistic business plans, has been successful in helping
20 individuals, without regard to geographical location, to start micro-
21 businesses;

22 c. While the New Jersey Development Authority for Small
23 Businesses, Minorities' and Women's Enterprises has a peer group
24 micro-lending program in place which targets urban areas of the State,
25 it is imperative that we find new and innovative ways to help
26 unemployed women and underemployed women in suburban areas of
27 the State to enter or reenter the marketplace by establishing a business
28 from their home;

29 d. Nonprofit community-based development corporations have the
30 experience of providing the training and technical assistance that is
31 necessary for prospective entrepreneurs to establish a viable business;

32 e. There is a need to create a micro-credit grant and loan assistance
33 program that would target only those potential female entrepreneurs
34 who have some prior business experience, are self-motivated and are
35 willing to undertake an extensive training program and receive other
36 kinds of technical assistance from a nonprofit community development
37 corporation in order to gain the necessary experience to start a
38 successful business, including a business conducted from their home.
39

40 3. As used in this act:

41 "Authority" means the New Jersey Economic Development
42 Authority;

43 "Certified nonprofit community development corporation" or
44 "certified corporation" means a nonprofit community development
45 corporation certified to receive grants from the authority in order to
46 issue micro-credit loans pursuant to section 7 of this act;

1 "Department" means the Department of Commerce and Economic
2 Development;

3 "Micro-credit grant" or "grant" means money given to a certified
4 nonprofit community development corporation by the authority for the
5 purpose of making a micro-credit loan or loan guarantee pursuant to
6 section 6 of this act;

7 "Micro-credit loan" or "loan" means a loan of no more than \$5,000
8 made or guaranteed to a qualified woman-owned home-based business
9 under the terms and conditions set forth by a certified nonprofit
10 community development corporation established pursuant to Title 15
11 of the Revised Statutes, Title 15A of the New Jersey Statutes, or other
12 law of this State to provide training, technical assistance, and access
13 to capital for the startup of qualified woman-owned businesses,
14 including businesses conducted from a residence;

15 "Program" means the New Jersey Micro-Credit Grant and Loan
16 Assistance Program established pursuant to section 4 of this act; and

17 "Qualified woman-owned business" or "qualified business" means
18 a business enterprise, which has its principal place of business in a
19 suburban area of this State, including a business conducted from a
20 residence, is independently owned and operated solely by a woman or
21 women as a sole proprietorship or partnership, as appropriate, and
22 with a level of gross income from operations defined by the authority
23 as a micro-credit business.

24

25 4. a. There is created, in the New Jersey Economic Development
26 Authority, a "New Jersey Micro-Credit Grant and Loan Assistance
27 Program," hereinafter, "the program." The program shall be
28 established by the authority in collaboration with the department. The
29 program shall consist of 10 grants of \$75,000 each to certified
30 corporations for the purpose of making loans, loan guarantees, or
31 both, and providing training and technical assistance to qualified
32 businesses, and \$1,500 to each of the 10 certified corporations to be
33 used to reimburse the certified corporations for administrative
34 expenses.

35 b. To implement the program, the authority shall, to the greatest
36 extent feasible, cooperate with certified corporations in no less than
37 seven counties, in which there are located suburban areas, in seeking
38 to involve the resources of local banks and financial institutions in
39 order to leverage dollars available for the program. The counties shall
40 be determined by the authority on the basis of: comparative
41 unemployment or underemployment; an economic environment
42 conducive to the establishment of businesses built around qualified
43 businesses; the need for assistance in creating qualified businesses
44 where such activity will protect or enhance a small business economy;
45 and the level of anticipated financial and other participation of county
46 economic development agencies, municipal economic development

1 agencies or business organizations, and county or municipal
2 educational and nonprofit organizations.

3 c. In designing and implementing the program, the authority is
4 authorized to enter into agreements with certified corporations, county
5 and municipal agencies, and local business, educational and nonprofit
6 organizations, in order to leverage its development loans with funds
7 from such entities. Such agreements may also require participation
8 from the county and municipal level where county or municipal entities
9 are part of the agreements, concerning training and technical
10 assistance, and other self-employment services. The terms and
11 conditions of all loans and loan guarantees provided by the authority
12 shall be determined by the authority.

13

14 5. a. To implement the program, the authority shall establish and
15 maintain a special revolving fund to be known as the "New Jersey
16 Micro-Credit Grant and Loan Assistance Fund," hereinafter, "the
17 assistance fund," which shall be credited with:

18 (1) an appropriation of \$765,000 and any monies made available
19 from future appropriations by the Legislature to effectuate the
20 purposes of this act;

21 (2) any moneys that shall be received by the authority from the
22 repayment of the moneys in the assistance fund used to provide loans
23 pursuant to this act and interest thereon;

24 (3) moneys as may be available to the authority from business
25 assistance programs administered by the authority or by other State
26 agencies or authorities including, but not limited to, the New Jersey
27 Development Authority for Small Businesses, Minorities' and Women's
28 Enterprises established pursuant to P.L.1985, c.386 (C.34:1B-47 et
29 seq.), the New Jersey Urban Development Corporation established
30 pursuant to P.L.1985, c.227 (C.55:19-1 et seq.), the department or
31 administered by federal agencies or by private sector foundations;

32 (4) other moneys made available including, but not limited to,
33 funds provided by agreement with private investors, small business
34 investment corporations, banks and other lending institutions to
35 effectuate the purposes of this act; and

36 (5) such moneys as may be available from the economic growth
37 account of the "Economic Recovery Fund" established pursuant to
38 section 4 of P.L.1992, c.16 (C.34:1B-7.13), which the authority
39 determines are necessary to effectively implement the program, within
40 the limits of funding available from the Economic Recovery Fund.

41 b. Moneys in the assistance fund which are determined by the
42 authority not to be needed for current responsibilities of the assistance
43 fund, may be invested by the authority in any direct obligations as to
44 which the principal and interest thereof are guaranteed by the United
45 States of America or any other obligation deemed appropriate by the
46 authority. The authority may appoint a director to manage the

1 activities associated with the assistance fund. The director shall
2 receive compensation as determined by the authority.

3

4 6. a. The authority shall use the moneys in the assistance fund
5 established pursuant to section 5 of this act to make 10 grants in the
6 amount of \$75,000 to certified corporations to participate in the
7 program and \$1,500 to each of the 10 certified corporations to be used
8 to reimburse the certified corporations for administrative expenses.

9 b. In determining the criteria for making grants, the authority shall,
10 in addition to applying its customary underwriting criteria, also
11 consider:

12 (1) the plan for providing services to qualified businesses;

13 (2) the scope of services to be provided by the certified
14 corporation;

15 (3) the geographic representation of the counties of the State,
16 pursuant to the requirements set forth in subsection b. of section 4 of
17 P.L. , c. (C.)(now before the Legislature as this bill);

18 (4) the plan for providing service to minority women and
19 low-income women;

20 (5) the ability of the certified corporation to provide business
21 training and technical assistance to qualified businesses;

22 (6) the ability of the certified corporation, with its plan, to monitor
23 and provide financial oversight of recipients of loans, to administer a
24 revolving loan fund, and to investigate and qualify financing proposals
25 and to service credit accounts;

26 (7) sources and sufficiency of operating funds for the certified
27 corporations; and

28 (8) the intent of the certified corporation, with its plan and written
29 indications of local institutional support, to provide services to
30 qualified businesses in the county within which it is located.

31 c. Loan funds may be used by a certified corporation to:

32 (1) satisfy matching requirements for other State, federal, or
33 private funding only if funding is intended and used for the purpose of
34 providing or enhancing the certified corporation's ability to provide
35 and administer loans, technical assistance, or management-training to
36 qualified businesses;

37 (2) establish a revolving loan fund from which the certified
38 corporation may make loans to qualified businesses, provided that a
39 single loan does not exceed \$5,000; and

40 (3) establish a guarantee fund from which the certified corporation
41 may guarantee loans made by financial institutions to qualified
42 businesses. However, the minimum amount of a single guarantee shall
43 not exceed \$5,000.

44 d. Loan funds shall not be:

45 (1) loaned for relending or investment in stocks, bonds, or other
46 securities or for property not intended for use in production by the

1 recipient of the loan; or

2 (2) used to refinance a nonperforming loan held by a financial
3 institution or to pay the operating costs of a certified corporation.
4 However, interest income earned from the proceeds of a loan may be
5 used to pay operating expenses.

6 e. Certified corporations are required to contribute cash from other
7 sources to leverage and secure loans from the program. Contributions
8 provided by the certified corporation must be in a ratio of at least \$1
9 from other sources for each \$3 in loans from the program and at least
10 \$1 from other sources for each \$4 for training. These contributions
11 may come from a public or private source other than the program and
12 may be in the form of equity capital, loans, or grants.

13 f. Loans shall be made pursuant to a loan agreement and may be
14 amortization or term loans, bear interest at less than the market rate,
15 be renewable, be callable, and contain other terms and conditions
16 considered appropriate by the authority that are consistent with the
17 purposes of this act and with rules and regulations promulgated by the
18 authority to implement this act.

19 g. (1) Unless subject to federal law, rule or regulation, each
20 certified corporation that receives a loan under this act shall undergo
21 an audit, at its own expense, at least once every two years. The
22 authority shall designate an auditor to conduct the audit who shall
23 submit a copy of the audit to the authority.

24 (2) If an audit is performed under a requirement of federal law, rule
25 or regulation, the department shall waive the audit required in this
26 subsection with respect to all issues addressed by the federal audit
27 report. However, the authority may require an audit of matters that
28 are not, in the authority's judgment, addressed by the federal report
29 including, but not limited to, verification of compliance with
30 requirements specific to the program, such as job-generation standards
31 and reporting. The department shall submit a copy of the audit to the
32 authority.

33 h. A certified corporation that is in default for nonperformance
34 under rules and regulations established by the authority may be
35 required to refund the outstanding balance of loans awarded prior to
36 the default declaration. A loan is secured by a first lien on the
37 receivables of the certified corporation receiving the loan.

38

39 7. The authority may certify a nonprofit community development
40 corporation when it determines that the corporation:

41 a. has developed a viable plan for providing training, access to
42 financing, and technical assistance for qualified businesses;

43 b. has broad-based community support in a designated service
44 region of the State, as reflected, for example, by the membership of its
45 board of directors, and has demonstrated support from other regional
46 entities to provide assistance with service delivery and financial

1 aspects; and

2 c. has an adequate source of operating capital.

3

4 8. a. The authority shall have, in addition to the powers
5 enumerated in section 5 of P.L.1974, c.80 (C.34:1B-5), the power to
6 enter into written agreements, including, but not limited to, limited
7 partnership agreements with one or more professional investors or
8 small business investment corporations or with one or more State
9 agencies or authorities for the purposes of establishing a pool of
10 moneys to be deposited in the assistance fund and to provide moneys,
11 to be used exclusively for grants to certified corporations for the sole
12 purpose of providing loans to qualified businesses. The pooled
13 moneys provided by the authority from the assistance fund shall be
14 fixed at an interest rate to be determined by the authority and shall be
15 for a term to be determined by the authority.

16 b. The authority may also accept grants, donations, and other
17 private and public income, including payments of interest on loans
18 made by the authority.

19 c. The authority shall deposit all moneys received under this
20 section in the assistance fund established pursuant to section 5 of this
21 act.

22

23 9. In addition to the duties of the authority required under section
24 7 of P.L.1974, c.80 (C.34:1B-7), the authority shall, in conjunction
25 with certified corporations and the department, prepare a report within
26 two years following the effective date of this act, and not later than
27 September 15 of each third year thereafter. The report shall include,
28 but not be limited to, a description of the demand for the program
29 from qualified businesses, types of businesses the fund has assisted, the
30 efforts made by the authority and the certified corporations to promote
31 the program and to establish a pool of funds from private and public
32 sources, the total amount of loans or lines of credit issued by the
33 certified corporations, and an assessment of the effectiveness of the
34 program in meeting the goals of this act. The authority shall submit
35 its reports to the Governor and the Legislature, along with any
36 recommendations for legislation to improve the effectiveness of the
37 program.

38

39 10. The authority and the department shall jointly adopt, pursuant
40 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
41 et seq.), rules and regulations as may be necessary to effectuate the
42 purposes of this act including, but not limited to, the criteria and
43 procedures concerning certification of nonprofit community
44 development corporations, the criteria and procedures for selecting
45 from competing grant applications and for awarding grants to certified
46 corporations, criteria and procedures to be followed by certified

1 corporations in administering revolving loan funds supported by the
2 program, criteria for determining the terms and conditions of loans and
3 loan repayments, and criteria for determining nonperformance and
4 declaring default in the administration of loans.

5
6 11. There is appropriated \$765,000 to the authority from the
7 General Fund to carry out the purposes of this act.

8
9 12. This act shall take effect immediately.

10
11
12 STATEMENT

13
14 This bill creates, in the New Jersey Economic Development
15 Authority ("authority"), a "New Jersey Micro-Credit Grant and Loan
16 Assistance Program" ("program"). The program is to consist of 10
17 grants of \$75,000 each to certified nonprofit community development
18 corporations ("certified corporations") for the purpose of making
19 loans, loan guarantees, or both, and training and technical assistance
20 to qualified woman-owned businesses ("qualified businesses"),
21 including home-based businesses located in suburban areas, plus
22 \$1,500 to each certified corporation to reimburse the certified
23 corporations for administrative expenses.

24 To implement the program, the authority shall, to the greatest
25 extent feasible, cooperate with certified corporations in no less than
26 seven counties, in which there are located suburban areas, in seeking
27 to involve the resources of local banks and financial institutions in
28 order to leverage dollars available for the program.

29 The authority is to establish and maintain a special revolving fund
30 to be known as the "New Jersey Micro-Credit Grant and Loan
31 Assistance Fund," ("the assistance fund"), which shall be credited with:
32 1) monies made available from an appropriation of \$765,000 by the
33 Legislature to effectuate the purposes of this act; 2) moneys received
34 by the authority from the repayment of the moneys in the assistance
35 fund used to provide loans pursuant to this act and interest thereon; 3)
36 moneys as may be available to the authority from business assistance
37 programs administered by the authority or by other State agencies or
38 authorities, or administered by federal agencies or by private sector
39 foundations; 5) and other moneys made available including, but not
40 limited to, funds provided by agreement with private investors, small
41 business investment corporations, banks and other lending institutions
42 to effectuate the purposes of this act.

43 In determining the criteria for making grants, the authority shall, in
44 addition to applying its customary underwriting criteria, also consider:

45 (1) the plan for providing services to qualified businesses;

46 (2) the scope of services to be provided by the certified

1 corporation;

2 (3) the geographic representation of all regions of the State,
3 pursuant to the requirements established in subsection b. of section 4
4 of the bill;

5 (4) the plan for providing service to minority women and
6 low-income women;

7 (5) the ability of the certified corporation to provide business
8 training and technical assistance to qualified businesses;

9 (6) the ability of the certified corporation, with its plan, to monitor
10 and provide financial oversight of recipients of loans, to administer a
11 revolving loan fund, and to investigate and qualify financing proposals
12 and to service credit accounts;

13 (7) sources and sufficiency of operating funds for the certified
14 corporations; and

15 (8) the intent of the certified corporation, with its plan and written
16 indications of local institutional support, to provide services to the
17 service region within which it is located.

18 The authority shall, in conjunction with certified corporations and
19 the department, prepare a report within two years following the
20 effective date of this act, and not later than September 15 of each third
21 year thereafter. The report shall include, but not be limited to, a
22 description of the demand for the program from qualified businesses,
23 types of businesses the fund has assisted, the efforts made by the
24 authority and the certified corporations to promote the program and
25 to establish a pool of funds from private and public sources, the total
26 amount of loans or lines of credit issued by the certified corporations,
27 and an assessment of the effectiveness of the program in meeting the
28 goals of this act. The authority shall submit its reports to the
29 Governor and the Legislature, along with any recommendations for
30 legislation to improve the effectiveness of the program.

PO BOX 004
TRENTON, NJ 08625

Office of the Governor
NEWS RELEASE

CONTACT: Gene Herman
609-777-2600

RELEASE: October 14, 1999

Governor Christie Whitman today signed the following legislation:

A-1974, sponsored by Assembly Members Rose Marie Heck (R-Bergen) and Gerald Luongo (R-Camden/Gloucester) and Senators Diane Allen (R-Burlington/Camden) and James Cafiero (R-Atlantic/Cape May/Cumberland), appropriates \$70,000 to the Department of Environmental Protection, for the study and identification of historic sites associated with significant historic women in the state and the development of the "New Jersey Women's Heritage Trail." The New Jersey Historic Preservation Office will be responsible for identifying and documenting sites and will recommend how to develop a "New Jersey Women's Heritage Trail" tourism guide.

A-2767, sponsored by Assembly Members Michael Arnone (R-Monmouth) and Clare Farragher (R-Monmouth) and Senators Martha Bark (R-Atlantic/Burlington/Camden) and Robert Singer (R-Burlington/Monmouth/Ocean), authorizes housing authorities to enter into employment contracts with housing authority executive directors.

A-2161, sponsored by Assemblymen John Kelly (R-Bergen/Essex/Passaic) and Joseph V. Doria, Jr. (D-Hudson) and Senators Jack Sinagra (R-Middlesex) and Joseph M. Kyrillos, Jr. (R-Middlesex/Monmouth) requires public works contractors to register with the Department of Labor (DOL) to ensure compliance with labor laws. The bill will enable DOL to better monitor and enforce existing State and federal labor laws concerning wages, unemployment and temporary disability insurance, workers compensation insurance and payment of payroll taxes.

ACS for A-2454/2273, sponsored by Assemblywomen Barbara Buono (D-Middlesex), Carol Murphy (R-Essex/Morris/Passaic) and Barbara Wright (R-Mercer/Middlesex), establishes the "New Jersey Women's Micro-Business Pilot Program" in the Department of Community Affairs. The two-year pilot program will provide loans, loan guarantees, training and technical

assistance to potential female entrepreneurs looking to start a home-based or part-time business. The program targets, but is not limited to, women with little or no prior business experience and women who have a gross annual personal income less than 125% of the official poverty line.