

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2097

STATE OF NEW JERSEY

DATED: JUNE 23, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2097.

This bill would direct the New Jersey Economic Development Authority (EDA) to transfer up to \$22 million from the Invest in New Jersey Business Grant Program into the Economic Recovery Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.). The transfer of funds is intended to enable the EDA to make additional assistance available under the “Main Street Business Assistance Program” established pursuant to P.L.2008, c.117, which encourages New Jersey banks to lend to small and medium-sized businesses by providing credit enhancement and limited subordinate financing. This initiative, which is proposed in the FY2011 Executive Budget recommendations, will increase available revenue for the Main Street program by up to \$22 million.

The bill also would eliminate the statutory two-year limitation on the duration of the “Main Street Business Assistance Program” to enable the EDA to continue to provide assistance under the program.

In addition, the bill would give the EDA broad authority to charge reasonable fees associated with the services it provides to businesses. Currently, EDA’s enabling legislation does not have generic fee language, of the kind included in the laws governing many other authorities, that would enable the authority to charge reasonable fees for service.

FISCAL IMPACT

Implementation of the fund transfer provision of this bill would reduce the funding available to the InvestNJ Business Grant Program by the amount transferred and would increase the funding available to the Main Street Business Assistance Program by a like amount. Such an increase would offset, to the extent of the amount transferred, any transfer of funds out of the Main Street Business Assistance Program’s account within the Long Term Obligation and Capital Expenditure Fund that may occur as a result of the transfer of monies from that Fund to the General Fund under section 9 of Senate Bill No. 2142 (FY2010 supplemental appropriation).