

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 123**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 5, 2016

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No. 123.

As amended and reported, this bill requires the New Jersey Economic Development Authority (authority) to establish and maintain the “Small Business Bonding Readiness Assistance Program” (program). Under the program, the authority is to provide support services to small businesses and to assist small businesses in securing surety bonding so that small businesses may bid on public works projects or perform contracts offered by the State or by the federal government. The authority is to enter into an agreement with a non-profit business advocacy association (association) concerning the association’s provision of support services and assistance to small businesses seeking surety bonding. The support services and assistance provided are to be designed to increase small businesses’ bonding knowledge and capacity in order for small businesses to qualify for surety bonding. The support services and assistance to small businesses are to focus on improving small businesses’ financial presentation, operational efficiency, profitability, and surety bonding capacity and knowledge through a series of workshops and strategic consulting sessions. The bill defines “small business” as a business in this State that qualifies as a “small business concern” under the federal "Small Business Act" for the purpose of the small business’s eligibility for a contract offered by the federal government or for assistance from the United States Small Business Administration.

In order to provide funding for the program, the bill requires the State Treasurer to annually transfer \$250,000 from the urban enterprise zone assistance fund (UEZ fund) to the “Small Business Bonding Readiness Assistance Fund” (assistance fund), a special non-lapsing revolving fund created by the authority as part of the program. The assistance fund is to be used by the authority to provide grant funding to small businesses that participate in the program, grant funding to an association that provides small businesses participating in the program with support services and assistance, and to administer the program. In addition to the moneys received by the authority from the UEZ fund, the assistance fund may be credited with moneys made available

by the authority for the assistance fund and moneys received by the authority from any public or private donations.

The committee amended the bill to: 1) require the authority to enter into an agreement with an association, whose membership comprises small businesses needing surety bonding, to provide surety bonding assistance services to those eligible small businesses; 2) provide that the association is to receive grant funding from the assistance fund for providing those support services and assistance; and 3) to make grammatical corrections.

This bill was pre-filed for introduction in the 2016-2017 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.