

ASSEMBLY, No. 1191

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Establishes “Beatrice Hicks Innovation Partnership”; provides funding for certain nonprofit partnerships to promote certain emerging technology businesses.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing the “Beatrice Hicks Innovation Partnership” to
2 promote certain emerging technology businesses and
3 supplementing Title 52 of the Revised Statutes.

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

7
8 1. a. The Legislature finds and declares that:

9 (1) New Jersey has been a hub for pharmaceutical, technology,
10 medical research, and other science-related businesses for over a
11 century;

12 (2) with the reestablishment of the New Jersey Commission on
13 Science, Innovation, and Technology (commission), the State is
14 refocusing its efforts on attracting and fostering emerging
15 technology business innovators so that New Jersey can continue to
16 lead the nation in the fields of science and technology; and

17 (3) the “Beatrice Hicks Innovation Partnership” shall work in
18 tandem with the commission to fund these innovators and to ensure
19 they have the support to continue with their work in this State.

20 b. The Legislature further finds and declares that:

21 (1) Beatrice Hicks, born in Orange, New Jersey in 1919, was
22 one this State’s most successful and important scientists and
23 engineers;

24 (2) by the age of 13, after being inspired by the newly built
25 Empire State Building and George Washington Bridge, Ms. Hicks
26 believed her calling was to become an engineer;

27 (3) a graduate of Orange High School and the Newark College
28 of Engineering, now known as the New Jersey Institute of
29 Technology, Ms. Hicks went on to be the first woman engineer
30 employed by Western Electric, where she pioneered the theoretical
31 study, analysis, development, and manufacture of sensing devices,
32 developed long-distance telephone technology, and a invented a
33 crystal oscillator that generated radio frequencies used in aircraft
34 communications;

35 (4) after working as an independent consultant, she assumed
36 several leadership roles at her father’s company, the Newark
37 Controls Company;

38 (5) Ms. Hicks served as vice-president and chief engineer, and
39 eventually president, of the Newark Controls Company, where she
40 developed environmental sensors for heating and cooling systems
41 that went on to be used in the United States’ space program; and

42 (6) Ms. Hicks co-founded the Society of Women Engineers in
43 1950 after recognizing the lack of support and encouragement
44 women received to pursue an education in engineering.

45 c. The Legislature therefore determines that, in honor of her
46 trailblazing and independent spirit, her innovations and leadership
47 in science and engineering, and her consciousness of the support

1 needed to foster a community of innovators, this partnership shall
2 be named the “Beatrice Hicks Innovation Partnership.”
3
4 2. As used in P.L. , c. (C.) (pending before the
5 Legislature as this bill):
6 “Beatrice Hicks Innovation Fund” or “fund” means the fund
7 established pursuant to section 8 of P.L. , c. (C.) (pending
8 before the Legislature as this bill).
9 “Beatrice Hicks Innovation Partner” or “partner” means a
10 nonprofit organization certified or established by the commission
11 pursuant to sections 4 or 5 of P.L. , c. (C.) (pending before
12 the Legislature as this bill).
13 “Commission” means the New Jersey Commission on Science,
14 Innovation and Technology established pursuant to section 3 of
15 P.L.1985, c.102 (C.52:9X-3).
16 “Emerging technology business” means a company that is doing
17 business, employing or owning capital or property, or maintaining
18 an office in this State, and has qualified research expenses paid or
19 incurred for research conducted in this State, conducts pilot scale
20 manufacturing in this State, or conducts technology
21 commercialization in this State, in the fields of: advanced
22 computing; cybersecurity, financial information technology,
23 advanced materials; biotechnology; carbon footprint reduction
24 technology; electronic device technology; information technology;
25 life sciences; agriculture; aviation; medical device technology;
26 mobile communications technology; renewable energy technology;
27 or any field determined by the commission.
28 “Nonprofit organization” means a nonprofit organization that is
29 incorporated as a New Jersey nonprofit corporation pursuant to the
30 “New Jersey Nonprofit Corporation Act,” N.J.S.15A:1-1 et seq., is
31 exempt from federal taxation pursuant to section 501(c)(3) of the
32 federal Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(3), or
33 other federal tax exempt status as the commission determines to be
34 appropriate, and may be established and incorporated by the
35 commission for the purpose of identifying and generating business
36 opportunities and financial assistance for emerging technology
37 businesses.
38 “Private institution of higher education” and “public institution
39 of higher education” shall have the same meaning as provided in
40 section 2 of P.L.1985, c.103 (C.18A:64J-2).
41 “Research institution” means any institution that conducts
42 research and is approved by the commission for the purposes of
43 P.L. , c. (C.) (pending before the Legislature as this bill),
44 which shall include, but not be limited to, private or public
45 institutions of higher education, research hospitals, or public or
46 private organizations within this State.
47 “Spin-out company” means a company that was developed
48 within a larger company or a private or public institution of higher

1 education that has become an independent company with separate
2 employees and assets.

3

4 3. a. The “Beatrice Hicks Innovation Partnership,” to be
5 administered by the New Jersey Commission on Science,
6 Innovation and Technology, shall be one or more independent
7 nonprofit organizations, working individually, in partnership with
8 each other, and in partnership with the commission, to advance the
9 development of emerging technology businesses in this State and to
10 create supportive and collaborative innovation ecosystems across
11 New Jersey.

12 b. The goals and policies of the partners shall include, but not
13 be limited to:

14 (1) identifying, developing, adapting, and implementing
15 advanced technologies to enable the growth and competitiveness of
16 emerging technology businesses through technology development,
17 commercialization, and implementation;

18 (2) acting as regional facilitators and managers for interactions,
19 programs, and initiatives by and among the commission, emerging
20 technology businesses, economic development organizations, the
21 corporate community, private and public institutions of higher
22 education, research institutions, government, organized labor and
23 other interests working collaboratively to advance the development
24 of specialized innovation-based science and technology ecosystems
25 in this State;

26 (3) directly providing, and serving as the conduit to, early-stage
27 and later-stage public and private capital for emerging technology
28 businesses;

29 (4) providing training or technical assistance to help emerging
30 technology businesses apply to federal programs, such as the Small
31 Business Innovation Research Program, under 15 U.S.C. s.631 and
32 15 U.S.C. s.638, for the purpose of attracting federal investment
33 funds to this State;

34 (5) developing, providing, or supporting business incubation
35 resources and space and facilitating the development of emerging
36 technology business campuses, including discounted laboratory
37 space to academic or executive emerging technology business spin-
38 out companies;

39 (6) coordinating marketing efforts concerning existing State and
40 local financial and material resources for emerging technology
41 businesses;

42 (7) establishing and administering a research grant fund for the
43 economic impact assessments of technology development projects
44 conducted by private or public institutions of higher education that
45 seek grant funding through the commission; and

46 (8) establishing partnerships to support and enhance the scale,
47 scope, and impact of initiatives that support the purpose and
48 mission of the commission and the partners.

1 4. a. The commission shall select and certify one or more
2 nonprofit organizations to serve as partners in the “Beatrice Hicks
3 Innovation Partnership.” Each partner shall be responsible for one
4 or more of the following:

5 (1) the northern region of the State having a primary, but not
6 exclusive, focus on financial information technology, cybersecurity,
7 or a combination thereof;

8 (2) the central region of the State having a primary, but not
9 exclusive, focus on life sciences, biotechnology, or a combination
10 thereof;

11 (3) the southern region of the State having a primary, but not
12 exclusive, focus on agriculture, aviation, or a combination thereof;
13 and

14 (4) the shore region of the State, having a primary, but not
15 exclusive, focus on renewable energy and autonomous vehicles.

16 The commission shall establish the exact geographical
17 boundaries of the four regions of each focus.

18 b. A nonprofit organization established as of the date of
19 enactment of P.L. , c. (C.) (pending before the Legislature
20 as this bill), meeting at least one of the regional focus requirements
21 of subsection a. of this section, may submit to the commission an
22 application, in a form and manner determined by the commission,
23 for certification as a partner.
24

25 5. a. If the commission is unable to certify an existing
26 nonprofit organization as a partner, pursuant to subsection b. of
27 section 4 of P.L. , c. (C.) (pending before the Legislature as
28 this bill), the commission shall establish and incorporate an
29 independent nonprofit organization to serve as a partner for one or
30 more particular regional focuses.

31 b. The commission shall appoint the board of directors of each
32 partner established pursuant to this section, in a number and manner
33 to be determined by the commission, who shall be experts in the
34 field of focus of each partner and who shall represent the public and
35 private sectors, including, but not limited to:

36 (1) one person representing academia;

37 (2) one person representing industry;

38 (3) one person having an expertise in leadership and
39 entrepreneurship in an emerging technology business;

40 (4) one person representing a research institution; and

41 (5) one person having an expertise in investment, venture
42 capital, or economic development concerning emerging technology
43 businesses.

44 A vacancy in the membership of a board of directors shall be filled
45 in the same manner as the original appointment.

46 c. Upon the establishment and appointment of the first board of
47 directors of each partner, each board of directors shall adopt bylaws

1 setting forth the structure, offices, powers, and duties of each
2 partner.

3 d. The commission may modify or revoke a partner's
4 certification as a partner if the commission determines, after
5 receiving information submitted pursuant to section 7 of
6 P.L. , c. (C.) (pending before the Legislature as this bill), the
7 partner does not achieve the goals or does not implement the
8 policies of section 3 of P.L. , c. (C.) (pending before the
9 Legislature as this bill).

10

11 6. a. A partner may apply to the commission, in a form and
12 manner determined by the commission, to receive grant funds from
13 the "Beatrice Hicks Innovation Fund," established pursuant to
14 section 8 of P.L. , c. (C.) (pending before the Legislature as
15 this bill), to implement the policies of section 3 of
16 P.L. , c. (C.) (pending before the Legislature as this bill).
17 The commission, upon approving a grant application submitted by a
18 partner pursuant to this subsection, shall sign a grant agreement
19 with the partner, which shall permit the partner to execute the goals
20 and policies of section 3 of P.L. , c. (C.) (pending before the
21 Legislature as this bill) only if matched by private sector funds on a
22 minimum basis to be established by the commission.

23 b. Upon receipt of a grant pursuant to subsection a. of this
24 section, a partner shall implement the terms of the grant agreement.
25 Failure to comply with the grant agreement shall result in the
26 forfeiture of the grant.

27

28 7. A partner shall annually submit the following information to
29 the commission:

30 a. the partner's current mailing address, telephone number, and
31 electronic mail address;

32 b. a copy of the partner's current bylaws;

33 c. a list of the partner's current officers, directors, and staff;

34 d. an independent audit covering all funds received from the
35 State and funds received from State support, such as paybacks,
36 reimbursements, investment returns, fees for services, cash
37 reserves, interest, return of depreciation and any other similar forms
38 of income that result at least partially from initial expenditure of
39 State funds. The audit shall include all of the communications
40 between the auditors and the managers of the partner. The audit
41 shall be conducted in accordance with appropriate government
42 auditing standards and shall be a public record;

43 e. upon the commission's request, an independent audit
44 covering all funds received and partner activities supported by non-
45 State funding sources; and

46 f. any other information the commission may require.

1 8. There is hereby established in the Department of the
2 Treasury a separate special, non-lapsing, account to be known as
3 the "Beatrice Hicks Innovation Fund," which shall be administered
4 by the commission for the purpose of funding the partners, into
5 which shall be deposited any State appropriations to the
6 commission or to the partners, to technology and research activities
7 assigned to the commission, or any other State appropriations for
8 the purposes of P.L. , c. (C.) (pending before the Legislature
9 as this bill), federal funds, royalties, gifts, grants, bequests, devises,
10 private funds, venture capital funds, and funds from any other
11 source that are designated to the commission. All earnings received
12 from the investment of monies in the fund shall be credited to the
13 fund.

14
15 9. a. The commission is authorized to call upon any
16 department, authority, commission, board, office, division, or
17 agency of the State to provide any information, resources, or other
18 assistance deemed necessary to effectuate the purposes of
19 P.L. , c. (C.) (pending before the Legislature as this bill).

20 b. Each department, authority, commission, board, office,
21 division and agency of the State shall be required to cooperate with
22 the commission to furnish the commission with any information,
23 personnel, and assistance as is necessary to effectuate the purposes
24 of P.L. , c. (C.) (pending before the Legislature as this bill).

25
26 10. a. The commission shall annually issue a report to the
27 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
28 19.1), to the Legislature, describing the activities of the commission
29 and each partner, which shall include, but not be limited to, the
30 following:

31 (1) the budget of the commission and each partner;

32 (2) individual projects of the commission and each partner; and

33 (3) the progress of the commission and of each partner in
34 achieving the goals and implementing the policies described in
35 section 3 of P.L. , c. (C.) (pending before the Legislature as
36 this bill).

37 b. Each partner shall submit information to the commission, at
38 a time, form, and manner to be determined by the commission,
39 which enables the commission to comply with the requirements of
40 this section.

41
42 11. This act shall take effect immediately.

43 44 45 STATEMENT

46
47 This bill establishes the "Beatrice Hicks Innovation Partnership,"
48 (partnership) to be administered by the New Jersey Commission on

1 Science, Innovation and Technology (commission), which is to be
 2 one or more independent nonprofit organizations (partners) certified
 3 or established and incorporated by the commission, working
 4 individually, in partnership with each other, and in partnership with
 5 the commission, to advance the development of emerging
 6 technology businesses in this State and to create a supportive and
 7 collaborative innovation ecosystems across New Jersey.

8 This bill provides that the goals and policies of the partners are
 9 to include, but not be limited to:

10 (1) identifying, developing, adapting, and implementing
 11 advanced technologies to enable the growth and competitiveness of
 12 emerging technology businesses through technology development,
 13 commercialization, and implementation;

14 (2) acting as regional facilitators and managers for interactions,
 15 programs, and initiatives by and among the commission, emerging
 16 technology businesses, economic development organizations, the
 17 corporate community, private and public institutions of higher
 18 education, research institutions, government, organized labor and
 19 other interests working collaboratively to advance the development
 20 of specialized innovation-based science and technology ecosystems
 21 in this State;

22 (3) directly providing, and serving as the conduit to, early-stage
 23 and later-stage private and public capital for emerging technology
 24 businesses;

25 (4) providing training or technical assistance to help emerging
 26 technology businesses apply to the federal Small Business
 27 Innovation Research Program for the purpose of attracting federal
 28 biotechnology investment funds to this State;

29 (5) developing, providing, or supporting business incubation
 30 resources and space and facilitating the development of emerging
 31 technology business campuses, including discounted laboratory
 32 space to academic or executive emerging technology business spin-
 33 out companies;

34 (6) coordinating marketing efforts concerning existing State and
 35 local financial and material resources for emerging technology
 36 businesses;

37 (7) establishing and administering a research grant fund for the
 38 economic impact assessments of technology development projects
 39 conducted by private or public institutions of higher education that
 40 seek grant funding through the commission; and

41 (8) establishing partnerships to support and enhance the scale,
 42 scope, and impact of initiatives that support the purpose and
 43 mission of the commission and the partners.

44 This bill provides that one or more nonprofit organizations are to
 45 serve as the partners in the partnership, which are to be responsible
 46 for:

1 (1) the northern region of the State having a primary, but not
2 exclusive, focus on financial information technology, cybersecurity,
3 or a combination thereof;
4 (2) the central region of the State having a primary, but not
5 exclusive, focus on life sciences, biotechnology, or a combination
6 thereof;
7 (3) the southern region of the State having a primary, but not
8 exclusive, focus on agriculture, aviation, or a combination thereof;
9 and
10 (4) the shore region of the State, having a primary, but not
11 exclusive, focus on renewable energy and autonomous vehicles.
12 The commission is to establish the exact geographical boundaries
13 of the four regions of each focus.
14 A nonprofit organization established as of the date of the bill's
15 enactment and meeting one of the regional requirements may
16 submit to the commission an application, in a form and manner
17 determined by the commission, for certification as a partner.
18 If the commission is unable to certify an existing nonprofit
19 organization as a partner for a certain regional focus, the
20 commission is to establish and incorporate an independent nonprofit
21 organization to serve as a partner for that particular regional focus.
22 The commission may modify or revoke a partner's participation
23 in the partnership if the commission determines the partner does not
24 achieve the goals or does not implement the policies this bill.
25 A partner may apply to the commission, in a form and manner
26 determined by the commission, to receive grant funds from the
27 "Beatrice Hicks Innovation Fund," established pursuant to this bill.
28 The commission, upon approving a grant application submitted by a
29 partner, is to sign a grant agreement with the partner, which is to
30 permit the partner to execute the goals and policies pursuant to this
31 bill only if matched by private sector funds on a minimum basis to
32 be established by the commission.
33 Upon receipt of a grant, a partner is to implement the terms of
34 the grant agreement. Failure to comply with the grant agreement is
35 to result in the forfeiture of the grant.
36 This bill provides that a partner is to annually submit certain
37 information to the commission.
38 Lastly, this bill directs the commission to annually issue a report
39 to the Governor and the Legislature describing the activities of the
40 commission and each partner.