

ASSEMBLY, No. 1791

STATE OF NEW JERSEY

INTRODUCED MARCH 18, 1996

By Assemblymen DiGAETANO and GREGG

1 AN ACT concerning the New Capital Sources Board and amending
2 P.L.1995, c.293.

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

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7 1. Section 4 of P.L.1995, c.293 (C.34:1B-110) is amended to read
8 as follows:

9 4. a. There is established a New Capital Sources Board in, but not
10 of, the Department of Commerce and Economic Development. The
11 board shall be made up of [~~eleven~~] fifteen members: one shall be the
12 Commissioner of Commerce and Economic Development, or his
13 designee; one shall be the Chairman of the New Jersey Economic
14 Development Authority, or his designee; three public members shall be
15 appointed by the Governor; [~~three~~] five public members shall be
16 appointed by the President of the Senate; and [~~three~~] five public
17 members shall be appointed by the Speaker of the General Assembly,
18 one of whom shall be designated as chair of the board. The
19 appointment of the members shall take place [~~within 45 days of~~] as
20 soon as is practicable after the effective date of this amendatory act.
21 The appointee of the Speaker of the General Assembly designated as
22 chair of the board shall convene the board as soon as is practicable
23 following the appointment of [~~at least six~~] all of the public members
24 to the board. The members appointed to this board shall consist of
25 individuals with extensive experience in banking and venture capital
26 financing.

27 b. The members of the board shall serve without compensation.

28 c. The board is authorized, empowered and directed to:

29 (1) Develop a form of organization and a plan of operation for the
30 New Capital Sources Partnership consistent with the purposes of that
31 partnership as set forth pursuant to section 5 of this act. In so doing
32 the board shall consider, but not be limited to, the form of
33 organization, plan of operation and experiences of the Massachusetts
34 Business Development Corporation and the experience of the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 Michigan Strategic Fund in the formation of private financial
2 institutions in the Commonwealth of Massachusetts and the State of
3 Michigan, respectively, for business development purposes.

4 (2) Seek out and gain commitments from persons, natural and
5 otherwise, to be initial investors in and incorporators of the New
6 Capital Sources Partnership.

7 (3) Cooperate and coordinate its efforts at gaining a private source
8 of equity capital for small business development in this State with the
9 Department of Commerce and Economic Development, and any
10 private sector nonprofit entity designated by the department, which
11 may include a nonprofit corporation organized to implement the
12 recommendations of the New Jersey Economic Master Plan
13 Commission established pursuant to Executive Order No. 1 issued by
14 the Governor on January 18, 1994.

15 d. The Department of Commerce and Economic Development, the
16 New Jersey Economic Development Authority and all other
17 departments and agencies of the State which are engaged in economic
18 development shall cooperate with the board to assist it in the
19 accomplishment of its mission.

20 e. Within one year of the [effective date of this act] date the board
21 first convenes, the board shall provide the Governor and the
22 Legislature with the results of its accomplishments under subsection
23 c. of this section, including information on the incorporation of the
24 New Capital Sources Partnership.

25 f. Nothing in this act shall prohibit public members of the board
26 from being among those investors who form the New Capital Sources
27 Partnership.

28 g. The board shall expire at the end of 13 months from the
29 [effective] date [of this act] the board first convenes pursuant to
30 subsection a. of this section.

31 (cf: P.L.1995, c.293, s.4)

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33 2. Section 5 of P.L.1995, c.293 (C.34:1B-111) is amended to read
34 as follows:

35 5. a. Within one year following the [effective date of this act] date
36 the board first convenes, the board shall incorporate or cause to be
37 incorporated, as the case may be, a New Capital Sources Partnership.

38 b. The purpose of this partnership shall be to encourage and
39 promote the development of small capital businesses in this State by
40 forming a partnership with: individual investors and corporate
41 investors, including financial institutions, to increase the amount of
42 capital available for equity capital investments; small capital businesses
43 in this State by the investment of equity capital in those businesses;
44 Small Business Investment Companies to leverage federal dollars;
45 educational institutions in this State to provide increased awareness of
46 and opportunities for persons seeking to form or expand a small

1 capital business, including training in all aspects of small business
2 formation and management; and the State by providing expertise for
3 and cooperation with the State in its efforts to encourage and support
4 small capital business development.

5 (cf: P.L.1995, c.293, s.5)

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7 3. This act shall take effect immediately.

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10 STATEMENT

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12 This bill changes the number of public members appointed to the
13 New Capital Sources Board by the President of the Senate and the
14 Speaker of the General Assembly from six to ten; provides that the
15 convening of the New Capital Sources Board shall not take place until
16 all public members of the board are appointed; changes the time within
17 which the board is to provide the Governor and the Legislature with
18 the results of its accomplishments to one year from the date it is first
19 convened; the time when the board expires to 13 months from the date
20 it is first convened; and the date by which the board is to incorporate
21 or cause to be incorporated a New Capital Sources Partnership to 12
22 months following the date the board is first convened.

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27 Makes certain changes with respect to membership, convening and
28 reporting of the New Capital Sources Board.