

SENATE ECONOMIC GROWTH, AGRICULTURE AND
TOURISM COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2688

STATE OF NEW JERSEY

DATED: MAY 5, 1997

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Assembly Bill No. 2688.

Pursuant to enactment of the "Export Financing Opportunities Act," P.L.1995, c.209 (C.34:1B-93 et seq.), an Export Finance Company Advisory Council (hereinafter, "council"), was formed to develop a form of organization and a plan of operation for a proposed Export Finance Company (hereinafter, "company"). The council recently recommended that P.L.1995, c.209 be amended to clarify that the council should continue to monitor and provide advisory input to the company when it is created and to permit council members to serve on the company's Board of Directors or Board of Trustees, as the case may be. This bill would implement those recommendations.

The bill also allows the company to be organized as a limited liability corporation, in order to allow for certain operation and tax advantages.

The bill further authorizes the New Jersey Economic Development Authority (hereinafter, "authority") or other public entity to purchase interest in the company as long as the interest purchased does not exceed 49 percent of the total shared interest of the company, and provided that the operating agreement of the company permits the authority or other public entity to resign and receive a distribution from the company before any private sector members.