

P.L. 1997, CHAPTER 32, *approved March 7, 1997*  
Assembly, No. 1791

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

3

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  
35 Michigan Strategic Fund in the formation of private financial

**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 institutions in the Commonwealth of Massachusetts and the State of  
2 Michigan, respectively, for business development purposes.

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

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

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

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

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

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

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

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

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

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

1 formation and management; and the State by providing expertise for  
2 and cooperation with the State in its efforts to encourage and support  
3 small capital business development.

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

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6 3. This act shall take effect immediately.

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STATEMENT

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

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