

CHAPTER 32

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

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

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

C.34:1B-110 New Capital Sources Board established, powers.

4. a. There is established a New Capital Sources Board in, but not of, the Department of Commerce and Economic Development. The board shall be made up of fifteen members: one shall be the Commissioner of Commerce and Economic Development, or his designee; one shall be the Chairman of the New Jersey Economic Development Authority, or his designee; three public members shall be appointed by the Governor; five public members shall be appointed by the President of the Senate; and five public members shall be appointed by the Speaker of the General Assembly, one of whom shall be designated as chair of the board. The appointment of the members shall take place as soon as is practicable after the effective date of this amendatory act. The appointee of the Speaker of the General Assembly designated as chair of the board shall convene the board as soon as is practicable following the appointment of all of the public members to the board. The members appointed to this board shall consist of individuals with extensive experience in banking and venture capital financing.

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

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

(1) Develop a form of organization and a plan of operation for the New Capital Sources Partnership consistent with the purposes of that partnership as set forth pursuant to section 5 of this act. In so doing the board shall consider, but not be limited to, the form of organization, plan of operation and experiences of the Massachusetts Business Development Corporation and the experience of the Michigan Strategic Fund in the formation of private financial institutions in the Commonwealth of Massachusetts and the State of Michigan, respectively, for business development purposes.

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

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

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

e. Within one year of the date the board first convenes, the board shall provide the Governor and the Legislature with the results of its accomplishments under subsection c. of this section, including information on the incorporation of the New Capital Sources Partnership.

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

g. The board shall expire at the end of 13 months from the date the board first convenes pursuant to subsection a. of this section.

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

C.34:1B-111 New Capital Sources Partnership, purposes.

5. a. Within one year following the date the board first convenes, the board shall incorporate or cause to be incorporated, as the case may be, a New Capital Sources Partnership.

b. The purpose of this partnership shall be to encourage and promote the development of small capital businesses in this State by forming a partnership with: individual investors and corporate investors, including financial institutions, to increase the amount of capital available for equity capital investments; small capital businesses in this State by the investment of equity

capital in those businesses; Small Business Investment Companies to leverage federal dollars; educational institutions in this State to provide increased awareness of and opportunities for persons seeking to form or expand a small capital business, including training in all aspects of small business formation and management; and the State by providing expertise for and cooperation with the State in its efforts to encourage and support small capital business development.

3. This act shall take effect immediately.

Approved March 7, 1997.