

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5062

**STATE OF NEW JERSEY**

DATED: MAY 18, 2023

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 5062.

This bill requires that the various statutory definitions of women's business enterprise include businesses owned, in whole or in part, by an irrevocable trust of which the majority of beneficiaries or trustees are women.

Under current law, a women's business enterprise is interpreted as requiring direct ownership by a woman or women. A women's business enterprise is generally defined as a business that has its principal place of business in this State, is independently owned and operated, and is:

- (1) a sole proprietorship owned and controlled by a woman;
- (2) a partnership or joint venture owned and controlled by women in which at least 51 percent of the ownership is held by women and the management and daily business operations of which are controlled by one or more women who own it; or
- (3) a corporation or other entity whose management and daily business operations are controlled by one or more women who own it, and which is at least 51 percent owned by women, or if stock is issued, at least 51 percent of the stock is owned by one or more women.

This bill supplements the various definitions to include a business that has its principal place of business in this State and is owned, in whole or in part, by an irrevocable trust of which the majority of trustees and beneficiaries are women. This addition would accommodate indirect women ownership of the business through an irrevocable trust, an estate planning tool often utilized to preserve family ownership of a business over the course of multiple generations.

This bill also waives any waiting period prior to re-application by any enterprise which previously had been denied certification or re-certification as a women-owned business that would now qualify for such status.

As reported by the committee, this bill is identical to Senate Bill No. 3013, which was also reported by the committee on this date.