# ASSEMBLY, No. 154

# STATE OF NEW JERSEY

## 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

**Sponsored by:**
**Assemblyman PARKER SPACE**
**District 24 (Morris, Sussex and Warren)**

**Co-Sponsored by:**
**Assemblywoman Dunn**

**SYNOPSIS**

Requires EDA administer small business loan program to provide loans to small businesses owned or controlled by certain veterans.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.

**(Sponsorship Updated As Of: 2/20/2020)**

**AN ACT** related to the New Jersey Economic Development Authority's administration of the small business loan program, and amending P.L.2011, c.201 (C.34:1B-241.2).

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

1. Section 2 of P.L.2011, c.201 (C.34:1B-241.2) is amended to read as follows

2. a. The authority shall maintain and administer a small business loan program for the purpose of providing small business loans to eligible small businesses.

b. Small business loans may be made to an eligible small business. The loan funds may be applied to any aspect of the business that supports its capital purchases, employee training, and salaries for new positions as determined by the authority.

c. In order to receive a small business loan, a business, at the time of application, shall provide proof that it is an eligible small business and shall enter into a small business loan agreement with the authority.

d. The authority shall review and may approve applications for the loan program.

e. A business seeking to participate in the small business loan program shall submit an application in such form as the authority shall require. Such application shall include such information as the authority shall determine is necessary in consideration of the provisions of P.L.2011, c.123 (C.52:14B-21.1 et seq.).

f. Small business loans under this section shall be made pursuant to a small business loan agreement made pursuant to subsection c. of this section and shall bear interest at rates and terms deemed appropriate by the authority, and contain other terms and conditions considered appropriate by the authority that are consistent with the purposes of P.L.2011, c.201 (C.34:1B-241.1 et seq.) and with rules and regulations promulgated by the authority to implement P.L.2011, c.201.

g. The authority may, in its discretion, require an eligible small business that receives a small business loan under the program administered pursuant to P.L.2011, c.201 (C.34:1B-241.1 et seq.) to submit an audited financial statement to the authority in order to ensure the business's continued vitality.

h. The authority may, either through the adoption of rules and regulations, or through the terms of the small business loan agreement made pursuant to subsection c. of this section, establish terms governing the incidence of default by an eligible small

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

**Matter underlined <u>thus</u> is new matter.**

business that receives a small business loan under the program administered pursuant to P.L.2011, c.201 (C.34:1B-241.1 et seq.).

i. In determining whether to provide a loan to an eligible small business, the authority shall consider, along with other criteria that the authority in its discretion deems appropriate, whether the business commits to increasing its full-time employment level in the State.

j. (1) The authority shall, to the greatest extent practicable, administer the small business loan program in a manner to provide that at least 12 percent of all moneys directly loaned to eligible small businesses in any calendar year are loaned to eligible small businesses that are owned or controlled by one or more veterans, with priority given to businesses owned or controlled by veterans who have been declared by the United States Department of Veterans Affairs or the United States Department of Defense as having a service-connected disability.

(2) For the purposes of this subsection j., "veteran" means any resident of this State who has been honorably discharged or released under honorable circumstances from active service in any branch of the Armed Forces of the United States.

(cf: P.L.2011, c.201, s.2)

2. This act shall take effect immediately.

STATEMENT

This bill requires the New Jersey Economic Development Authority (EDA), to the greatest extent practicable, to administer an existing small business loan program in a manner to provide that at least 12 percent of all moneys directly loaned under the program in any calendar year are loaned to eligible small businesses that are owned or controlled by one or more veterans, with priority given to businesses owned or controlled by veterans who have been declared as having a service-connected disability.