ASSEMBLY, No. 723

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
Assemblyman GORDON M. JOHNSON
District 37 (Bergen)
Assemblyman BENJIE E. WIMBERLY
District 35 (Bergen and Passaic)
Assemblywoman ANGELA V. MCKNIGHT
District 31 (Hudson)
Assemblywoman CLEOPATRA G. TUCKER
District 28 (Essex)

Co-Sponsored by:
Assemblywoman Pintor Marin and Assemblyman Chiaravalloti

SYNOPSIS

Prohibits disqualification of certain minority-owned and women-owned businesses for certification.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

AN ACT concerning certification of minority-owned and women-owned businesses and amending P.L.1987, c.55.

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

1. Section 5 of P.L.1987, c.55 (C.52:27H-21.11) is amended to read as follows:

5. The division shall have the power to:

a. Establish a loan referral program and loan packaging program for eligible businesses, using criteria for eligibility which meet the standards established by the authority or which meet the standards established by private sources or by other State or federal programs;

b. Compile lists of qualified professionals, including women and minorities in specific areas of expertise, to be disseminated to eligible businesses and to be used in making referrals;

c. Use available resources within the State, including, but not limited to, small business development centers, business organizations, academic institutions with business programs, and minority business development offices, to coordinate managerial and technical assistance;

d. Establish, in cooperation with institutions of higher education, an internship program for candidates for undergraduate and graduate degrees in business administration and related fields for the purpose of providing assistance to the division, the authority and to businesses which are eligible to receive assistance under this act;

e. Provide, consistent with the provisions of this act and in conjunction with, or at the request of, the authority, assistance to eligible businesses, including, but not limited to:

(1) Assistance in researching markets or in market analysis;

(2) Advice in advertising and marketing;

(3) Advice in selecting sales or other distribution channels;

(4) Providing information and training with respect to bidding on government contracts;

(5) Serving as liaison with the Department of the Treasury and other departments and agencies of State, federal and local government to promote the procurement of contracts for eligible businesses;

(6) Assistance in obtaining legal counsel;

(7) Providing financial analysis and accounting assistance;

(8) Assistance in obtaining appropriate insurance, including benefit packages for employees;

(9) Assistance in arranging contracts with franchisers;

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 thus is new matter.

(10) Assistance in arranging commercial loans made by a State or federally chartered bank, savings bank, or savings and loan association, if, with respect to loans made by State chartered institutions, the loans are made in accordance with the powers conferred on those institutions pursuant to Title 17 of the Revised Statutes, including bridge loans and cash flow loans;

(11) Assistance in negotiating license agreements;

(12) Assistance in procuring bonding or substitutes therefor;

(13) Making referrals to private consultants, institutions, and other providers of services, according to the specific needs of an eligible business;

(14) Assistance in finding sources of financing from federal, State, and local sources;

(15) Assistance in gaining information about employee training and development programs; and

f. Provide a central resource for eligible businesses in their dealing with federal, State, and local governments, including information regarding government regulations or laws which affect eligible businesses;

g. Initiate and encourage education programs for eligible businesses;

h. Notwithstanding any other provision of law, exercise exclusive authority within the State to establish a uniform procedure for departments, agencies and authorities of the State and of its political subdivisions to certify the eligibility of a business to bid on contracts, or otherwise represent itself as a minority or women's business, except that a minority or women’s business engaged in the procurement of materials and supplies that is otherwise eligible for such certification pursuant to this subsection shall not be rendered ineligible therefor solely because the business is not significantly and substantially involved in the production, or does not have evidence of movement, of inventory on hand, in and out of its facility, provided the business:

(1) places an order for a product with a distributor or manufacturer;

(2) takes possession of the materials or supplies in the order by payment;

(3) assumes the risk of ownership of the materials or supplies; and

(4) causes the product, materials, or supplies to be shipped to a customer.

The division shall be the certifying authority for departments, agencies and authorities of the State, except that when the division's procedure for certification of a business as a minority business or women's business conflicts with a federal certification procedure that affects a State project in which the federal government participates, the federal certification procedure shall take precedence. Public agencies shall identify those projects and shall

notify the division. A political subdivision shall have the responsibility of certifying the eligibility of a women's business or minority business to bid on contracts or otherwise represent itself as a women's business or minority business within the political subdivision, except that, if the business is certified by the division to represent itself as being a minority or women's business under State programs, the political subdivision may accept that certification for eligibility of the business under programs of the political subdivision. A political subdivision shall utilize the uniform certification procedure formulated by the division;

i. Submit to the Governor and the Legislature an annual report regarding its activities and setting forth recommendations of methods which might be utilized to more efficiently and effectively carry out the purposes of this act, and submit to the commissioner periodic reports on the condition of small businesses, and women's and minority businesses in the State; and

j. Provide any other services which it deems necessary or which may be requested by the authority.

(cf: P.L.2003, c.189, s.1)

2. This act shall take effect immediately.

STATEMENT

This bill would modify the eligibility criteria for a business to qualify as a minority-owned or women-owned business under State law. The bill specifies that an otherwise eligible minority-owned or women-owned business engaged in the procurement of materials and supplies will be eligible for certification although the business is not involved in the production or movement of inventory on hand, as long as the business:

(1) places an order for a product with a distributor or manufacturer;

(2) takes possession of the materials or supplies in the order by payment;

(3) assumes the risk of ownership of the materials or supplies; and

(4) causes the product, materials, or supplies to be shipped to a customer.