

ASSEMBLY, No. 5355

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 22, 2021

Sponsored by:

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Co-Sponsored by:

Assemblywoman Reynolds-Jackson

SYNOPSIS

Establishes “Minority Business Development Program” in EDA; appropriates \$50 million to EDA from federal funds.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/8/2021)

1 AN ACT concerning assistance to certain minority-owned
2 businesses and supplementing P.L.1974, c.80 (C.34:1B-
3 1 et seq.).

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in sections 1 and 2 of P.L. , c. (C.)
9 (pending before the Legislature as this bill):

10 “Authority” means the New Jersey Economic Development
11 Authority established pursuant to section 4 of P.L.1974, c.80
12 (C.34:1B-4).

13 “Business Action Center” means the Business Action Center
14 established in the Department of State pursuant to Reorganization
15 Plan No. 003-2011.

16 “Chief Diversity Officer” means the position established in the
17 Division of Purchase and Property in the State Department of the
18 Treasury pursuant to section 1 of P.L.2017, c.95 (C.52:32-18.1).

19 “Community development financial institution” or “financial
20 institution” shall have the same meaning as provided in 12 U.S.C.
21 s.4702.

22 “Development Fund” means the “Minority Business
23 Development Fund” established pursuant to section 3 of
24 P.L. , c. (C.) (pending before the Legislature as this bill).

25 “Minority business” means a small business:

- 26 a. having its principal place of business in the State;
27 b. that is independently owned and operated; and
28 c. where at least 51 percent of the business is owned and
29 controlled by a person who is black, Hispanic, Portuguese, Asian-
30 American, American Indian, or an Alaskan native.

31 “Program” means the “Minority Business Development
32 Program” established pursuant to P.L. , c. (C.) (pending
33 before the Legislature as this bill).

34 “Small business” means a business engaged in the conduct of a
35 trade or business in this State that qualifies as a “small business
36 concern” within the meaning of the federal "Small Business Act,"
37 Pub.L.85-536 (15 U.S.C. s.631 et seq.) for the purpose of the small
38 business’s eligibility for performing a contract offered by the
39 federal government or for assistance from the United States Small
40 Business Administration. “Small business” shall include, but not be
41 limited to, a small business established and operating in this State
42 that is certified, pursuant to federal law, under the United States
43 Small Business Administration’s 8(a) Business Development
44 program or the HUBZone program, or as a small disadvantaged
45 business, or as a business concern by the United States Department
46 of Housing and Urban Development pursuant to section 3 of the
47 Housing and Urban Development Act of 1968 (12 U.S.C. s.1701u).

1 “Technical assistance” means assistance in the development or
2 promotion of a minority business under the terms and conditions
3 established by the authority, pursuant to P.L. , c. (C.)
4 (pending before the Legislature as this bill), and may include, but
5 not be limited to, business conferences, workshops, and strategic
6 consulting sessions.

7
8 2. a. (1) The New Jersey Economic Development Authority,
9 in consultation with the Business Action Center and the Chief
10 Diversity Officer, shall establish and maintain a program to be
11 known as the “Minority Business Development Program” to provide
12 grant funding, other financial assistance, and technical assistance
13 services to foster the development of minority businesses.

14 (2) The authority shall enter into an agreement with a
15 Community Development Financial Institution concerning the
16 financial institution's provision of grant funding, other financial
17 assistance, and technical assistance services to foster the
18 development or promotion of minority businesses. The grant
19 funding, other financial assistance, and technical assistance to a
20 minority business shall focus on improving a minority business's
21 financial presentation, operational efficiency, and profitability.

22 b. The authority shall establish the terms and conditions by
23 which a minority business may apply for participation in the
24 program.

25
26 3. a. The authority shall establish and maintain within the
27 program a special, non-lapsing, revolving fund to be known as the
28 “Minority Business Development Fund” to provide grant funding to
29 a minority business that participates in the program, to provide
30 grant funding to a financial institution that provides a minority
31 business participating in the program with grant funding, other
32 financial assistance and technical assistance, and to administer the
33 program.

34 b. The development fund shall be credited with \$50,000,000
35 from an appropriation made to the authority pursuant to section 5 of
36 P.L. , c. (C.) (pending before the Legislature as this bill).
37 The development fund may be credited with moneys made available
38 by the authority for the purpose of the development fund and
39 moneys received by the authority from any other public or private
40 donations. The authority is authorized to seek and accept gifts,
41 grants, or donations from private or public sources for deposit in the
42 development fund, except that the authority may not accept a gift,
43 grant, or donation that is subject to conditions that are inconsistent
44 with any other law of this State.

45
46 4. a. In administering the program and the development fund,
47 the authority shall establish:

48 (1) procedures and timelines for applications for the program;

1 (2) criteria for determining grant funding, other financial
2 assistance, or technical assistance to be disbursed from the
3 development fund to a minority business and financial institution;

4 (3) reporting requirements for minority businesses and financial
5 institutions accepted into the program and receive grant funding,
6 other financial assistance, or technical assistance from the
7 development fund; and

8 (4) any other policies deemed necessary by the authority for the
9 administration of the program and the development fund. The
10 authority, in its sole discretion, may amend these policies at any
11 time if the policies are established or amended in a manner
12 consistent with the provisions of P.L. , c. (C.) (pending
13 before the Legislature as this bill).

14 b. The reporting requirements established pursuant to
15 paragraph (3) of subsection a. of this section shall require a
16 minority business and financial institution receiving grant funding,
17 other financial assistance, or technical assistance under the program
18 to report to the authority every six months while the recipient
19 participates in the program detailing how the recipient used grant
20 funding, other financial assistance, or technical assistance, and any
21 other information the authority requires in a form and manner
22 determined by the authority.

23
24 5. There is appropriated from the General Fund to the New
25 Jersey Economic Development Authority the sum of \$50,000,000
26 from a portion of those federal block grant funds allocated to the
27 State from the federal “Coronavirus Relief Fund,” established
28 pursuant to the federal Coronavirus Aid, Relief, and Economic
29 Security Act,” Pub.L.116-136, for use by the authority to provide
30 grant funding, other financial assistance, or technical assistance to
31 minority businesses that participate in the program established
32 under P.L. , c. (C.) (pending before the Legislature as this
33 bill), to provide grant funding to financial institutions that provide
34 minority businesses participating in that program with grant
35 funding, other financial assistance and technical assistance, and to
36 administer that program.

37
38 6. This act shall take effect immediately.
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41 STATEMENT

42
43 This bill requires the New Jersey Economic Development
44 Authority (EDA) to establish and maintain a program to be known
45 as the “Minority Business Development Program” (program) to
46 provide grant funding, other financial assistance, and technical
47 assistance services to foster the development of minority
48 businesses. Under the bill, the EDA is to enter into an agreement

1 with a federally-designated “community development financial
2 institution” (financial institution) concerning the financial
3 institution’s provision of grant funding, other financial assistance,
4 and technical assistance services to foster the development or
5 promotion of minority businesses. The grant funding, other
6 financial assistance, and technical assistance to a minority business
7 is to focus on improving a minority business’s financial
8 presentation, operational efficiency, and profitability.

9 The EDA is to establish and maintain the “Minority Business
10 Development Fund” (development fund) to provide grant funding,
11 other financial assistance, and technical assistance to a minority
12 business that participates in the program, to provide grant funding
13 to a financial institution that provides a minority business
14 participating in the program with grant funding, other financial
15 assistance and technical assistance, and to administer the program.
16 The development fund is to be credited with \$50,000,000 from an
17 appropriation made to the authority. The development fund may be
18 credited with moneys made available by the EDA for the purpose of
19 the development fund and moneys received by the authority from
20 any other public or private donations.

21 In administering the program, the EDA is to establish:

- 22 1) procedures and timelines for applications for the program;
- 23 2) criteria for determining grant funding amounts to be
24 disbursed from the development fund to a minority business and
25 financial institution;
- 26 3) reporting requirements for minority businesses and financial
27 institutions accepted into the program and receive grant funding
28 from the development fund; and
- 29 4) any other policies deemed necessary by the EDA for the
30 administration of the program and the development fund.

31 A minority business and financial institution receiving grant
32 funding under the program is to report to the EDA every six months
33 while the recipient participates in the program detailing how the
34 recipient used grant funding, other financial assistance, or technical
35 assistance, and any other information the EDA requires.