

SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

SENATE, No. 1476

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 11, 2021

The Senate Economic Growth Committee reports favorably and with committee amendments Senate Bill No.1476.

As amended and reported, this bill establishes within the Business Action Center (BAC) in the Department of State an “Economic Gardening Program” (program) to provide customized services to a qualified second-stage growth business upon application by the business in a manner established by the center. The bill defines a “qualified second-stage growth business” as a business that: 1) has maintained its principal place of business in the State for at least the last two years; 2) has annual revenues totaling not more than \$50,000,000; 3) employs at least five but not more than 100 full-time employees; 4) demonstrates growth in annual revenue or jobs, or both, in two of the last five years; 5) delivers products or services to customers outside the business's local market area or demonstrates the capacity to do so; 6) is in a target industry as identified by the center; and 7) is organized for profit to perform a lawful, commercial function. The BAC is to work in conjunction with the New Jersey Economic Development Authority and State, local, and private business assistance entities to develop and promote the program.

The program is to consist of providing to a qualified second-stage growth business customized services tailored to the needs of the qualified second-stage growth business and may be in the form of personalized counseling or management consulting. The customized services are to, include, but not be limited to: 1) a review of the qualified second-stage growth business’s core strategies, including threats and opportunities, business strategy, and niche markets; 2) qualified second-stage growth business development opportunities through market research and qualified sales leads; and 3) guidance to the qualified second-stage growth business on increasing its visibility and credibility within the market with an improved Internet presence, and advice on how to best use technology to connect with customers. The BAC is authorized to partner with business assistance organizations to provide customized services to businesses.

The bill requires that the BAC and any partner organizations are prohibited from disclosing any non-public proprietary information when providing a qualified second-stage growth business customized

services. The bill provides for a General Fund appropriation to the Department of State of an amount necessary to effectuate the purposes of the bill and allows the BAC to seek and accept gifts, grants, or donations from private or public sources for funding the costs of the customized services. Further, the bill requires the BAC to report annually to the Governor and the Legislature on the functioning of the program and meeting the needs of qualified second-stage growth businesses. The report is to include, but not be limited to, the number and locations of participating qualified second-stage growth businesses, the number of jobs created or maintained by participating qualified second-stage growth businesses, the amount of any capital investment made by participating qualified second-stage growth businesses as a result of participation in the program, and the type and amount of any financial assistance given to participating qualified second-stage growth businesses.

The committee amended the bill to define “qualified second-stage growth business” as, among other things, a business with annual revenues totaling not more than \$50,000,000.