

CHAPTER 201

AN ACT establishing a small business loan program within the New Jersey Economic Development Authority and supplementing Title 34 of the Revised Statutes.

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

C.34:1B-241.1 Definitions relative to a small business loan program.

1. As used in this act:

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

“Eligible small business” means a business entity that, at the time of application for participation in the small business loan program established pursuant to section 2 of P.L.2011, c.201 (C.34:1B-241.2), is independently owned and operated, operates primarily within this State, and which satisfies other criteria that may be established by the authority.

C.34:1B-241.2 Maintenance, administration of small business loan program.

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 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.

C.34:1B-241.3 Rules, regulations.

3. The authority may adopt such rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) as may be necessary to effectuate the purposes of P.L.2011, c.201 (C.34:1B-241.1 et seq.).

4. This act shall take effect immediately.

Approved January 17, 2012.