

CHAPTER 31**NEW JERSEY DEVELOPMENT AUTHORITY FOR
SMALL BUSINESSES, MINORITIES' AND
WOMEN'S ENTERPRISES****Authority**

N.J.S.A. 34:1B-50(t).

Source and Effective Date

R.2005 d.273, effective July 22, 2005.
See: 37 N.J.R. 1679(a), 37 N.J.R. 3044(a).

Chapter Expiration Date

Chapter 31, New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, expires on July 22, 2010.

Chapter Historical Note

Chapter 31, New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, was adopted as R.1990 d.350, d.351 and d.352, effective July 16, 1990. See: 22 N.J.R. 608(a), 610(a), 612(a); 22 N.J.R. 2173(a), 2176(a), 2178(a).

Subchapter 3, Direct Loans, was repealed by R.1992 d.82, effective February 18, 1992. See: 23 N.J.R. 2626(a), 24 N.J.R. 624(a).

Pursuant to Executive Order No. 66(1978), Chapter 31, New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, was readopted as R.1995 d.420, effective July 6, 1995. See: 27 N.J.R. 1953(a), 27 N.J.R. 2956(a).

Pursuant to Executive Order No. 66(1978), Chapter 31, New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, was readopted as R.2000 d.268, effective June 2, 2000. See: 32 N.J.R. 1490(a), 32 N.J.R. 2444(a).

Chapter 31, New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, was readopted as R.2005 d.273, effective July 22, 2005. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 3. (RESERVED)**SUBCHAPTER 1. DIRECT LOAN PROGRAM****12A:31-1.1 Applicability and scope**

(a) The rules in this subchapter are promulgated by the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises to implement a direct loan program for eligible businesses to use for working capital, contract financing or the acquisition of fixed assets.

(b) This program provides for the Authority to provide loans to eligible businesses.

(c) Applications and questions concerning participation in the program should be directed to:

New Jersey Development Authority for Small
Businesses, Minorities' and Women's
Enterprises
PO Box 990
Trenton, New Jersey 08625-0990

Amended by R.1991 d.393, effective August 5, 1991.
See: 23 N.J.R. 828(a), 23 N.J.R. 2313(a).

In (a): added "New Jersey" to text.

Amended by R.1992 d.82, effective February 18, 1992.
See: 23 N.J.R. 2626(a), 24 N.J.R. 624(a).

Revised (a)-(b).

Amended by R.1992 d.330, effective September 8, 1992.
See: 24 N.J.R. 2131(a), 24 N.J.R. 3093(b).

Revised (c).

Amended by R.2000 d.268, effective July 3, 2000.
See: 32 N.J.R. 1490(a), 32 N.J.R. 2444(a).

In (c), amended address.

12A:31-1.2 Definitions

The words and terms in this subchapter shall have the following meanings unless the context clearly indicates otherwise:

"Applicant" means an eligible business, as defined by N.J.S.A. 34:1B-48, seeking a direct loan from the Authority.

"Authority" means the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises established pursuant to N.J.S.A. 34:1B-47 et seq., or the staff thereof.

"Board" means the board of directors of the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises.

"Direct loan" means a loan or line of credit, or other non-grant financial assistance, including a participation in a bank loan, as approved by the Board.

"Eligible business" means a small business, minority business or women business determined to be eligible to receive assistance and participate in programs of the Authority.

"Executive Director" means the chief executive officer of the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises.

"Loan recipient" means an eligible business which has been approved to receive or has received a direct loan.

"Loan Review Committee" means a committee established by the Chairman of the Board, consisting of not more than four board members, which shall review applications.

"Minority" means a person who is:

1. Black, which is a person having origins in any of the black racial groups in Africa; or
2. Hispanic, which is a person of Spanish or Portuguese culture, with origins in Mexico, South or Central America, or the Caribbean islands, regardless of race; or
3. Asian-American, which is a person having origins in any of the original peoples of the Far East, Southeast Asia, and Indian subcontinent, Hawaii or the Pacific Islands; or
4. American Indian or Alaskan native, which is a person having origins in any of the original peoples of North America.

"Minority business" means a business in which at least 51 percent of the beneficial ownership of the business is held by minorities, and in which the majority of the management are minorities.

"Small business" means a business which has its principal place of business in the State, is independently owned and operated, has 100 or fewer full-time employees, and in which at least 51 percent of the beneficial ownership of the business is held by persons other than minorities or women and the majority of the management of which is other than minorities or women.

"Women" means females, regardless of race.

"Women's business" means a business in which at least 51 percent of the beneficial ownership of the business is held by women, and in which the majority of the management are women.

Amended by R.1991 d.393, effective August 5, 1991.

See: 23 N.J.R. 828(a), 23 N.J.R. 2313(a).

Added new definition "Loan Review Committee" and revised "Micro-loan" definition.

Amended by R.1992 d.82, effective February 18, 1992.

See: 23 N.J.R. 2626(a), 24 N.J.R. 624(a).

Revised definitions.

Amended by R.1992 d.330, effective September 8, 1992.

See: 24 N.J.R. 2131(a), 24 N.J.R. 3093(b).

Revised "authority".

Amended by R.2000 d.268, effective July 3, 2000.

See: 32 N.J.R. 1490(a), 32 N.J.R. 2444(a).

In "Applicant", added a reference to the Authority; rewrote "Direct loan"; and deleted "Micro-loan" or "ML".

12A:31-1.3 Application for a direct loan

(a) Each application for a direct loan shall be accompanied by a nonrefundable application fee of \$300.00.

(b) Each application for a direct loan shall be accompanied by written evidence that the applicant has been unable to acquire financing similar to that sought from the Authority.

(c) Each application for a direct loan from a start-up business shall be accompanied by a business plan, if available, and financial projections for three years or for the term of the loan, whichever is less, provided in a format as determined by the Authority.

(d) An application for a direct loan from an existing business which has been operating for a period of more than one year may include financial projections of net income and cash flow for at least one year, provided in a format as determined by the Authority.

(e) Each application for a direct loan shall be accompanied by the following items:

1. A representative list of the names and addresses of the suppliers of the applicant;
2. A representative list of the current and prior clients of the applicant for the past two years where applicable;
3. The resumes of the principals and key employees of the applicant business;
4. The financial and operating statements of the applicant for the past three years and current personal financial statements of the principals of the applicant;
5. Any proof of certification by a public entity which certifies that the business is at least 51 percent beneficially owned by, and in which the majority of the management are, minorities or women; and
6. Any other information that the Authority and/or the Executive Director may, in the exercise of their discretion, deem necessary.

Amended by R.1991 d.393, effective August 5, 1991.

See: 23 N.J.R. 828(a), 23 N.J.R. 2313(a).

In (c): added phrase regarding financial projections.

Deleted (d)5 and recodified existing 6-7 as (d)5 and 6. Added Executive Director provision to (d)6.

Amended by R.1992 d.82, effective February 18, 1992.

See: 23 N.J.R. 2626(a), 24 N.J.R. 624(a).

Revised text.

Amended by R.1997 d.154, effective April 7, 1997.

See: 28 N.J.R. 4077(b), 29 N.J.R. 1340(a).

In (a), increased application fee from \$250 to \$300.

Amended by R.2000 d.268, effective July 3, 2000.

See: 32 N.J.R. 1490(a), 32 N.J.R. 2444(a).

In (c), inserted "from a start-up business" following "loan", and substituted ", if available, and" for "including" following "plan"; and in