

SENATE, No. 1580

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Establishes “Innovation Partnership”; provides funding for certain nonprofit partnerships to promote certain emerging technology businesses.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing the “Innovation Partnership” to promote
2 certain emerging technology businesses and supplementing Title
3 52 of the Revised Statutes.

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

7
8 1. a. The Legislature finds and declares that:

9 (1) New Jersey has been a hub for pharmaceutical, technology,
10 medical research, and other science-related businesses for over a
11 century;

12 (2) with the reestablishment of the New Jersey Commission on
13 Science, Innovation, and Technology (commission), the State is
14 refocusing its efforts on attracting and fostering emerging
15 technology business innovators so that New Jersey can continue to
16 lead the nation in the fields of science and technology; and

17 (3) the “Innovation Partnership” shall work in tandem with the
18 commission to fund these innovators and to ensure they have the
19 support to continue with their work in this State.

20 b. The Legislature further finds and declares that:

21 (1) Beatrice Hicks, born in Orange, New Jersey in 1919, was
22 one this State’s most successful and important scientists and
23 engineers;

24 (2) by the age of 13, after being inspired by the newly built
25 Empire State Building and George Washington Bridge, Ms. Hicks
26 believed her calling was to become an engineer;

27 (3) a graduate of Orange High School and the Newark College
28 of Engineering, now known as the New Jersey Institute of
29 Technology, Ms. Hicks went on to be the first woman engineer
30 employed by Western Electric, where she pioneered the theoretical
31 study, analysis, development, and manufacture of sensing devices,
32 developed long-distance telephone technology, and a invented a
33 crystal oscillator that generated radio frequencies used in aircraft
34 communications;

35 (4) after working as an independent consultant, she assumed
36 several leadership roles at her father’s company, the Newark
37 Controls Company;

38 (5) Ms. Hicks served as vice-president and chief engineer, and
39 eventually president, of the Newark Controls Company, where she
40 developed environmental sensors for heating and cooling systems
41 that went on to be used in the United States’ space program; and

42 (6) Ms. Hicks co-founded the Society of Women Engineers in
43 1950 after recognizing the lack of support and encouragement
44 women received to pursue an education in engineering.

45 c. The Legislature therefore determines that, in honor of her
46 trailblazing and independent spirit, her innovations and leadership
47 in science and engineering, and her consciousness of the support

1 needed to foster a community of innovators, this partnership shall
2 be established.

3

4 2. As used in P.L. , c. (C.) (pending before the
5 Legislature as this bill):

6 "Commission" means the New Jersey Commission on Science,
7 Innovation and Technology established pursuant to section 3 of
8 P.L.1985, c.102 (C.52:9X-3).

9 "Emerging technology business" means a company that is doing
10 business, employing or owning capital or property, or maintaining
11 an office in this State, and has qualified research expenses paid or
12 incurred for research conducted in this State, conducts pilot scale
13 manufacturing in this State, or conducts technology
14 commercialization in this State, in the fields of: advanced
15 computing; cybersecurity, financial information technology,
16 advanced materials; biotechnology; carbon footprint reduction
17 technology; electronic device technology; information technology;
18 life sciences; agriculture; aviation; medical device technology;
19 mobile communications technology; renewable energy technology;
20 or any field determined by the commission.

21 "Fund" means the account established pursuant to section 8 of
22 P.L. , c. (C.) (pending before the Legislature as this bill).

23 "Innovation Partner" or "partner" means a nonprofit organization
24 certified or established and incorporated by the commission
25 pursuant to sections 4 or 5 of P.L. , c. (C.) (pending before
26 the Legislature as this bill).

27 "Minority" means a person who is:

28 a. Black, which is a person having origins in any of the black
29 racial groups in Africa or the Caribbean islands;

30 b. Hispanic, which is a person of Spanish or Portuguese
31 culture, with origins in Mexico, South or Central America, or the
32 Caribbean Islands, regardless of race;

33 c. Asian-American, which is a person having origins in any of
34 the original peoples of the Far East, Southeast Asia, Indian
35 subcontinent, Hawaii, or the Pacific Islands; or

36 d. American Indian or Alaskan native, which is a person having
37 origins in any of the original peoples of North America.

38 "Minority emerging technology business" means an emerging
39 technology business owned and controlled by a minority in which at
40 least 51 percent of the ownership interest is held by minorities and
41 the management and daily business operations of which are
42 controlled by one or more of the minorities who own it.

43 "Nonprofit organization" means a nonprofit organization that is
44 incorporated as a New Jersey nonprofit corporation pursuant to the
45 "New Jersey Nonprofit Corporation Act," N.J.S.15A:1-1 et seq., is
46 exempt from federal taxation pursuant to section 501(c)(3) of the
47 federal Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(3), or
48 other federal tax exempt status as the commission determines to be

1 appropriate, and may be established and incorporated by the
2 commission for the purpose of identifying and generating business
3 opportunities and financial assistance for emerging technology
4 businesses.

5 “Private institution of higher education” and “public institution
6 of higher education” shall have the same meaning as provided in
7 section 2 of P.L.1985, c.103 (C.18A:64J-2).

8 “Research institution” means any institution that conducts
9 research and is approved by the commission for the purposes of
10 P.L. , c. (C.) (pending before the Legislature as this bill),
11 which shall include, but not be limited to, private or public
12 institutions of higher education, research hospitals, or public or
13 private organizations within this State.

14 “Spin-out company” means a company that was developed
15 within a larger company or a private or public institution of higher
16 education that has become an independent company with separate
17 employees and assets.

18 “Woman” or “women” means a female, females, or an individual
19 or individuals whose gender identity is female, regardless of race.

20 “Women’s emerging technology business” means an emerging
21 technology business owned and controlled by a woman in which at
22 least 51 percent of the ownership is held by women and the
23 management and daily business operations of which are controlled
24 by one or more women who own it.

25

26 3. a. The “Innovation Partnership,” to be administered by the
27 New Jersey Commission on Science, Innovation and Technology,
28 shall be one or more independent nonprofit organizations, working
29 individually, in partnership with each other, and in partnership with
30 the commission, to advance the development of emerging
31 technology businesses in this State and to create supportive and
32 collaborative innovation ecosystems across New Jersey.

33 b. The goals and policies of the partners shall include, but not
34 be limited to:

35 (1) identifying, developing, adapting, and implementing
36 advanced technologies to enable the growth and competitiveness of
37 emerging technology businesses through technology development,
38 commercialization, and implementation;

39 (2) acting as regional facilitators and managers for interactions,
40 programs, and initiatives by and among the commission, emerging
41 technology businesses, economic development organizations, the
42 corporate community, private and public institutions of higher
43 education, research institutions, government, organized labor and
44 other interests working collaboratively to advance the development
45 of specialized innovation-based science and technology ecosystems
46 in this State;

1 (3) directly providing, and serving as the conduit to, early-stage
2 and later-stage public and private capital for emerging technology
3 businesses;

4 (4) providing training or technical assistance to help emerging
5 technology businesses apply to federal programs, such as the Small
6 Business Innovation Research Program, under 15 U.S.C. s.631 and
7 15 U.S.C. s.638, for the purpose of attracting federal investment
8 funds to this State;

9 (5) developing, providing, or supporting business incubation
10 resources and space and facilitating the development of emerging
11 technology business campuses, including discounted laboratory
12 space to academic or executive emerging technology business spin-
13 out companies;

14 (6) coordinating marketing efforts concerning existing State and
15 local financial and material resources for emerging technology
16 businesses;

17 (7) establishing and administering a research grant fund for the
18 economic impact assessments of technology development projects
19 conducted by private or public institutions of higher education that
20 seek grant funding through the commission;

21 (8) establishing partnerships to support and enhance the scale,
22 scope, and impact of initiatives that support the purpose and
23 mission of the commission and the partners; and

24 (9) encouraging the advancement, development, and support of
25 minority and women's emerging technology businesses to expand
26 diversity and opportunity within that sector, with priority given to
27 emerging technology businesses that demonstrate diversity in
28 ownership or leadership, as applicable.

29
30 4. a. The commission shall select and certify, on a rolling basis in
31 a timeframe determined by the commission, one or more nonprofit
32 organizations to serve as partners in the "Innovation Partnership."
33 Each partner shall be responsible for one or more of the following:

34 (1) the northern region of the State having a primary, but not
35 exclusive, focus on financial information technology, cybersecurity, or
36 a combination thereof;

37 (2) the central region of the State having a primary, but not
38 exclusive, focus on healthcare, life sciences, biotechnology, or a
39 combination thereof;

40 (3) the southern region of the State having a primary, but not
41 exclusive, focus on agriculture, aviation, or a combination thereof; and

42 (4) the shore region of the State, having a primary, but not
43 exclusive, focus on renewable energy and autonomous vehicles.

44 The commission shall establish the exact geographical boundaries
45 of the four regions of each focus. Geographical boundaries may
46 overlap and shall be drawn to allow for broad inclusions of existing
47 partner sites, research institutions, and innovation ecosystems.

1 b. A nonprofit organization established as of the date of
2 enactment of P.L. , c. (C.) (pending before the Legislature as
3 this bill), meeting at least one of the regional focus requirements of
4 subsection a. of this section, may submit to the commission an
5 application, in a form and manner determined by the commission, for
6 certification as a partner.

7 c. In selecting and certifying a nonprofit organization as a partner,
8 pursuant to subsection a. of section, the commission shall give priority
9 to:

- 10 (1) a nonprofit organization with a board of directors or leadership,
11 as applicable, demonstrating diversity in ethnicity, race, or gender; and
12 (2) a nonprofit organization with at least one location in a
13 municipality that meets the criteria for State aid pursuant to P.L.1978,
14 c.14 (C.52:27D-178 et seq.).

15
16 5. a. If the commission is unable to certify a nonprofit
17 organization as a partner, pursuant to subsection b. of section 4 of
18 P.L. , c. (C.) (pending before the Legislature as this bill), the
19 commission shall establish and incorporate an independent
20 nonprofit organization to serve as a partner for one or more
21 particular regional focuses.

22 b. The commission shall appoint the board of directors of each
23 partner established pursuant to this section, in a number and manner
24 to be determined by the commission, who shall be experts in the
25 field of focus of each partner, who shall represent the public and
26 private sectors, and who shall be appointed with due consideration
27 to reflect the ethnic, racial, and gender diversity of the community
28 in which the partner is located, including, but not limited to:

- 29 (1) one person representing academia;
30 (2) one person representing industry;
31 (3) one person having an expertise in leadership and
32 entrepreneurship in an emerging technology business;
33 (4) one person representing a research institution; and
34 (5) one person having an expertise in investment, venture
35 capital, or economic development concerning emerging technology
36 businesses.

37 A vacancy in the membership of a board of directors shall be
38 filled in the same manner as the original appointment.

39 c. Upon the establishment and appointment of the first board of
40 directors of each partner, each board of directors shall adopt bylaws
41 setting forth the structure, offices, powers, and duties of each
42 partner.

43 d. The commission may modify or revoke a partner's
44 certification as a partner if the commission determines, after
45 receiving information submitted pursuant to section 7 of
46 P.L. , c. (C.) (pending before the Legislature as this bill), the
47 partner does not achieve the goals or does not implement the

1 policies of section 3 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3
4 6. a. A partner may apply to the commission, in a form and
5 manner determined by the commission, to receive grant funds from
6 the “Innovation Fund,” established pursuant to section 8 of P.L. ,
7 c. (C.) (pending before the Legislature as this bill), to
8 implement the policies of section 3 of P.L. , c. (C.) (pending
9 before the Legislature as this bill). The commission, upon
10 approving a grant application submitted by a partner pursuant to
11 this subsection, shall sign a grant agreement with the partner, which
12 shall permit the partner to execute the goals and policies of section
13 3 of P.L. , c. (C.) (pending before the Legislature as this
14 bill) only if matched by private sector funds on a minimum basis to
15 be established by the commission.

16 b. Upon receipt of a grant pursuant to subsection a. of this
17 section, a partner shall implement the terms of the grant agreement.
18 Failure to comply with the grant agreement shall result in the
19 forfeiture of the grant.

20
21 7. A partner shall annually submit the following information to
22 the commission:

23 a. the partner’s current mailing address, telephone number, and
24 electronic mail address;

25 b. a copy of the partner’s current bylaws;

26 c. a list of the partner’s current officers, directors, and staff;

27 d. an independent audit covering all funds received from the
28 State and funds received from State support, such as paybacks,
29 reimbursements, investment returns, fees for services, cash
30 reserves, interest, return of depreciation and any other similar forms
31 of income that result at least partially from initial expenditure of
32 State funds. The audit shall include all of the communications
33 between the auditors and the managers of the partner. The audit
34 shall be conducted in accordance with appropriate government
35 auditing standards and shall be a public record;

36 e. upon the commission’s request, an independent audit
37 covering all funds received and partner activities supported by non-
38 State funding sources; and

39 f. any other information the commission may require.

40
41 8. There is hereby established in the Department of the
42 Treasury a separate special, non-lapsing, account that shall be
43 administered by the commission for the purpose of funding the
44 partners, into which shall be deposited any State appropriations to
45 the commission or to the partners, to technology and research
46 activities assigned to the commission, or any other State
47 appropriations for the purposes of P.L. , c. (C.) (pending
48 before the Legislature as this bill), federal funds, royalties, gifts,

1 grants, bequests, devises, private funds, venture capital funds, and
2 funds from any other source that are designated to the commission.
3 All earnings received from the investment of monies in the fund
4 shall be credited to the fund.

5
6 9. a. The commission is authorized to call upon any
7 department, authority, commission, board, office, division, or
8 agency of the State to provide any information, resources, or other
9 assistance deemed necessary to effectuate the purposes of
10 P.L. , c. (C.) (pending before the Legislature as this bill).

11 b. Each department, authority, commission, board, office,
12 division and agency of the State shall be required to cooperate with
13 the commission to furnish the commission with any information,
14 personnel, and assistance as is necessary to effectuate the purposes
15 of P.L. , c. (C.) (pending before the Legislature as this bill).

16
17 10. a. The commission shall annually issue a report to the
18 Governor and, pursuant to section 2 of P.L.1991, c.164 (C.52:14-
19 19.1), to the Legislature, describing the activities of the commission
20 and each partner, which shall include, but not be limited to, the
21 following:

22 (1) the budget of the commission and each partner;

23 (2) individual projects of the commission and each partner; and

24 (3) the progress of the commission and of each partner in
25 achieving the goals and implementing the policies described in
26 section 3 of P.L. , c. (C.) (pending before the Legislature as
27 this bill).

28 b. Each partner shall submit information to the commission, at
29 a time, form, and manner to be determined by the commission,
30 which enables the commission to comply with the requirements of
31 this section.

32
33 11. This act shall take effect immediately.

34 35 36 STATEMENT

37
38 This bill establishes the "Innovation Partnership," (partnership)
39 to be administered by the New Jersey Commission on Science,
40 Innovation and Technology (commission) and which is to include
41 one or more independent nonprofit organizations (partners) certified
42 or established and incorporated by the commission, working
43 individually, in partnership with each other, and in partnership with
44 the commission, to advance the development of emerging
45 technology businesses in this State and to create a supportive and
46 collaborative innovation ecosystems across New Jersey.

47 This bill provides that the goals and policies of the partners are
48 to include, but not be limited to:

1 1) identifying, developing, adapting, and implementing
2 advanced technologies to enable the growth and competitiveness of
3 emerging technology businesses through technology development,
4 commercialization, and implementation;

5 2) acting as regional facilitators and managers for interactions,
6 programs, and initiatives by and among the commission, emerging
7 technology businesses, economic development organizations, the
8 corporate community, private and public institutions of higher
9 education, research institutions, government, organized labor and
10 other interests working collaboratively to advance the development
11 of specialized innovation-based science and technology ecosystems
12 in this State;

13 3) directly providing, and serving as the conduit to, early-stage
14 and later-stage private and public capital for emerging technology
15 businesses;

16 4) providing training or technical assistance to help emerging
17 technology businesses apply to the federal Small Business
18 Innovation Research Program for the purpose of attracting federal
19 biotechnology investment funds to this State;

20 5) developing, providing, or supporting business incubation
21 resources and space and facilitating the development of emerging
22 technology business campuses, including discounted laboratory
23 space to academic or executive emerging technology business spin-
24 out companies;

25 6) coordinating marketing efforts concerning existing State and
26 local financial and material resources for emerging technology
27 businesses;

28 7) establishing and administering a research grant fund for the
29 economic impact assessments of technology development projects
30 conducted by private or public institutions of higher education that
31 seek grant funding through the commission;

32 8) establishing partnerships to support and enhance the scale,
33 scope, and impact of initiatives that support the purpose and
34 mission of the commission and the partners; and

35 9) encouraging the advancement, development, and support of
36 minority and women's emerging technology businesses to expand
37 diversity and opportunity within that sector, with priority given to
38 emerging technology businesses that demonstrate diversity in
39 ownership or leadership, as applicable.

40 The commission is to establish the exact geographical boundaries
41 for the partners to focus their efforts, and the partners are to be
42 responsible for implementing the following goals for each of the
43 four regions:

44 1) the northern region of the State having a primary, but not
45 exclusive, focus on financial information technology, cybersecurity,
46 or a combination thereof;

1 2) the central region of the State having a primary, but not
2 exclusive, focus on healthcare, life sciences, biotechnology, or a
3 combination thereof;

4 3) the southern region of the State having a primary, but not
5 exclusive, focus on agriculture, aviation, or a combination thereof;
6 and

7 4) the shore region of the State, having a primary, but not
8 exclusive, focus on renewable energy and autonomous vehicles.

9 A nonprofit organization established as of the date of the bill's
10 enactment and meeting one of the regional requirements may
11 submit to the commission an application, in a form and manner
12 determined by the commission, for certification as a partner. Once
13 certified, a partner may apply to the commission, in a form and
14 manner determined by the commission, to receive grant funds from
15 the fund established pursuant to this bill. The commission, upon
16 approving a grant application submitted by a partner, is to sign a
17 grant agreement with the partner, which is to permit the partner to
18 execute the goals and policies pursuant to this bill only if matched
19 by private sector funds on a minimum basis to be established by the
20 commission.

21 In selecting and certifying a nonprofit organization as a partner,
22 the commission is to give priority to a nonprofit organization with
23 diverse leadership and organized with at least one location in a
24 municipality that meets the criteria for State aid pursuant to State
25 law.

26 If the commission is unable to certify a nonprofit organization as
27 a partner for a certain regional focus, pursuant to the bill, the
28 commission is to establish and incorporate an independent nonprofit
29 organization to serve as a partner for that particular regional focus.
30 In appointing the board for the nonprofit organization, the
31 commission is to consider the ethnic, racial, and gender diversity of
32 the community in which the partner is located.

33 The commission may modify or revoke a partner's participation
34 in the partnership if the commission determines the partner does not
35 achieve the goals or does not implement the policies of this bill.

36 Additionally, upon receipt of a grant, a partner is to implement
37 the terms of the grant agreement. Failure to comply with the grant
38 agreement is to result in the forfeiture of the grant.

39 Lastly, this bill directs partners to annually submit certain
40 information to the commission and the commission to annually
41 issue a report to the Governor and the Legislature describing the
42 activities of the commission and each partner.