

55:19-18

LEGISLATIVE HISTORY CHECKLIST

NJSA: 55:19-18 (Urban Development Corporation
loans-- repayment)

LAWS OF: 1988 **CHAPTER:** 120

BILL NO: S508

SPONSOR(S): Bubba

Date Introduced: Pre-filed

Committee: **Assembly:** Appropriations
Senate: County and Municipal Government

Amended during passage: Yes Amendments during passage
denoted by asterisks.

Date of Passage: **Assembly:** June 13, 1988
Senate: March 3, 1988

Date of Approval: September 13, 1988

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes
Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

P.L. 1988. CHAPTER 120, approved September 13, 1988
1988 Senate No. 508 (Second Reprint)

1 **AN ACT** concerning the New Jersey Urban Development
Corporation and amending P.L. 1985, c. 227.

3

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

1. Section 17 of P.L. 1985, c. 227 (C. 55:19-18) is amended to
7 read as follows:

17. a. There is appropriated to the Urban Development
9 Investment Fund from the Community Development Bond Fund
created by the "Community Development Bond Act of 1982"
11 (P.L. 1981, c. 486) the sum of \$30,000,000.00 for the purposes of
this act, including so much thereof as may be necessary to meet
13 any expense incurred by the issuing officials under P.L. 1981,
c. 486 for advertising, engraving, printing, clerical, legal or other
15 services necessary to carry out the duties imposed upon them by
the provisions of that act.

b. It is the purpose of this act that the funds from which this
17 appropriation shall be met shall be those funds which shall be
derived from the sale of the Community Development Bonds, the
19 issuance of which is provided for by subsection b. of section 5 of
P.L. 1981, c. 486, which act was submitted to and approved by
21 the people at the general election held on November 2, 1982.

c. The Director of the Division of Budget and Accounting in
23 the Department of the Treasury is authorized and directed to
make such correction of the title or text, or both, of any item in
25 this act necessary to make an appropriation available for the
purpose of its intention. The correction shall be by a written
27 ruling reciting in appropriate detail the facts thereof and the
reasons therefor, attested by the signature of the director and
29 filed by him in his office as an official record, and any action
thereunder, including disbursements, and the audit thereof, shall
31 be legally binding, and of full force.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted February 18, 1988.

² Assembly AAP committee amendments adopted May 23, 1988.

1 P.L. 1981, c. 486 shall be paid from the fund established in
2 section 14 thereof, the Director of the Division of Budget and
3 Accounting, where appropriate and practicable, shall charge the
4 fund and credit to the General State Fund or expenditure source
5 such sums as may have been expended from other State
6 appropriations for direct or indirect costs related to the programs
7 herein authorized.

8 e. At any time prior to the issuance and sale of bonds under
9 P.L. 1981, c. 486, the State Treasurer is authorized to transfer
10 from available money in any fund of the Treasury of the State to
11 credit of the Community Development Bond Fund, a sum as he
12 may deem necessary. The sum so transferred shall be returned to
13 the same fund of the Treasury by the State Treasurer from the
14 proceeds of the sale of the bonds.

15 f. The State Treasurer or the Director of the Division of
16 Budget and Accounting shall approve expenditures from the
17 Community Development Bond Fund for administrative costs.

18 g. ²[Any funds made available to the Urban Development
19 Investment Fund pursuant to subsection b. of section 5 of
20 P.L. 1981, c. 486 shall be in the form of ¹[loans] appropriations¹
21 with principal and interest to be paid to the [General Fund] Urban
22 Development Investment Fund as reimbursement for principal and
23 interest payments on the Community Development Bonds in
24 accordance with the terms of a written loan agreement. The
25 form and the terms of the loan agreement shall be specified by
26 the board of directors of the Urban Development Corporation and
27 shall be approved by the State Treasurer. Loan agreements shall
28 be executed after the Urban Development Corporation has been
29 awarded the loan and prior to the disbursement of funds.]
30 (Deleted by amendment, P.L., c.)²

31 h. Loan rates and maturities ¹of loans made by the Urban
32 Development Corporation¹ shall be established by the State
33 Treasurer taking into consideration rates available in capital
34 markets for comparable maturities and comparable credit
35 quality. Local governments may secure interim financing under
36 this act to enable a project to be undertaken before permanent
37 financing is secured or may secure permanent financing under
38 this act with a final maturity related to the expected useful life
39 of the project being so financed.

1 i. No interest-free loan shall be permitted without the written
approval of the State Treasurer or his designee.

3 j. Pending their application to the purposes provided in this
act, the monies in the Community Development Fund may be
5 invested and reinvested as are other trust funds in the custody of
the State Treasurer, in the manner provided by law. Net earnings
7 received from the investment or deposit of that fund shall be paid
into the General Fund.

9 (cf: P.L. 1985, c. 227, s. 17)

2. This act shall take effect immediately.

11

13 STATE GOVERNMENT
Economic Development

15

Directs that the principal and interest on loans granted by the
17 Board of Directors of the Urban Development Corporation within
qualified municipalities be repaid to the Urban Development
19 Investment Fund.

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written approval of the State Treasurer or his designee.

3 j. Pending their application to the purposes provided in this
act, the monies in the Community Development Fund may be
5 invested and reinvested as are other trust funds in the custody
of the State Treasurer, in the manner provided by law. Net
7 earnings received from the investment or deposit of that fund
shall be paid into the General Fund.

9 2. This act shall take effect immediately.

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STATEMENT

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The purpose of this bill is to make a technical amendment to
15 the "New Jersey Urban Development Corporation Act," P.L.
1985, c. 227, to ensure that the principal and interest on loans
17 granted by the Board of Directors of the Urban Development
Corporation to private persons, firms or corporations engaged in
19 projects within qualified municipalities would be repaid to the
Urban Development Investment Fund, rather than the General
21 Fund.

23

LOCAL BUDGET AND FINANCE

25

Capital Finance

27 Directs that the principal and interest on loans granted by the
Board of Directors of the Urban Development Corporation
29 within qualified municipalities be repaid to the Urban
Development Investment Fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 508

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 23, 1988

The Assembly Appropriations Committee favorably reports Senate Bill No. 508 (1R) with committee amendments.

Senate Bill No. 508 (1R), as amended, makes a technical amendment to the "New Jersey Urban Development Corporation Act," P.L. 1985, c. 227 (C.55:19-1 et seq.).

Current law provides that certain principal and interest be paid to the General Fund, while other provisions indicate that repayments of loans shall be paid into the Urban Development Investment Fund.

This bill, as amended, would clarify that repayments of all loans shall be paid into the Urban Development Investment Fund.

Senate Bill No. 508 (1R), as amended, is identical to Assembly Bill No. 1601, as amended.

FISCAL IMPACT

This bill will have no fiscal impact on the General Fund, as no loan repayments have yet been received.

COMMITTEE AMENDMENTS

The committee amendments, as recommended by the Sub-committee on Governmental Operations, Public Investments and Finance on April 11, 1988, accomplish the purpose of the bill by deleting a subsection of the law containing conflicting language, rather than attempting to clarify that language because other provisions of the law already contain the substantive provisions of the deleted subsection.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

SENATE, No. 508

with Senate committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 18, 1988

The Senate County and Municipal Government Committee reports favorably and with committee amendments Senate Bill No. 508.

Senate Bill No. 508, as amended by the Committee, makes a technical amendment to the "New Jersey Urban Development Corporation Act," P.L. 1985, c. 227 (C. 55:19-1 et seq.).

Pursuant to section 17 of P.L. 1985, c. 227 (C. 55:19-18), the principal and interest on loans granted by the Board of Directors of the Urban Development Corporation to private persons, firms or corporations engaged in projects within qualified municipalities are repayable to the General Fund.

Senate Bill No. 508 Sca amends the "New Jersey Urban Development Corporation Act," P.L. 1985, c. 227 (C. 55:19-1 et seq.) to provide that the principal and interest on these loans be repayable to the Urban Development Investment Fund.

Additionally, the Committee amended the bill to provide that any funds made available to the Urban Development Corporation shall be in the form of appropriations and to clarify that loan rates and maturities of loans made by the Urban Development Corporation shall be established by the State Treasurer.

This bill was pre-filed for introduction in the 1988 session pending technical review. As reported the bill includes the changes required by technical review which has been performed.