

R.S. 18A:72A - 1 et seq.

~~R.S. 18:22B - 1 et seq.~~

May 1, 1967



LEGISLATIVE HISTORY OF R.S. ~~18:22B-1 et seq.~~ 18A:72A - 1 et seq.
(Higher Education Facilities Authority)

New York State has had a Dormitory Authority law since 1944:

McKinney's Cons. New York Statutes.
Public Authorities 1675 et seq.

No similar legislation introduced in previous years.

COPY NO. 2

- L. 1966, Chapter 106 - S125
- Introduced May 23 by Keegan and O'Connor.
- No statement on the bill.
- May 31 - amended in Senate (copy enclosed).
- June 6 - Passed Senate, amended.
- June 15 - Passed Assembly.
- June 16 - Approved.

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No hearings or reports on this bill were located.

The following report:

974.90 N.J. Citizens Committee for Higher Education.
~~974.90~~ C697 A call to action. January, 1966.
1966

recommended (see p. 28):

- (6) A New Jersey Dormitory and Building Authority, patterned on dormitory authorities of other states, is recommended for legislative approval at the next session.

See also:

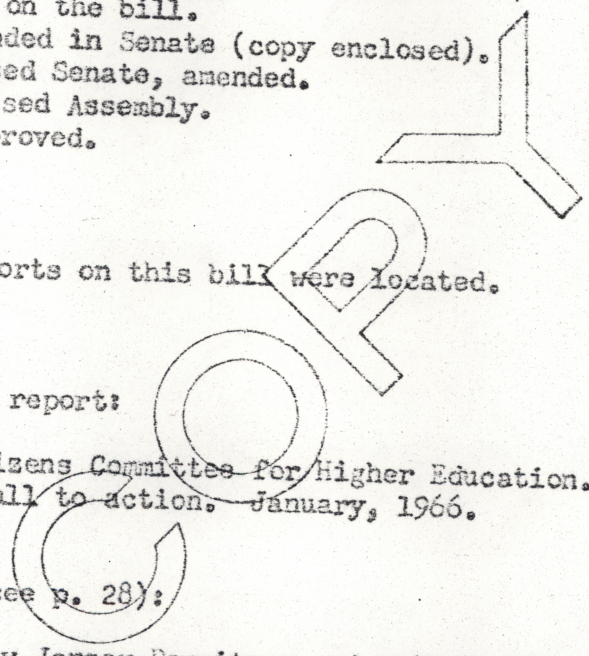
"Colleges assured on dormitory aid", Newark Evening News, 2/10/67.

"Dorm Authority nears court test", Newark Evening News, 2/15/67.

"State Dormitory Authority to haul itself into court" NEN 1-13-67
"Dorms OK'd for 3 colleges" NEN 1-13-67

RS/PC

"Legislature puts approval on 3 new state agencies"
The Evening Times, June 16, 1966



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SENATE, No. 415

STATE OF NEW JERSEY

INTRODUCED MAY 23, 1966

By Senators KEEGAN and O'CONNOR

Referred to Committee on Education

AN ACT to provide student dormitory and related facilities at the State University and State public colleges and dormitory and related facilities and other educational facilities for the benefit and use of students, faculty and staff at private colleges and universities in the State, establishing the New Jersey Educational Facilities Authority for such purposes, and providing an appropriation therefor.

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

1 1. It is hereby declared that a serious public emergency exists affecting
2 and threatening the welfare, comfort, health, safety and prosperity of the
3 people of the State and resulting from the fact that financial resources are
4 lacking with which to construct required dormitory and other educational
5 facilities at public and private institutions of higher education; that it is
6 essential that this and future generations of youth be given the fullest
7 opportunity to learn and to develop their intellectual and mental capacities;
8 that it is essential that institutions for higher education within the State be
9 provided with appropriate additional means to assist such youth in achiev-
10 ing the/required levels of learning and development of their intellectual and
11 mental capacities; that it is essential that all resources of the State be em-
12 ployed in order to meet the tremendous demand for higher educational oppor-
13 tunities; that all institutions of higher education in the State, both public and

14 private, are an integral part of the total educational effort in the State for
15 providing higher educational opportunities, and that it is the purpose of this
16 act to provide a measure of assistance and an alternative method to enable
17 institutions of higher education in the State to provide the facilities which
18 are sorely needed to accomplish the purposes of this act, all to the public
19 benefit and good, to the extent and manner provided herein.

ARTICLE 1

1 2. This act shall be known and may be cited as the "New Jersey Educa-
2 tional Facilities Authority Act."

1 3. As used in this act, the following words and terms shall have the
2 following meanings, unless the context indicates or requires another or differ-
3 ent meaning or intent:

4 "Authority" means the New Jersey Educational Facilities Authority
5 created by this act or any board, body, commission, department or officer
6 succeeding to the principal functions thereof or to whom the powers con-
7 ferred upon the authority by this act shall be given by law;

8 "Bond" means bonds or notes of the authority issued pursuant to this
9 act;

10 "Dormitory" means a housing unit with necessary and usual attendant
11 and related facilities and equipment;

12 "Educational facility" means a structure suitable for use as a dormi-
13 tory, dining hall, student union, administration building, academic building,
14 library, laboratory, research facility, classroom, athletic facility, health care
15 facility, and parking maintenance, storage or utility facility and other struc-
16 tures or facilities related thereto or required or useful for the instruction
17 of students or the conducting of research or the operation of an institution
18 for higher education, and the necessary and usual attendant and related
19 facilities and equipment, but shall not include any facility used or to be used
20 for sectarian instruction or as a place for religious worship;

21 "Participating college" means a public college or private college which,
22 pursuant to the provisions of this act, participates with the authority in

23 undertaking the financing and construction or acquisition of a project;

24 "Project" means a dormitory or an educational facility or any combina-
25 tion thereof;

26 "Private college" means an institution for higher education other than
27 a public college, situated within the State and which, by virtue of law or
28 charter, is a nonprofit educational institution empowered to provide a pro-
29 gram of education beyond the high school level;

30 "Public college" means Rutgers, The State University, the State col-
31 leges, the Newark College of Engineering, the New Jersey College of Medicine
32 and Dentistry, the county community colleges and any other public university
33 or college now or hereafter established or authorized by law.

1 4. (a) There is hereby established in the Department of Education a
2 public body corporate and politic, with corporate succession to be known as
3 the "New Jersey Educational Facilities Authority." The authority shall
4 constitute a political subdivision of the State established as an instrumental-
5 ity exercising public and essential governmental functions, and the exercise
6 by the authority of the powers conferred by this act shall be deemed and
7 held to be an essential governmental function of the State.

8 (b) The authority shall consist of 7 members, 2 of whom shall be the
9 Commissioner of Education, ex officio, and the State Treasurer, ex officio, or
10 when so designated by them, their deputies, and 5 citizens of the State to be
11 appointed by the Governor with the advice and consent of the Senate for
12 terms of 5 years; provided that the terms of the members first appointed
13 shall be arranged by the Governor so that one of such terms shall expire on
14 April 30 in each successive year ensuing after such appointments. Each
15 member shall hold office for the term of his appointment and until his suc-
16 cessor shall have been appointed and qualified. Any vacancy among the
17 members appointed by the Governor shall be filled by appointment for the
18 unexpired term only. A member of the authority shall be eligible for re-
19 appointment.

20 (c) Any member of the authority appointed by the Governor may be re-
21 moved from office by the Governor for cause after a public hearing.

22 (d) The members of the authority shall serve without compensation, but
23 the authority may reimburse its members for necessary expenses incurred
24 in the discharge of their duties.

25 (e) The authority, upon the first appointment of its members and there-
26 after on or after April 30 in each year, shall annually elect from among its
27 members a chairman and a vice-chairman who shall hold office until April 30
28 next ensuing and until their respective successors shall have been appointed
29 and qualified. The authority may also appoint, retain and employ, without
30 regard to the provisions of Title 11, Civil Service, of the Revised Statutes, such
31 officers, agents, employees and experts as it may require, and it shall deter-
32 mine their qualifications, terms of office, duties, services and compensation.

33 (f) The powers of the authority shall be vested in the members thereof
34 in office from time to time and a majority of the total authorized membership
35 of the authority shall constitute a quorum at any meeting thereof. Action may
36 be taken and motions and resolutions adopted by the authority at any meet-
37 ing thereof by the affirmative vote of a majority of the members present,
38 unless in any case the by-laws of the authority shall require a larger num-
39 ber. No vacancy in the membership of the authority shall impair the right of
40 a quorum to exercise all the rights and perform all the duties of the authority.

41 (g) Before the issuance of any bonds under the provisions of this act, the
42 members and the officer of the authority charged with the handling of the
43 authority's moneys shall be covered by a surety bond or bonds in a penal
44 sum of not less than \$25,000.00 per person conditioned upon the faithful per-
45 formance of the duties of their respective offices, and executed by a surety
46 company authorized to transact business in the State of New Jersey as
47 surety. Each such bond shall be submitted to the Attorney General for his
48 approval and upon his approval shall be filed in the office of the Secretary
49 of State prior to the issuance of any bonds by the authority. At all times
50 after the issuance of any bonds by the authority the officer of the authority
51 charged with the handling of the authority's moneys and each member shall
52 maintain such surety bonds in full force and effect. All costs of such surety
53 bonds shall be borne by the authority.

54 (h) Notwithstanding any other law to the contrary, it shall not be for
55 constitute a conflict of interest for a trustee, director, officer or employee of a
56 participating college to serve as a member of the authority; provided such
57 trustee, director, officer or employee shall abstain from discussion, delibera-
58 tion, action and vote by the authority under this act in specific respect to
59 such participating college of which such member is a trustee, director, officer
60 or employee.

61 (i) A true copy of the minutes of every meeting of the authority shall be
62 forthwith delivered by and under the certification of the secretary thereof,
63 to the Governor. No action taken at such meeting by the authority shall
64 have force or effect until 10 days after such copy of the minutes shall have
65 been so delivered. If, in said 10-day period, the Governor returns such copy
66 of the minutes with veto of any action taken by the authority or any mem-
67 ber thereof at such meeting, such action shall be null and of no effect. If the
68 Governor shall not return the minutes within said 10-day period, any action
69 therein recited shall have force and effect according to the wording thereof.
70 At any time prior to the expiration of the said 10-day period, the Governor
71 may sign a statement of approval of any such action of the authority, in
72 which case the action so approved shall not thereafter be disapproved.

73 Notwithstanding the foregoing provisions of this paragraph (i), with re-
74 gard to the sale and award of bonds of the authority, the authority shall
75 furnish to the Governor a certified copy of the minutes of the meeting at
76 which said bonds are sold and awarded forthwith upon the taking of such
77 action and the Governor shall indicate his approval or disapproval of such
78 action prior to the end of the business day upon which such action of the
79 authority was taken.

80 The powers conferred in this paragraph (i) upon the Governor shall be
81 exercised with due regard for the rights of the holders of bonds of the au-
82 thority at any time outstanding, and nothing in, or done pursuant to, this
83 paragraph (i) shall in any way limit, restrict or alter the obligation or
84 powers of the authority or any representative or officer of the authority to

85 carry out and perform in every detail each and every covenant, agreement
86 or contract at any time made or entered into by or on behalf of the author-
87 ity with respect to its bonds or for the benefit, protection or security of the
88 holders thereof.

1 5. The authority shall have power:

2 (a) to adopt by-laws for the regulation of its affairs and the conduct of
3 its business;

4 (b) to adopt and have an official common seal and alter the same at
5 pleasure;

6 (c) to maintain an office at such place or places within the State as it
7 may designate;

8-9 (d) to sue and be sued in its own name, and plead and be impleaded;

10 (e) to borrow money and to issue bonds and notes and other obligations
11 of the authority and to provide for the rights of the holders thereof as pro-
12 vided in this act;

13 (f) to acquire, lease as lessee, hold and dispose of real and personal
14 property or any interest therein, in the exercise of its powers and the per-
15 formance of its duties under this act;

16 (g) to acquire in the name of the authority by purchase or otherwise, on
17 such terms and conditions and in such manner as it may deem proper, or by
18 the exercise of the power of eminent domain, any land or interest therein
19 and other property which it may determine is reasonably necessary for any
20 project, including any lands held by any county, municipality or other govern-
21 mental subdivision of the State; and to hold and use the same and to sell,
22 convey, lease or otherwise dispose of property so acquired, no longer nec-
23 essary for the authority's purposes;

24 (h) to receive and accept, from any Federal or other public agency or
25 governmental entity, grants or loans for or in aid of the acquisition or con-
26 struction of any project, and to receive and accept aid or contributions from
27 any other source, of either money, property, labor or other things of value,
28 to be held, used and applied only for the purposes for which such grants,
29 loans and contributions may be made;

30 (i) to prepare or cause to be prepared plans, specifications, designs and
31 estimates of costs for the construction and equipment of projects for partic-
32 ipating colleges under the provisions of this act, and from time to time to
33 modify such plans, specifications, designs or estimates;

34 (j) by contract or contracts or by its own employees to construct, ac-
35 quire, reconstruct, rehabilitate and improve, and furnish and equip, projects
36 for participating colleges; provided, however, that in any contract or con-
37 tracts undertaken by the authority for the construction, reconstruction, re-
38 habilitation or improvement of any public college project where the cost of
39 such work will exceed \$25,000.00, the person preparing the plans and spec-
40 ifications for such work shall prepare separate plans and specifications for
41 (1) the plumbing and gas fitting, and all work and materials kindred thereto,
42 (2) the steam and hot water heating and ventilating apparatus, steam power
43 plants and all work and materials kindred thereto, (3) the electrical work,
44 (4) structural steel and ornamental iron work and materials and (5) all
45 other work and materials required to complete the building, and the author-
46 ity shall execute separate contracts for each of said branches of the work;

47 (k) to determine the location and character of any project to be under-
48 taken pursuant to the provisions of this act, and to construct, reconstruct,
49 maintain, repair, operate, lease, as lessee or lessor, and regulate the same; to
50 enter into contracts for any or all such purposes; to enter into contracts for
51 the management and operation of a project, and to designate a participating
52 college as its agent to determine the location and character of a project under-
53 taken by such participating college under the provisions of this act and, as
54 the agent of the authority, to construct, reconstruct, maintain, repair, oper-
55 ate, lease, as lessee or lessor, and regulate the same, and, as agent of the
56 authority, to enter into contracts for any and all such purposes including
57 contracts for the management and operation of such project;

58 (l) to establish rules and regulations for the use of a project or any
59 portion thereof and to designate a participating college as its agent to estab-
60 lish rules and regulations for the use of a project undertaken by such partic-
61 ipating college;

62 (m) generally to fix and revise from time to time and to charge and
63 collect rates, rents, fees and other charges for the use of and for the services
64 furnished or to be furnished by a project or any portion thereof and to con-
65 tract with holders of its bonds and with any other person, party, association,
66 corporation or other body, public or private, in respect thereof;

67 (n) to enter into any and all agreements or contracts, execute any and
68 all instruments, and do and perform any and all acts or things necessary, con-
69 venient or desirable for the purposes of the authority or to carry out any
70 power expressly given in this act.

1 6. All expenses incurred in carrying out the provisions of this act shall be
2 payable from funds provided the authority therefor, and no liability or
3 obligation shall be incurred by the authority hereunder beyond the extent to
4 which moneys shall have been provided therefor.

1 7. The authority is authorized from time to time to issue its negotiable
2 notes for any corporate purpose and renew from time to time any notes by
3 the issuance of new notes, whether the notes to be renewed have or have not
4 matured. The authority may issue notes partly to renew notes or to discharge
5 other obligations then outstanding and partly for any other purpose. The
6 notes may be authorized, sold, executed and delivered in the same manner as
7 bonds. Any resolution or resolutions authorizing notes of the authority or
8 any issue thereof may contain any provisions which the authority is author-
9 ized to include in any resolution or resolutions authorizing bonds of the au-
10 thority or any issue thereof, and the authority may include in any notes any
11 terms, covenants or conditions which it is authorized to include in any bonds.
12 All such notes shall be payable from the revenues or other moneys of the
13 authority, subject only to any contractual rights of the holders of any of its
14 notes or other obligations then outstanding.

1 8. (a) The authority is authorized from time to time to issue its negoti-
2 able bonds for any corporate purpose. In anticipation of the sale of such
3 bonds the authority may issue negotiable bond anticipation notes and may
4 renew the same from time to time, but the maximum maturity of any such

5 note, including renewals thereof, shall not exceed 5 years from the date of
6 issue of the original note. Such notes shall be paid from any revenues or
7 other moneys of the authority available therefor and not otherwise pledged,
8 or from the proceeds of sale of the bonds of the authority in anticipation of
9 which they were issued. The notes shall be issued in the same manner as the
10 bonds. Such notes and the resolution or resolutions authorizing the same
11 may contain any provisions, conditions or limitations which a bond resolution
12 of the authority may contain.

13 (b) Except as may otherwise be expressly provided by the authority,
14 every issue of its bonds or notes shall be general obligations of the author-
15 ity payable from any revenues or moneys of the authority, subject only to
16 any agreements with the holders of particular bonds or notes pledging any
17 particular revenues or moneys. Notwithstanding that bonds and notes may
18 be payable from a special fund, they shall be fully negotiable within the
19 meaning of the Uniform Commercial Code, subject only to the provisions of
20 the bonds and notes for registration.

21 (c) The bonds may be issued as serial bonds or as term bonds, or the au-
22 thority, in its discretion, may issue bonds of both types. The bonds shall be
23 authorized by resolution of the members of the authority and shall bear such
24 date or dates, mature at such time or times, not exceeding 50 years from
25 their respective dates, bear interest at such rate or rates, not exceeding 6%
26 per annum, be payable at such time or times, be in such denominations, be
27 in such form, either coupon or registered, carry such registration privileges,
28 be executed in such manner, be payable in lawful money of the United States
29 of America at such place or places, and be subject to such terms of redemp-
30 tion, as such resolution or resolutions may provide. The bonds or notes may
31 be sold at public or private sale for such price or prices as the authority shall
32 determine, but which shall not at the time of sale yield more than 6% per
33 annum computed according to standard tables of bond values. Pending prep-
34 aration of the definitive bonds, the authority may issue interim receipts
35 or certificates which shall be exchanged for such definitive bonds.

34 aration of the definitive bonds, the authority may issue interim receipts
35 or certificates which shall be exchanged for such definitive bonds.

36 (d) Any resolution or resolutions authorizing any bonds or any issue of
37 bonds may contain provisions, which shall be a part of the contract with the
38 holders of the bonds to be authorized, as to:

39 (i) pledging all or any part of the revenues of a project or any
40 revenue producing contract or contracts made by the authority with any
41 individual, partnership, corporation or association or other body, public
42 or private, to secure the payment of the bonds or of any particular issue
43 of bonds, subject to such agreements with bondholders as may then exist;

44 (ii) the rentals, fees and other charges to be charged, and the
45 amounts to be raised in each year thereby, and the use and disposition
46 of the revenues;

47 (iii) the setting aside of reserves or sinking funds, and the regula-
48 tion and disposition thereof;

49 (iv) limitations on the right of the authority or its agent to restrict
50 and regulate the use of a project;

51 (v) limitations on the purpose to which the proceeds of sale of any
52 issue of bonds then or thereafter to be issued may be applied and pledg-
53 ing such proceeds to secure the payment of the bonds or any issue of the
54 bonds;

55 (vi) limitations on the issuance of additional bonds, the terms upon
56 which additional bonds may be issued and secured and the refunding of
57 outstanding bonds;

58 (vii) the procedure, if any, by which the terms of any contract with
59 bondholders may be amended or abrogated, the amount of bonds the
60 holders of which must consent thereto, and the manner in which such con-
61 sent may be given;

62 (viii) limitations on the amount of moneys derived from a project to
63 be expended for operating, administrative or other expenses of the au-
64 thority; and

65 (ix) defining the acts or omissions to act which shall constitute a de-
66 fault in the duties of the authority to holders of its obligations and pro-

67 viding the rights and remedies of such holders in the event of a default.

68 (e) Neither the members of the authority nor any person executing the
69 bonds or notes shall be liable personally on the bonds or notes or be subject
70 to any personal liability or accountability by reason of the issuance thereof.

71 (f) The authority shall have power out of any funds available therefor to
72 purchase its bonds or notes. The authority may hold, pledge, cancel or resell
73 such bonds, subject to and in accordance with agreements with bondholders.

1 9. In the discretion of the authority, any bonds issued under the provi-
2 sions of this act may be secured by a trust agreement by and between the au-
3 thority and a corporate trustee or trustees, which may be any trust company
4 or bank having the powers of a trust company within or without the State.
5 Such trust agreement or the resolution providing for the issuance of such
6 bonds may pledge or assign the revenues or other moneys to be received or
7 proceeds of any contract or contracts pledged. Such trust agreement or reso-
8 lution providing for the issuance of such bonds may contain such provisions
9 for protecting and enforcing the rights and remedies of the bondholders as
10 may be reasonable and proper and not in violation of law, including par-
11 ticularly such provisions as have hereinabove been specifically authorized
12 to be included in any resolution or resolutions of the authority authorizing
13 bonds thereof. Any bank or trust company incorporated under the laws of
14 this State which may act as depository of the proceeds of bonds or of reve-
15 nues or other moneys may furnish such indemnifying bonds or pledge such
16 securities as may be required by the authority. Any such trust agreement
17 may set forth the rights and remedies of the bondholders and of the trustee
18 or trustees, and may restrict the individual right of action by bondholders.
19 In addition to the foregoing, any such trust agreement or resolution may con-
20 tain such other provisions as the authority may deem reasonable and
21 proper for the security of the bondholders. All expenses incurred in carrying
22 out the provisions of such trust agreement or resolution may be treated as a
23 part of the cost of construction or operation of a project.

1 10. Bonds issued under the provisions of this act shall not be deemed to
2 constitute a debt or liability of the State or of any political subdivision thereof

3 or a pledge of the faith and credit of the State or of any such political sub-
4 division, but shall be payable solely from the funds herein provided. All
5 such bonds shall contain on the face thereof a statement to the effect that
6 neither the State of New Jersey nor the authority shall be obligated to pay
7 the same or the interest thereon except from revenues or other moneys of
8 the authority and that neither the faith and credit nor the taxing power of
9 the State of New Jersey or of any political subdivision thereof is pledged to
10 the payment of the principal of or the interest on such bonds. The issuance of
11 bonds under the provisions of this act shall not directly or indirectly or con-
12 tingently obligate the State or any political subdivision thereof to levy or to
13 pledge any form of taxation whatever therefor.

1 11. The authority is authorized to fix, revise, charge and collect rates,
2 rents, fees and charges for the use of and for the services furnished or to be
3 furnished by each project and to contract with any person, partnership,
4 association or corporation, or other body, public or private, in respect
5 thereof. Such rates, rents, fees and charges shall be fixed and adjusted in
6 respect of the aggregate of rents, rates, fees and charges from such project
7 so as to provide funds sufficient with other revenues or moneys, if any:

8 (a) to pay the cost of maintaining, repairing and operating the project
9 and each and every portion thereof, to the extent that the payment of such
10 cost has not otherwise been adequately provided for;

11 (b) to pay the principal of and the interest on outstanding bonds of
12 the authority issued in respect of such project as the same shall become due
13 and payable; and

14 (c) to create and maintain reserves required or provided for in any
15 resolution authorizing, or trust agreement securing, such bonds of the
16 authority. Such rates, rents, fees and charges shall not be subject to super-
17 vision or regulation by any department, commission, board, body, bureau
18 or agency of this State other than the authority. A sufficient amount of the
19 revenues derived in respect of a project, except such part of such revenues
20 as may be necessary to pay the cost of maintenance, repair and operation

21 and to provide reserves ***[and]*** for renewals, replacements, extensions, en-
22 largements and improvements as may be provided for in the resolution author-
23 izing the issuance of any bonds of the authority or in the trust agreement
24 securing the same, shall be set aside at such regular intervals as may be
25 provided in such resolution or trust agreement in a sinking or other similar
26 fund which is hereby pledged to, and charged with, the payment of the prin-
27 cipal of and the interest on such bonds as the same shall become due, and the
28 redemption price or the purchase price of bonds retired by call or purchase
29 as therein provided. Such pledge shall be valid and binding from the time
30 when the pledge is made; the rates, rents, fees and charges and other reve-
31 nues or other moneys so pledged and thereafter received by the authority
32 shall immediately be subject to the lien of such pledge without any physical
33 delivery thereof or further act, and the lien of any such pledge shall be
34 valid and binding as against all parties having claims of any kind in tort,
35 contract or otherwise against the authority, irrespective of whether such
36 parties have notice thereof. Neither the resolution nor any trust agree-
37 ment by which a pledge is created need be filed or recorded except in the
38 records of the authority. The use and disposition of moneys to the credit
39 of such sinking or other similar fund shall be subject to the provisions of
40 the resolution authorizing the issuance of such bonds or of such trust agree-
41 ment. Except as may otherwise be provided in such resolution or such trust
42 agreement, such sinking or other similar fund shall be a fund for all such
43 bonds issued to finance projects at a participating college without distinction
44 or priority of one over another; provided the authority in any such resolu-
45 tion or trust agreement may provide that such sinking or other similar fund
46 shall be the fund for a particular project at a participating college and for
47 the bonds issued to finance a particular project and may, additionally, per-
48 mit and provide for the issuance of bonds having a subordinate lien in
49 respect of the security herein authorized to other bonds of the authority
50 and, in such case, the authority may create separate sinking or other similar
51 funds in respect of such subordinate lien bonds.

1 12. All moneys received pursuant to the authority of this act, whether
2 as proceeds from the sale of bonds or as revenues, shall be deemed to be
3 trust funds to be held and applied solely as provided in this act. Any officer
4 with whom, or any bank or trust company with which, such moneys shall be
5 deposited shall act as trustee of such moneys and shall hold and apply the
6 same for the purposes hereof, subject to such regulations as this act and
7 the resolution authorizing the bonds of any issue or the trust agreement
8 securing such bonds may provide.

1 13. Any holder of bonds issued under the provisions of this act or any of
2 the coupons appertaining thereto, and the trustee or trustees under any trust
3 agreement, except to the extent the rights herein given may be restricted by
4 any resolution authorizing the issuance of, or any such trust agreement
5 securing, such bonds, may, either at law or in equity, by suit, action, man-
6 damus or other proceedings, protect and enforce any and all rights under
7 the laws of the State or granted hereunder or under such resolution or trust
8 agreement, and may enforce and compel the performance of all duties re-
9 quired by this act or by such resolution or trust agreement to be performed
10 by the authority or by any officer, employee or agent thereof, including the
11 fixing, charging and collecting of the rates, rents, fees and charges herein
12 authorized and required by the provisions of such resolution or trust agree-
13 ment to be fixed, established and collected.

1 14. (a) The authority is hereby authorized to provide for the issuance
2 of bonds of the authority for the purpose of refunding any bonds of the au-
3 thority then outstanding, including the payment of any redemption premium
4 thereon and any interest accrued or to accrue to the earliest or subsequent
5 date of redemption, purchase or maturity of such bonds, and, if deemed ad-
6 visable by the authority, for the additional purpose of paying all or any
7 part of the cost of constructing and acquiring additions, improvements, ex-
8 tensions or enlargements of a project or any portion thereof.

9 (b) The proceeds of any such bonds issued for the purpose of refunding
10 outstanding bonds may, in the descretion of the authority, be applied to the

11 purchase or retirement at maturity or redemption of such outstanding bonds
12 either on their earliest or any subsequent redemption date or upon the pur-
13 chase or at the maturity thereof and may, pending such application, be
14 placed in escrow to be applied to such purchase or retirement at maturity
15 or redemption on such date as may be determined by the authority.

16 (c) Any such escrowed proceeds, pending such use, may be invested and
17 reinvested in obligations of or guaranteed by the United States of America,
18 or in certificates of deposit or time deposits secured by obligations of or
19 guaranteed by the United States of America, maturing at such time or times
20 as shall be appropriate to assure the prompt payment, as to principal, in-
21 terest and redemption premium, if any, of the outstanding bonds to be so
22 refunded. The interest, income and profits, if any, earned or realized on
23 any such investment may also be applied to the payment of the outstanding
24 bonds to be so refunded. After the terms of the escrow have been fully satis-
25 fied and carried out, any balance of such proceeds and interest, income and
26 profits, if any, earned or realized on the investments thereof may be returned
27 to the authority for use by it in any lawful manner.

28 (d) The portion of the proceeds of any such bonds issued for the addi-
29 tional purpose of paying all or any part of the cost of constructing and ac-
30 quiring additions, improvements, extensions or enlargements of a project
31 may be invested and reinvested in obligations of or guaranteed by the United
32 States of America, or in certificates of deposit or time deposits secured by
33 obligations of or guaranteed by the United States of America, maturing not
34 later than the time or times when such proceeds will be needed for the pur-
35 pose of paying all or any part of such cost. The interest, income and profits,
36 if any, earned or realized on such investment may be applied to the payment
37 of all or any part of such cost or may be used by the authority in any lawful
38 manner.

39 (e) All such bonds shall be subject to the provisions of this act in the
40 same manner and to the same extent as other bonds issued pursuant to this
41 act.

1 15. Bonds and notes issued by the authority under the provisions of this
2 act are hereby made securities in which the State and all political subdivi-
3 sions of the State, their officers, boards, commissions, departments or other
4 agencies, all banks, bankers, savings banks, trust companies, savings and
5 loan associations, investment companies and other persons carrying on a
6 banking business, all insurance companies, insurance associations, and other
7 persons carrying on an insurance business, and all administrators, executors,
8 guardians, trustees and other fiduciaries, and all other persons whatsoever
9 who now are or may hereafter be authorized to invest in bonds or other obli-
10 gations of the State, may properly and legally invest any funds, including
11 capital belonging to them or within their control; and said bonds, notes or
12 other securities or obligations are hereby made securities which may properly
13 and legally be deposited with and received by any State or municipal officers
14 or agency of the State for any purpose for which the deposit of bonds or
15 other obligations of the State is now or may hereafter be authorized by law.

1 16. Bonds may be issued under the provisions of this act without ob-
2 taining the consent of any department, division, commission, board, bureau,
3 agency or officer of the State, and without any other proceedings or the hap-
4 pening of any other conditions or things than those proceedings, conditions
5 and things which are specifically required by this act.

1 17. The authority shall not have power to mortgage any of its real prop-
2 erty or projects.

ARTICLE 2

1 18. In addition to the foregoing powers, the authority with respect to
2 private colleges, shall have power:

3 (a) upon application of the participating college to construct, acquire or
4 otherwise provide projects for the use and benefit of the participating college
5 and the students, faculty and staff of such participating college. The par-
6 ticipating college for which such a project is undertaken by the authority
7 shall approve the plans and specifications and location of such project;

8 (b) to operate and manage any project provided pursuant to this sec-
9 tion, or the authority may lease any such project to the participating college

10 for which such project is provided. At such time as the liabilities of the
11 authority incurred for any such project have been met and the bonds of the
12 authority issued therefor have been paid, or such liabilities and bonds have
13 otherwise been discharged, the authority shall transfer title to all the real
14 and personal property of such project vested in the authority, to the par-
15 ticipating college in connection with which such project is then being
16 operated, or to which such project is then leased; provided, however, that
17 if at any time prior thereto such participating college ceases to offer educa-
18 tional facilities, then such title shall vest in the State of New Jersey.

19 Any lease of a project authorized by this section shall be a general ob-
20 ligation of the lessee and may contain provisions, which shall be a part of
21 the contract with the holders of the bonds of the authority issued for such
22 project, as to:

23 (i) pledging all or any part of the moneys, earnings, income and
24 revenues derived by the lessee from such project or any part or parts
25 thereof, or other personal property of the lessee, to secure payments
26 required under the terms of such lease;

27 (ii) the rates, rentals, fees and other charges to be fixed and col-
28 lected by the lessee, the amounts to be raised in each year thereby, and
29 the use and disposition of such moneys, earnings, income and revenues;

30 (iii) the setting aside of reserves and the creation of special funds
31 and the regulation and disposition thereof;

32 (iv) the procedure, if any, by which the terms of such lease may be
33 amended, the amount of bonds the holders of which must consent thereto,
34 and the manner in which such consent may be given;

35 (v) vesting in a trustee or trustees such specified properties, rights,
36 powers and duties as shall be deemed necessary or desirable for the
37 security of the holders of the bonds of the authority issued for such
38 project;

39 (vi) the obligations of the lessee with respect to the replacement,
40 reconstruction, maintenance, operation, repairs and insurance of such
41 project;

42 (vii) defining the acts or omissions to act which shall constitute a
43 default in the obligations and duties of the lessee, and providing for the
44 rights and remedies of the authority and of its bondholders in the
45 event of such default;

46 (viii) any other matters, of like or different character, which may be
47 deemed necessary or desirable for the security or protection of the au-
48 thority or the holders of its bonds.

1 19. The authority also shall have power:

2 (a) to make loans to any private college for the construction of projects
3 in accordance with a loan agreement and plans and specifications approved
4 by the authority. No such loan shall exceed the total cost of such project
5 and the equipment therefor as determined by the authority. Each such loan
6 shall be premised upon an agreement between the authority and the private
7 college as to payment, security, maturity, redemption, interest and other ap-
8 propriate matters;

9 (b) to make loans to any private college to refund existing bonds, mort-
10 gages or advances given or made by such private college for the construction
11 of projects to the extent that this will enable such private college to offer
12 greater security for loans for new project construction.

1 20. For the purpose of obtaining and securing loans under section 19 of
2 this act every private college shall, notwithstanding the provisions of any
3 other law, have power to mortgage and pledge any of its real or personal
4 property, and to pledge any of its income from whatever source to repay the
5 principal of and interest on any loan made to it by the authority or to pay the
6 interest on and principal and redemption premium, if any, of any note, bond
7 or other evidence of indebtedness evidencing the debt created by any such
8 loan; provided that the foregoing shall not be construed to authorize actions
9 in conflict with specific legislation, trusts, endowment, or other agreements
10 relating to specific properties or funds.

1 21. Moneys of the authority received from any private college in pay-
2 ment of any sum due to the authority pursuant to the terms of any loan or

3 other agreement or any bond, note or other evidence of indebtedness, shall
4 be deposited in an account in which only moneys received from private col-
5 leges shall be deposited and shall be kept separate and apart from and not
6 commingled with any other moneys of the authority. Moneys deposited in
7 such account shall be paid out on checks signed by the chairman of the au-
8 thority or by such other person or persons as the authority may authorize.

1 22. (a) Whenever the authority under section 18 of this act undertakes
2 to construct, acquire or otherwise provide and operate and manage a proj-
3 ect, the authority shall be responsible for the direct operation and mainte-
4 nance costs of such project, but each private college in connection with which
5 such a project is provided and operated and managed shall be responsible
6 at its own expense for the over-all supervision of each project, for the over-
7 head and general administrative costs of the private college which are in-
8 curred because of such project and for the integration of each project op-
9 eration into the institution's educational program.

10 (b) Whenever the authority under section 18 of this act undertakes to
11 construct, acquire or otherwise provide a project and to lease the same to a
12 private college, the lessee shall be responsible for the direct operation and
13 maintenance costs of such project and, in addition, shall be responsible for
14 the over-all supervision of each project, for the overhead and general admin-
15 istrative costs of the lessee which are incurred because of such project and
16 for the integration of each project operation into the lessee's educational
17 program.

18 (c) Whenever the authority under section 19 of this act makes loans
19 for the construction of a project, the private college at which such project
20 is located shall be responsible for the direct operation and maintenance costs
21 of such project and, in addition, shall be responsible for the over-all super-
22 vision of each project, for the overhead and general administrative costs of
23 the private college which are incurred because of such project and for the
24 integration of each project operation into the institution's educational pro-
25 gram.

1 23. Any pledge of moneys, earnings, income or revenues authorized with
2 respect to private colleges, pursuant to the provisions of this act, shall be
3 valid and binding from the time when the pledge is made. The moneys,
4 earnings, income or revenues so pledged and thereafter received by the
5 pledgor shall immediately be subject to the lien of such pledge without any
6 physical delivery thereof or further act. The lien of any such pledge shall
7 be valid and binding as against all parties having claims of any kind in tort,
8 contract or otherwise against the pledgor irrespective of whether such par-
9 ties have notice thereof. No instrument by which such a pledge is created
10 need be filed or recorded in any manner.

ARTICLE 3

1 24. The exercise of the powers granted by this act will be in all respects
2 for the benefit of the people of this State, for the increase of their commerce,
3 welfare and prosperity, and for the improvement of their health and living
4 conditions, and as the operation and maintenance of a project by the author-
5 ity or its agent will constitute the performance of an essential public func-
6 tion, neither the authority nor its agent shall be required to pay any taxes
7 or assessments upon or in respect of a project or any property acquired or
8 used by the authority or its agent under the provisions of this act or upon
9 the income therefrom, and any bonds issued under the provisions of this
10 act, their transfer and the income therefrom, including any profit made on
11 the sale thereof, shall at all times be free from taxation of every kind by
12 the State and by the municipalities and other political subdivisions in the
13 State.

1 25. The State of New Jersey does pledge to and agree with the holders
2 of the bonds, notes and other obligations issued pursuant to authority con-
3 tained in this act, and with those parties who may enter into contracts with
4 the authority pursuant to the provisions of this act, that the State will not
5 limit, alter or restrict the rights hereby vested in the authority and the
6 participating colleges to maintain, construct, reconstruct and operate any
7 project as defined in this act or to establish and collect such rents, fees, re-

8 ceipts or other charges as may be convenient or necessary to produce suffi-
9 cient revenues to meet the expenses of maintenance and operation thereof
10 and to fulfill the terms of any agreements made with the holders of bonds
11 authorized by this act, and with the parties who may enter into contracts
12 with the authority pursuant to the provisions of this act, or in any way
13 impair the rights or remedies of the holders of such bonds or such parties
14 until the bonds, together with interest thereon, are fully paid and discharged
15 and such contracts are fully performed on the part of the authority. The
16 authority as a public body corporate and politic shall have the right to in-
17 clude the pledge herein made in its bonds and contracts.

1 26. On or before March 31 in each year, the authority shall make an
2 annual report of its activities for the preceding calendar year to the Gover-
3 nor and the Legislature. Each such report shall set forth a complete operating
4 and financial statement covering the authority's operations during the year.
5 The authority shall cause an audit of its books and accounts to be made at
6 least once in each year by certified public accountants.

1 27. Except as otherwise expressly provided in this act, any member,
2 officer, agent or employee of the authority who is interested, either directly
3 or indirectly, in any contract of another with the authority, or in the sale
4 of any property, either real or personal, to the authority, shall be guilty of
5 a misdemeanor.

1 28. The comptroller of the treasury and his legally authorized represen-
2 tatives are hereby authorized and empowered from time to time to examine
3 the accounts and books of the authority, including its receipts, disbursements,
4 contracts, sinking funds, investments and any other matters relating to its
5 financial standing.

1 29. The State Board of Education, or the Commissioner of Education, or
2 their representatives, may visit, examine into and inspect, the authority as
3 an institution under the educational supervision of the State, and may re-
4 quire, as often as desired, duly verified reports therefrom giving such infor-
5 mation and in such form as the board or the Commissioner of Education
6 shall prescribe.

1 30. The authority shall be entitled to call to its assistance and avail
2 itself of the services of such employees of any State department or agency
3 as it may require and as may be available to it for said purpose.

1 31. The foregoing sections of this act shall be deemed to provide an
2 additional and alternative method for the doing of the things authorized
3 thereby, and shall be regarded as supplemental and additional to powers
4 conferred by other laws, and shall not be regarded as in derogation of any
5 powers now existing; provided, however, that the issuance of bonds or re-
6 funding bonds under the provisions of this act need not comply with the
7 requirements of any other law applicable to the issuance of bonds.

1 32. This act, being necessary for the welfare of the State and its inhabit-
2 ants, shall be liberally construed to effect the purposes thereof.

1 33. If the provisions of any title, section or clause of this act or the
2 application thereof to any person, party, corporation, public or private, shall
3 be judged invalid by a court of competent jurisdiction, such order or judg-
4 ment shall be confined in its operation to the controversy in which it was
5 rendered, and shall not affect or invalidate the remainder of any provision
6 of any title, section or clause of this act or the application of any part
7 thereof to any other person, party, corporation or circumstance and, to this
8 end, the provisions of each title, section and clause of this act are hereby
9 declared to be severable.

1 34. The powers granted to the authority by this act may be exercised
2 without regard or reference to any department or agency of the State. All
3 other general or special laws, or parts thereof, inconsistent with this act are
4 hereby declared to be inapplicable to the provisions of this act.

1 35. In carrying out the provisions of this act the authority shall not be
2 subject to the provisions of section 4 of P. L. 1945, chapter 51.

1 36. There is hereby appropriated to the New Jersey Educational Facil-
2 ities Authority the sum of \$250,000.00 to carry out the purposes of this act.

1 37. This act shall take effect immediately.

SENATE AMENDMENTS TO

SENATE, No. 415

STATE OF NEW JERSEY

ADOPTED MAY 31, 1966

Amend page 8, section 5, line 70, after line 70, insert a new subsection as follows:

“(o) to invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, at the discretion of the authority, in such obligations as are authorized by law for the investment of trust funds in the custody of the State Treasurer.”.

Amend page 13, section 11, line 21, after “reserves”, delete “and”.

CHAPTER 106 LAWS OF N. J. 1966

APPROVED 6/16/66

[OFFICIAL COPY REPRINT]

SENATE, No. 415

STATE OF NEW JERSEY

INTRODUCED MAY 23, 1966

By Senators KEEGAN and O'CONNOR

Referred to Committee on Education

AN ACT to provide student dormitory and related facilities at the State University and State public colleges and dormitory and related facilities and other educational facilities for the benefit and use of students, faculty and staff at private colleges and universities in the State, establishing the New Jersey Educational Facilities Authority for such purposes, and providing an appropriation therefor.

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

1 1. It is hereby declared that a serious public emergency exists affecting
2 and threatening the welfare, comfort, health, safety and prosperity of the
3 people of the State and resulting from the fact that financial resources are
4 lacking with which to construct required dormitory and other educational
5 facilities at public and private institutions of higher education; that it is
6 essential that this and future generations of youth be given the fullest
7 opportunity to learn and to develop their intellectual and mental capacities;
8 that it is essential that institutions for higher education within the State be
9 provided with appropriate additional means to assist such youth in achiev-
10 ing the required levels of learning and development of their intellectual and
11 mental capacities; that it is essential that all resources of the State be em-
12 ployed in order to meet the tremendous demand for higher educational oppor-
13 tunities; that all institutions of higher education in the State, both public and

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

14 private, are an integral part of the total educational effort in the State for
15 providing higher educational opportunities, and that it is the purpose of this
16 act to provide a measure of assistance and an alternative method to enable
17 institutions of higher education in the State to provide the facilities which
18 are sorely needed to accomplish the purposes of this act, all to the public
19 benefit and good, to the extent and manner provided herein.

ARTICLE 1

1 2. This act shall be known and may be cited as the "New Jersey Educa-
2 tional Facilities Authority Act."

1 3. As used in this act, the following words and terms shall have the
2 following meanings, unless the context indicates or requires another or differ-
3 ent meaning or intent:

4 "Authority" means the New Jersey Educational Facilities Authority
5 created by this act or any board, body, commission, department or officer
6 succeeding to the principal functions thereof or to whom the powers con-
7 ferred upon the authority by this act shall be given by law;

8 "Bond" means bonds or notes of the authority issued pursuant to this
9 act;

10 "Dormitory" means a housing unit with necessary and usual attendant
11 and related facilities and equipment;

12 "Educational facility" means a structure suitable for use as a dormi-
13 tory, dining hall, student union, administration building, academic building,
14 library, laboratory, research facility, classroom, athletic facility, health care
15 facility, and parking maintenance, storage or utility facility and other struc-
16 tures or facilities related thereto or required or useful for the instruction
17 of students or the conducting of research or the operation of an institution
18 for higher education, and the necessary and usual attendant and related
19 facilities and equipment, but shall not include any facility used or to be used
20 for sectarian instruction or as a place for religious worship;

21 "Participating college" means a public college or private college which,
22 pursuant to the provisions of this act, participates with the authority in

23 undertaking the financing and construction or acquisition of a project;

24 "Project" means a dormitory or an educational facility or any combina-
25 tion thereof;

26 "Private college" means an institution for higher education other than
27 a public college, situated within the State and which, by virtue of law or
28 charter, is a nonprofit educational institution empowered to provide a pro-
29 gram of education beyond the high school level;

30 "Public college" means Rutgers, The State University, the State col-
31 leges, the Newark College of Engineering, the New Jersey College of Medicine
32 and Dentistry, the county community colleges and any other public university
33 or college now or hereafter established or authorized by law.

1 4. (a) There is hereby established in the Department of Education a
2 public body corporate and politic, with corporate succession to be known as
3 the "New Jersey Educational Facilities Authority." The authority shall
4 constitute a political subdivision of the State established as an instrumental-
5 ity exercising public and essential governmental functions, and the exercise
6 by the authority of the powers conferred by this act shall be deemed and
7 held to be an essential governmental function of the State.

8 (b) The authority shall consist of 7 members, 2 of whom shall be the
9 Commissioner of Education, ex officio, and the State Treasurer, ex officio, or
10 when so designated by them, their deputies, and 5 citizens of the State to be
11 appointed by the Governor with the advice and consent of the Senate for
12 terms of 5 years; provided that the terms of the members first appointed
13 shall be arranged by the Governor so that one of such terms shall expire on
14 April 30 in each successive year ensuing after such appointments. Each
15 member shall hold office for the term of his appointment and until his suc-
16 cessor shall have been appointed and qualified. Any vacancy among the
17 members appointed by the Governor shall be filled by appointment for the
18 unexpired term only. A member of the authority shall be eligible for re-
19 appointment.

20 (c) Any member of the authority appointed by the Governor may be re-
21 moved from office by the Governor for cause after a public hearing.

22 (d) The members of the authority shall serve without compensation, but
23 the authority may reimburse its members for necessary expenses incurred
24 in the discharge of their duties.

25 (e) The authority, upon the first appointment of its members and there-
26 after on or after April 30 in each year, shall annually elect from among its
27 members a chairman and a vice-chairman who shall hold office until April 30
28 next ensuing and until their respective successors shall have been appointed
29 and qualified. The authority may also appoint, retain and employ, without
30 regard to the provisions of Title 11, Civil Service, of the Revised Statutes, such
31 officers, agents, employees and experts as it may require, and it shall deter-
32 mine their qualifications, terms of office, duties, services and compensation.

33 (f) The powers of the authority shall be vested in the members thereof
34 in office from time to time and a majority of the total authorized membership
35 of the authority shall constitute a quorum at any meeting thereof. Action may
36 be taken and motions and resolutions adopted by the authority at any meet-
37 ing thereof by the affirmative vote of a majority of the members present,
38 unless in any case the by-laws of the authority shall require a larger num-
39 ber. No vacancy in the membership of the authority shall impair the right of
40 a quorum to exercise all the rights and perform all the duties of the authority.

41 (g) Before the issuance of any bonds under the provisions of this act, the
42 members and the officer of the authority charged with the handling of the
43 authority's moneys shall be covered by a surety bond or bonds in a penal
44 sum of not less than \$25,000.00 per person conditioned upon the faithful per-
45 formance of the duties of their respective offices, and executed by a surety
46 company authorized to transact business in the State of New Jersey as
47 surety. Each such bond shall be submitted to the Attorney General for his
48 approval and upon his approval shall be filed in the office of the Secretary
49 of State prior to the issuance of any bonds by the authority. At all times
50 after the issuance of any bonds by the authority the officer of the authority
51 charged with the handling of the authority's moneys and each member shall
52 maintain such surety bonds in full force and effect. All costs of such surety
53 bonds shall be borne by the authority.

54 (h) Notwithstanding any other law to the contrary, it shall not be or
55 constitute a conflict of interest for a trustee, director, officer or employee of a
56 participating college to serve as a member of the authority; provided such
57 trustee, director, officer or employee shall abstain from discussion, delibera-
58 tion, action and vote by the authority under this act in specific respect to
59 such participating college of which such member is a trustee, director, officer
60 or employee.

61 (i) A true copy of the minutes of every meeting of the authority shall be
62 forthwith delivered by and under the certification of the secretary thereof,
63 to the Governor. No action taken at such meeting by the authority shall
64 have force or effect until 10 days after such copy of the minutes shall have
65 been so delivered. If, in said 10-day period, the Governor returns such copy
66 of the minutes with veto of any action taken by the authority or any mem-
67 ber thereof at such meeting, such action shall be null and of no effect. If the
68 Governor shall not return the minutes within said 10-day period, any action
69 therein recited shall have force and effect according to the wording thereof.
70 At any time prior to the expiration of the said 10-day period, the Governor
71 may sign a statement of approval of any such action of the authority, in
72 which case the action so approved shall not thereafter be disapproved.

73 Notwithstanding the foregoing provisions of this paragraph (i), with re-
74 gard to the sale and award of bonds of the authority, the authority shall
75 furnish to the Governor a certified copy of the minutes of the meeting at
76 which said bonds are sold and awarded forthwith upon the taking of such
77 action and the Governor shall indicate his approval or disapproval of such
78 action prior to the end of the business day upon which such action of the
79 authority was taken.

80 The powers conferred in this paragraph (i) upon the Governor shall be
81 exercised with due regard for the rights of the holders of bonds of the au-
82 thority at any time outstanding, and nothing in, or done pursuant to, this
83 paragraph (i) shall in any way limit, restrict or alter the obligation or
84 powers of the authority or any representative or officer of the authority to

85 carry out and perform in every detail each and every covenant, agreement
86 or contract at any time made or entered into by or on behalf of the author-
87 ity with respect to its bonds or for the benefit, protection or security of the
88 holders thereof.

1 5. The authority shall have power:

2 (a) to adopt by-laws for the regulation of its affairs and the conduct of
3 its business;

4 (b) to adopt and have an official common seal and alter the same at
5 pleasure;

6 (c) to maintain an office at such place or places within the State as it
7 may designate;

8-9 (d) to sue and be sued in its own name, and plead and be impleaded;

10 (e) to borrow money and to issue bonds and notes and other obligations
11 of the authority and to provide for the rights of the holders thereof as pro-
12 vided in this act;

13 (f) to acquire, lease as lessee, hold and dispose of real and personal
14 property or any interest therein, in the exercise of its powers and the per-
15 formance of its duties under this act;

16 (g) to acquire in the name of the authority by purchase or otherwise, on
17 such terms and conditions and in such manner as it may deem proper, or by
18 the exercise of the power of eminent domain, any land or interest therein
19 and other property which it may determine is reasonably necessary for any
20 project, including any lands held by any county, municipality or other govern-
21 mental subdivision of the State; and to hold and use the same and to sell,
22 convey, lease or otherwise dispose of property so acquired, no longer nec-
23 essary for the authority's purposes;

24 (h) to receive and accept, from any Federal or other public agency or
25 governmental entity, grants or loans for or in aid of the acquisition or con-
26 struction of any project, and to receive and accept aid or contributions from
27 any other source, of either money, property, labor or other things of value,
28 to be held, used and applied only for the purposes for which such grants,
29 loans and contributions may be made;

30 (i) to prepare or cause to be prepared plans, specifications, designs and
31 estimates of costs for the construction and equipment of projects for partic-
32 ipating colleges under the provisions of this act, and from time to time to
33 modify such plans, specifications, designs or estimates;

34 (j) by contract or contracts or by its own employees to construct, ac-
35 quire, reconstruct, rehabilitate and improve, and furnish and equip, projects
36 for participating colleges; provided, however, that in any contract or con-
37 tracts undertaken by the authority for the construction, reconstruction, re-
38 habilitation or improvement of any public college project where the cost of
39 such work will exceed \$25,000.00, the person preparing the plans and spec-
40 ifications for such work shall prepare separate plans and specifications for
41 (1) the plumbing and gas fitting, and all work and materials kindred thereto,
42 (2) the steam and hot water heating and ventilating apparatus, steam power
43 plants and all work and materials kindred thereto, (3) the electrical work,
44 (4) structural steel and ornamental iron work and materials and (5) all
45 other work and materials required to complete the building, and the author-
46 ity shall execute separate contracts for each of said branches of the work;

47 (k) to determine the location and character of any project to be under-
48 taken pursuant to the provisions of this act, and to construct, reconstruct,
49 maintain, repair, operate, lease, as lessee or lessor, and regulate the same; to
50 enter into contracts for any or all such purposes; to enter into contracts for
51 the management and operation of a project, and to designate a participating
52 college as its agent to determine the location and character of a project under-
53 taken by such participating college under the provisions of this act and, as
54 the agent of the authority, to construct, reconstruct, maintain, repair, oper-
55 ate, lease, as lessee or lessor, and regulate the same, and, as agent of the
56 authority, to enter into contracts for any and all such purposes including
57 contracts for the management and operation of such project;

58 (l) to establish rules and regulations for the use of a project or any
59 portion thereof and to designate a participating college as its agent to estab-
60 lish rules and regulations for the use of a project undertaken by such partic-
61 ipating college;

62 (m) generally to fix and revise from time to time and to charge and
63 collect rates, rents, fees and other charges for the use of and for the services
64 furnished or to be furnished by a project or any portion thereof and to con-
65 tract with holders of its bonds and with any other person, party, association,
66 corporation or other body, public or private, in respect thereof;

67 (n) to enter into any and all agreements or contracts, execute any and
68 all instruments, and do and perform any and all acts or things necessary, con-
69 venient or desirable for the purposes of the authority or to carry out any
70 power expressly given in this act.

71 **(o) to invest any moneys held in reserve or sinking funds, or any*
72 *moneys not required for immediate use or disbursement, at the discretion of*
73 *the authority, in such obligations as are authorized by law for the investment*
74 *of trust funds in the custody of the State Treasurer.**

1 6. All expenses incurred in carrying out the provisions of this act shall be
2 payable from funds provided the authority therefor, and no liability or
3 obligation shall be incurred by the authority hereunder beyond the extent to
4 which moneys shall have been provided therefor.

1 7. The authority is authorized from time to time to issue its negotiable
2 notes for any corporate purpose and renew from time to time any notes by
3 the issuance of new notes, whether the notes to be renewed have or have not
4 matured. The authority may issue notes partly to renew notes or to discharge
5 other obligations then outstanding and partly for any other purpose. The
6 notes may be authorized, sold, executed and delivered in the same manner as
7 bonds. Any resolution or resolutions authorizing notes of the authority or
8 any issue thereof may contain any provisions which the authority is author-
9 ized to include in any resolution or resolutions authorizing bonds of the au-
10 thority or any issue thereof, and the authority may include in any notes any
11 terms, covenants or conditions which it is authorized to include in any bonds.
12 All such notes shall be payable from the revenues or other moneys of the
13 authority, subject only to any contractual rights of the holders of any of its
14 notes or other obligations then outstanding.

1 8. (a) The authority is authorized from time to time to issue its negoti-
2 able bonds for any corporate purpose. In anticipation of the sale of such
3 bonds the authority may issue negotiable bond anticipation notes and may
4 renew the same from time to time, but the maximum maturity of any such
5 note, including renewals thereof, shall not exceed 5 years from the date of
6 issue of the original note. Such notes shall be paid from any revenues or
7 other moneys of the authority available therefor and not otherwise pledged,
8 or from the proceeds of sale of the bonds of the authority in anticipation of
9 which they were issued. The notes shall be issued in the same manner as the
10 bonds. Such notes and the resolution or resolutions authorizing the same
11 may contain any provisions, conditions or limitations which a bond resolution
12 of the authority may contain.

13 (b) Except as may otherwise be expressly provided by the authority,
14 every issue of its bonds or notes shall be general obligations of the author-
15 ity payable from any revenues or moneys of the authority, subject only to
16 any agreements with the holders of particular bonds or notes pledging any
17 particular revenues or moneys. Notwithstanding that bonds and notes may
18 be payable from a special fund, they shall be fully negotiable within the
19 meaning of the Uniform Commercial Code, subject only to the provisions of
20 the bonds and notes for registration.

21 (c) The bonds may be issued as serial bonds or as term bonds, or the au-
22 thority, in its discretion, may issue bonds of both types. The bonds shall be
23 authorized by resolution of the members of the authority and shall bear such
24 date or dates, mature at such time or times, not exceeding 50 years from
25 their respective dates, bear interest at such rate or rates, not exceeding 6%
26 per annum, be payable at such time or times, be in such denominations, be
27 in such form, either coupon or registered, carry such registration privileges,
28 be executed in such manner, be payable in lawful money of the United States
29 of America at such place or places, and be subject to such terms of redemp-
30 tion, as such resolution or resolutions may provide. The bonds or notes may
31 be sold at public or private sale for such price or prices as the authority shall
32 determine, but which shall not at the time of sale yield more than 6% per
33 annum computed according to standard tables of bond values. Pending prep-

34 aration of the definitive bonds, the authority may issue interim receipts
35 or certificates which shall be exchanged for such definitive bonds.

36 (d) Any resolution or resolutions authorizing any bonds or any issue of
37 bonds may contain provisions, which shall be a part of the contract with the
38 holders of the bonds to be authorized, as to:

39 (i) pledging all or any part of the revenues of a project or any
40 revenue producing contract or contracts made by the authority with any
41 individual, partnership, corporation or association or other body, public
42 or private, to secure the payment of the bonds or of any particular issue
43 of bonds, subject to such agreements with bondholders as may then exist;

44 (ii) the rentals, fees and other charges to be charged, and the
45 amounts to be raised in each year thereby, and the use and disposition
46 of the revenues;

47 (iii) the setting aside of reserves or sinking funds, and the regula-
48 tion and disposition thereof;

49 (iv) limitations on the right of the authority or its agent to restrict
50 and regulate the use of a project;

51 (v) limitations on the purpose to which the proceeds of sale of any
52 issue of bonds then or thereafter to be issued may be applied and pledg-
53 ing such proceeds to secure the payment of the bonds or any issue of the
54 bonds;

55 (vi) limitations on the issuance of additional bonds, the terms upon
56 which additional bonds may be issued and secured and the refunding of
57 outstanding bonds;

58 (vii) the procedure, if any, by which the terms of any contract with
59 bondholders may be amended or abrogated, the amount of bonds the
60 holders of which must consent thereto, and the manner in which such con-
61 sent may be given;

62 (viii) limitations on the amount of moneys derived from a project to
63 be expended for operating, administrative or other expenses of the au-
64 thority; and

65 (ix) defining the acts or omissions to act which shall constitute a de-
66 fault in the duties of the authority to holders of its obligations and pro-

67 viding the rights and remedies of such holders in the event of a default.

68 (e) Neither the members of the authority nor any person executing the
69 bonds or notes shall be liable personally on the bonds or notes or be subject
70 to any personal liability or accountability by reason of the issuance thereof.

71 (f) The authority shall have power out of any funds available therefor to
72 purchase its bonds or notes. The authority may hold, pledge, cancel or resell
73 such bonds, subject to and in accordance with agreements with bondholders.

1 9. In the discretion of the authority, any bonds issued under the provi-
2 sions of this act may be secured by a trust agreement by and between the au-
3 thority and a corporate trustee or trustees, which may be any trust company
4 or bank having the powers of a trust company within or without the State.
5 Such trust agreement or the resolution providing for the issuance of such
6 bonds may pledge or assign the revenues or other moneys to be received or
7 proceeds of any contract or contracts pledged. Such trust agreement or reso-
8 lution providing for the issuance of such bonds may contain such provisions
9 for protecting and enforcing the rights and remedies of the bondholders as
10 may be reasonable and proper and not in violation of law, including par-
11 ticularly such provisions as have hereinabove been specifically authorized
12 to be included in any resolution or resolutions of the authority authorizing
13 bonds thereof. Any bank or trust company incorporated under the laws of
14 this State which may act as depository of the proceeds of bonds or of reve-
15 nues or other moneys may furnish such indemnifying bonds or pledge such
16 securities as may be required by the authority. Any such trust agreement
17 may set forth the rights and remedies of the bondholders and of the trustee
18 or trustees, and may restrict the individual right of action by bondholders.
19 In addition to the foregoing, any such trust agreement or resolution may con-
20 tain such other provisions as the authority may deem reasonable and
21 proper for the security of the bondholders. All expenses incurred in carrying
22 out the provisions of such trust agreement or resolution may be treated as a
23 part of the cost of construction or operation of a project.

1 10. Bonds issued under the provisions of this act shall not be deemed to
2 constitute a debt or liability of the State or of any political subdivision thereof

3 or a pledge of the faith and credit of the State or of any such political sub-
4 division, but shall be payable solely from the funds herein provided. All
5 such bonds shall contain on the face thereof a statement to the effect that
6 neither the State of New Jersey nor the authority shall be obligated to pay
7 the same or the interest thereon except from revenues or other moneys of
8 the authority and that neither the faith and credit nor the taxing power of
9 the State of New Jersey or of any political subdivision thereof is pledged to
10 the payment of the principal of or the interest on such bonds. The issuance of
11 bonds under the provisions of this act shall not directly or indirectly or con-
12 tingently obligate the State or any political subdivision thereof to levy or to
13 pledge any form of taxation whatever therefor.

1 11. The authority is authorized to fix, revise, charge and collect rates,
2 rents, fees and charges for the use of and for the services furnished or to be
3 furnished by each project and to contract with any person, partnership,
4 association or corporation, or other body, public or private, in respect
5 thereof. Such rates, rents, fees and charges shall be fixed and adjusted in
6 respect of the aggregate of rents, rates, fees and charges from such project
7 so as to provide funds sufficient with other revenues or moneys, if any:

8 (a) to pay the cost of maintaining, repairing and operating the project
9 and each and every portion thereof, to the extent that the payment of such
10 cost has not otherwise been adequately provided for;

11 (b) to pay the principal of and the interest on outstanding bonds of
12 the authority issued in respect of such project as the same shall become due
13 and payable; and

14 (c) to create and maintain reserves required or provided for in any
15 resolution authorizing, or trust agreement securing, such bonds of the
16 authority. Such rates, rents, fees and charges shall not be subject to super-
17 vision or regulation by any department, commission, board, body, bureau
18 or agency of this State other than the authority. A sufficient amount of the
19 revenues derived in respect of a project, except such part of such revenues
20 as may be necessary to pay the cost of maintenance, repair and operation

21 and to provide reserves ***[and]*** for renewals, replacements, extensions, en-
22 largements and improvements as may be provided for in the resolution author-
23 izing the issuance of any bonds of the authority or in the trust agreement
24 securing the same, shall be set aside at such regular intervals as may be
25 provided in such resolution or trust agreement in a sinking or other similar
26 fund which is hereby pledged to, and charged with, the payment of the prin-
27 cipal of and the interest on such bonds as the same shall become due, and the
28 redemption price or the purchase price of bonds retired by call or purchase
29 as therein provided. Such pledge shall be valid and binding from the time
30 when the pledge is made; the rates, rents, fees and charges and other reve-
31 nues or other moneys so pledged and thereafter received by the authority
32 shall immediately be subject to the lien of such pledge without any physical
33 delivery thereof or further act, and the lien of any such pledge shall be
34 valid and binding as against all parties having claims of any kind in tort,
35 contract or otherwise against the authority, irrespective of whether such
36 parties have notice thereof. Neither the resolution nor any trust agree-
37 ment by which a pledge is created need be filed or recorded except in the
38 records of the authority. The use and disposition of moneys to the credit
39 of such sinking or other similar fund shall be subject to the provisions of
40 the resolution authorizing the issuance of such bonds or of such trust agree-
41 ment. Except as may otherwise be provided in such resolution or such trust
42 agreement, such sinking or other similar fund shall be a fund for all such
43 bonds issued to finance projects at a participating college without distinction
44 or priority of one over another; provided the authority in any such resolu-
45 tion or trust agreement may provide that such sinking or other similar fund
46 shall be the fund for a particular project at a participating college and for
47 the bonds issued to finance a particular project and may, additionally, per-
48 mit and provide for the issuance of bonds having a subordinate lien in
49 respect of the security herein authorized to other bonds of the authority
50 and, in such case, the authority may create separate sinking or other similar
51 funds in respect of such subordinate lien bonds.

1 12. All moneys received pursuant to the authority of this act, whether
2 as proceeds from the sale of bonds or as revenues, shall be deemed to be
3 trust funds to be held and applied solely as provided in this act. Any officer
4 with whom, or any bank or trust company with which, such moneys shall be
5 deposited shall act as trustee of such moneys and shall hold and apply the
6 same for the purposes hereof, subject to such regulations as this act and
7 the resolution authorizing the bonds of any issue or the trust agreement
8 securing such bonds may provide.

1 13. Any holder of bonds issued under the provisions of this act or any of
2 the coupons appertaining thereto, and the trustee or trustees under any trust
3 agreement, except to the extent the rights herein given may be restricted by
4 any resolution authorizing the issuance of, or any such trust agreement
5 securing, such bonds, may, either at law or in equity, by suit, action, man-
6 damus or other proceedings, protect and enforce any and all rights under
7 the laws of the State or granted hereunder or under such resolution or trust
8 agreement, and may enforce and compel the performance of all duties re-
9 quired by this act or by such resolution or trust agreement to be performed
10 by the authority or by any officer, employee or agent thereof, including the
11 fixing, charging and collecting of the rates, rents, fees and charges herein
12 authorized and required by the provisions of such resolution or trust agree-
13 ment to be fixed, established and collected.

1 14. (a) The authority is hereby authorized to provide for the issuance
2 of bonds of the authority for the purpose of refunding any bonds of the au-
3 thority then outstanding, including the payment of any redemption premium
4 thereon and any interest accrued or to accrue to the earliest or subsequent
5 date of redemption, purchase or maturity of such bonds, and, if deemed ad-
6 visable by the authority, for the additional purpose of paying all or any
7 part of the cost of constructing and acquiring additions, improvements, ex-
8 tensions or enlargements of a project or any portion thereof.

9 (b) The proceeds of any such bonds issued for the purpose of refunding
10 outstanding bonds may, in the descretion of the authority, be applied to the

11 purchase or retirement at maturity or redemption of such outstanding bonds
12 either on their earliest or any subsequent redemption date or upon the pur-
13 chase or at the maturity thereof and may, pending such application, be
14 placed in escrow to be applied to such purchase or retirement at maturity
15 or redemption on such date as may be determined by the authority.

16 (c) Any such escrowed proceeds, pending such use, may be invested and
17 reinvested in obligations of or guaranteed by the United States of America,
18 or in certificates of deposit or time deposits secured by obligations of or
19 guaranteed by the United States of America, maturing at such time or times
20 as shall be appropriate to assure the prompt payment, as to principal, in-
21 terest and redemption premium, if any, of the outstanding bonds to be so
22 refunded. The interest, income and profits, if any, earned or realized on
23 any such investment may also be applied to the payment of the outstanding
24 bonds to be so refunded. After the terms of the escrow have been fully satis-
25 fied and carried out, any balance of such proceeds and interest, income and
26 profits, if any, earned or realized on the investments thereof may be returned
27 to the authority for use by it in any lawful manner.

28 (d) The portion of the proceeds of any such bonds issued for the addi-
29 tional purpose of paying all or any part of the cost of constructing and ac-
30 quiring additions, improvements, extensions or enlargements of a project
31 may be invested and reinvested in obligations of or guaranteed by the United
32 States of America, or in certificates of deposit or time deposits secured by
33 obligations of or guaranteed by the United States of America, maturing not
34 later than the time or times when such proceeds will be needed for the pur-
35 pose of paying all or any part of such cost. The interest, income and profits,
36 if any, earned or realized on such investment may be applied to the payment
37 of all or any part of such cost or may be used by the authority in any lawful
38 manner.

39 (e) All such bonds shall be subject to the provisions of this act in the
40 same manner and to the same extent as other bonds issued pursuant to this
41 act.

1 15. Bonds and notes issued by the authority under the provisions of this
2 act are hereby made securities in which the State and all political subdivi-
3 sions of the State, their officers, boards, commissions, departments or other
4 agencies, all banks, bankers, savings banks, trust companies, savings and
5 loan associations, investment companies and other persons carrying on a
6 banking business, all insurance companies, insurance associations, and other
7 persons carrying on an insurance business, and all administrators, executors,
8 guardians, trustees and other fiduciaries, and all other persons whatsoever
9 who now are or may hereafter be authorized to invest in bonds or other obli-
10 gations of the State, may properly and legally invest any funds, including
11 capital belonging to them or within their control; and said bonds, notes or
12 other securities or obligations are hereby made securities which may properly
13 and legally be deposited with and received by any State or municipal officers
14 or agency of the State for any purpose for which the deposit of bonds or
15 other obligations of the State is now or may hereafter be authorized by law.

1 16. Bonds may be issued under the provisions of this act without ob-
2 taining the consent of any department, division, commission, board, bureau,
3 agency or officer of the State, and without any other proceedings or the hap-
4 pening of any other conditions or things than those proceedings, conditions
5 and things which are specifically required by this act.

1 17. The authority shall not have power to mortgage any of its real prop-
2 erty or projects.

ARTICLE 2

1 18. In addition to the foregoing powers, the authority with respect to
2 private colleges, shall have power:

3 (a) upon application of the participating college to construct, acquire or
4 otherwise provide projects for the use and benefit of the participating college
5 and the students, faculty and staff of such participating college. The par-
6 ticipating college for which such a project is undertaken by the authority
7 shall approve the plans and specifications and location of such project;

8 (b) to operate and manage any project provided pursuant to this sec-
9 tion, or the authority may lease any such project to the participating college

10 for which such project is provided. At such time as the liabilities of the
11 authority incurred for any such project have been met and the bonds of the
12 authority issued therefor have been paid, or such liabilities and bonds have
13 otherwise been discharged, the authority shall transfer title to all the real
14 and personal property of such project vested in the authority, to the par-
15 ticipating college in connection with which such project is then being
16 operated, or to which such project is then leased; provided, however, that
17 if at any time prior thereto such participating college ceases to offer educa-
18 tional facilities, then such title shall vest in the State of New Jersey.

19 Any lease of a project authorized by this section shall be a general ob-
20 ligation of the lessee and may contain provisions, which shall be a part of
21 the contract with the holders of the bonds of the authority issued for such
22 project, as to:

23 (i) pledging all or any part of the moneys, earnings, income and
24 revenues derived by the lessee from such project or any part or parts
25 thereof, or other personal property of the lessee, to secure payments
26 required under the terms of such lease;

27 (ii) the rates, rentals, fees and other charges to be fixed and col-
28 lected by the lessee, the amounts to be raised in each year thereby, and
29 the use and disposition of such moneys, earnings, income and revenues;

30 (iii) the setting aside of reserves and the creation of special funds
31 and the regulation and disposition thereof;

32 (iv) the procedure, if any, by which the terms of such lease may be
33 amended, the amount of bonds the holders of which must consent thereto,
34 and the manner in which such consent may be given;

35 (v) vesting in a trustee or trustees such specified properties, rights,
36 powers and duties as shall be deemed necessary or desirable for the
37 security of the holders of the bonds of the authority issued for such
38 project;

39 (vi) the obligations of the lessee with respect to the replacement,
40 reconstruction, maintenance, operation, repairs and insurance of such
41 project;

42 (vii) defining the acts or omissions to act which shall constitute a
43 default in the obligations and duties of the lessee, and providing for the
44 rights and remedies of the authority and of its bondholders in the
45 event of such default;

46 (viii) any other matters, of like or different character, which may be
47 deemed necessary or desirable for the security or protection of the au-
48 thority or the holders of its bonds.

1 19. The authority also shall have power:

2 (a) to make loans to any private college for the construction of projects
3 in accordance with a loan agreement and plans and specifications approved
4 by the authority. No such loan shall exceed the total cost of such project
5 and the equipment therefor as determined by the authority. Each such loan
6 shall be premised upon an agreement between the authority and the private
7 college as to payment, security, maturity, redemption, interest and other ap-
8 propriate matters;

9 (b) to make loans to any private college to refund existing bonds, mort-
10 gages or advances given or made by such private college for the construction
11 of projects to the extent that this will enable such private college to offer
12 greater security for loans for new project construction.

1 20. For the purpose of obtaining and securing loans under section 19 of
2 this act every private college shall, notwithstanding the provisions of any
3 other law, have power to mortgage and pledge any of its real or personal
4 property, and to pledge any of its income from whatever source to repay the
5 principal of and interest on any loan made to it by the authority or to pay the
6 interest on and principal and redemption premium, if any, of any note, bond
7 or other evidence of indebtedness evidencing the debt created by any such
8 loan; provided that the foregoing shall not be construed to authorize actions
9 in conflict with specific legislation, trusts, endowment, or other agreements
10 relating to specific properties or funds.

1 21. Moneys of the authority received from any private college in pay-
2 ment of any sum due to the authority pursuant to the terms of any loan or

3 other agreement or any bond, note or other evidence of indebtedness, shall
4 be deposited in an account in which only moneys received from private col-
5 leges shall be deposited and shall be kept separate and apart from and not
6 commingled with any other moneys of the authority. Moneys deposited in
7 such account shall be paid out on checks signed by the chairman of the au-
8 thority or by such other person or persons as the authority may authorize.

1 22. (a) Whenever the authority under section 18 of this act undertakes
2 to construct, acquire or otherwise provide and operate and manage a proj-
3 ect, the authority shall be responsible for the direct operation and mainte-
4 nance costs of such project, but each private college in connection with which
5 such a project is provided and operated and managed shall be responsible
6 at its own expense for the over-all supervision of each project, for the over-
7 head and general administrative costs of the private college which are in-
8 curred because of such project and for the integration of each project op-
9 eration into the institution's educational program.

10 (b) Whenever the authority under section 18 of this act undertakes to
11 construct, acquire or otherwise provide a project and to lease the same to a
12 private college, the lessee shall be responsible for the direct operation and
13 maintenance costs of such project and, in addition, shall be responsible for
14 the over-all supervision of each project, for the overhead and general admin-
15 istrative costs of the lessee which are incurred because of such project and
16 for the integration of each project operation into the lessee's educational
17 program.

18 (c) Whenever the authority under section 19 of this act makes loans
19 for the construction of a project, the private college at which such project
20 is located shall be responsible for the direct operation and maintenance costs
21 of such project and, in addition, shall be responsible for the over-all super-
22 vision of each project, for the overhead and general administrative costs of
23 the private college which are incurred because of such project and for the
24 integration of each project operation into the institution's educational pro-
25 gram.

1 23. Any pledge of moneys, earnings, income or revenues authorized with
2 respect to private colleges, pursuant to the provisions of this act, shall be
3 valid and binding from the time when the pledge is made. The moneys,
4 earnings, income or revenues so pledged and thereafter received by the
5 pledgor shall immediately be subject to the lien of such pledge without any
6 physical delivery thereof or further act. The lien of any such pledge shall
7 be valid and binding as against all parties having claims of any kind in tort,
8 contract or otherwise against the pledgor irrespective of whether such par-
9 ties have notice thereof. No instrument by which such a pledge is created
10 need be filed or recorded in any manner.

ARTICLE 3

1 24. The exercise of the powers granted by this act will be in all respects
2 for the benefit of the people of this State, for the increase of their commerce,
3 welfare and prosperity, and for the improvement of their health and living
4 conditions, and as the operation and maintenance of a project by the author-
5 ity or its agent will constitute the performance of an essential public func-
6 tion, neither the authority nor its agent shall be required to pay any taxes
7 or assessments upon or in respect of a project or any property acquired or
8 used by the authority or its agent under the provisions of this act or upon
9 the income therefrom, and any bonds issued under the provisions of this
10 act, their transfer and the income therefrom, including any profit made on
11 the sale thereof, shall at all times be free from taxation of every kind by
12 the State and by the municipalities and other political subdivisions in the
13 State.

1 25. The State of New Jersey does pledge to and agree with the holders
2 of the bonds, notes and other obligations issued pursuant to authority con-
3 tained in this act, and with those parties who may enter into contracts with
4 the authority pursuant to the provisions of this act, that the State will not
5 limit, alter or restrict the rights hereby vested in the authority and the
6 participating colleges to maintain, construct, reconstruct and operate any
7 project as defined in this act or to establish and collect such rents, fees, re-

8 cepts or other charges as may be convenient or necessary to produce suffi-
9 cient revenues to meet the expenses of maintenance and operation thereof
10 and to fulfill the terms of any agreements made with the holders of bonds
11 authorized by this act, and with the parties who may enter into contracts
12 with the authority pursuant to the provisions of this act, or in any way
13 impair the rights or remedies of the holders of such bonds or such parties
14 until the bonds, together with interest thereon, are fully paid and discharged
15 and such contracts are fully performed on the part of the authority. The
16 authority as a public body corporate and politic shall have the right to in-
17 clude the pledge herein made in its bonds and contracts.

1 26. On or before March 31 in each year, the authority shall make an
2 annual report of its activities for the preceding calendar year to the Gover-
3 nor and the Legislature. Each such report shall set forth a complete operating
4 and financial statement covering the authority's operations during the year.
5 The authority shall cause an audit of its books and accounts to be made at
6 least once in each year by certified public accountants.

1 27. Except as otherwise expressly provided in this act, any member,
2 officer, agent or employee of the authority who is interested, either directly
3 or indirectly, in any contract of another with the authority, or in the sale
4 of any property, either real or personal, to the authority, shall be guilty of
5 a misdemeanor.

1 28. The comptroller of the treasury and his legally authorized represen-
2 tatives are hereby authorized and empowered from time to time to examine
3 the accounts and books of the authority, including its receipts, disbursements,
4 contracts, sinking funds, investments and any other matters relating to its
5 financial standing.

1 29. The State Board of Education, or the Commissioner of Education, or
2 their representatives, may visit, examine into and inspect, the authority as
3 an institution under the educational supervision of the State, and may re-
4 quire, as often as desired, duly verified reports therefrom giving such infor-
5 mation and in such form as the board or the Commissioner of Education
6 shall prescribe.

1 30. The authority shall be entitled to call to its assistance and avail
2 itself of the services of such employees of any State department or agency
3 as it may require and as may be available to it for said purpose.

1 31. The foregoing sections of this act shall be deemed to provide an
2 additional and alternative method for the doing of the things authorized
3 thereby, and shall be regarded as supplemental and additional to powers
4 conferred by other laws, and shall not be regarded as in derogation of any
5 powers now existing; provided, however, that the issuance of bonds or re-
6 funding bonds under the provisions of this act need not comply with the
7 requirements of any other law applicable to the issuance of bonds.

1 32. This act, being necessary for the welfare of the State and its inhabit-
2 ants, shall be liberally construed to effect the purposes thereof.

1 33. If the provisions of any title, section or clause of this act or the
2 application thereof to any person, party, corporation, public or private, shall
3 be judged invalid by a court of competent jurisdiction, such order or judg-
4 ment shall be confined in its operation to the controversy in which it was
5 rendered, and shall not affect or invalidate the remainder of any provision
6 of any title, section or clause of this act or the application of any part
7 thereof to any other person, party, corporation or circumstance and, to this
8 end, the provisions of each title, section and clause of this act are hereby
9 declared to be severable.

1 34. The powers granted to the authority by this act may be exercised
2 without regard or reference to any department or agency of the State. All
3 other general or special laws, or parts thereof, inconsistent with this act are
4 hereby declared to be inapplicable to the provisions of this act.

1 35. In carrying out the provisions of this act the authority shall not be
2 subject to the provisions of section 4 of P. L. 1945, chapter 51.

1 36. There is hereby appropriated to the New Jersey Educational Facil-
2 ities Authority the sum of \$250,000.00 to carry out the purposes of this act.

1 37. This act shall take effect immediately.

FROM: Office of the Governor

FOR RELEASE: June 16, 1966

Governor Richard J. Hughes today at a public ceremony approved the following bills:

Senate Bill No. 415 -- creates the New Jersey Educational Facilities Authority and appropriates \$250,000 to carry out its purposes.

Senate Bill No. 440 -- authorizes the State to sell or lease land and any existing dormitory to the New Jersey Educational Facilities Authority for the construction of dormitories.

Senate Bill No. 441 -- authorizes Rutgers to sell or lease land and any existing dormitory to the New Jersey Educational Facilities Authority for the construction of dormitories.

Senate Bill No. 442 -- authorizes the Newark College of Engineering to sell or lease land and any existing dormitory to the New Jersey Educational Facilities Authority for the construction of dormitories.

Senate Bill No. 443 -- authorizes the New Jersey Medical and Dental College to sell or lease land and any existing dormitory to the New Jersey Educational Facilities Authority for the construction of dormitories.

Assembly Bill No. 826 -- provides for the awarding of State educational incentive grants.

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