

ASSEMBLY, No. 18

STATE OF NEW JERSEY

INTRODUCED MARCH 23, 1930

By Mr. M. H. THOMPSON

Referred to Committee on Judiciary

AN ACT to provide additional office building space for the use of the State of New Jersey and departments, agencies, counties, municipalities, and instrumentalities thereof and to establish the State Office Building Authority for that purpose.

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

1 1. Definitions. As used in this act, the following words and terms shall
2 have the following meanings, unless the context shall indicate another or
3 different meaning or intent:

4 a. The word "Authority" shall mean the State Office Building Author-
5 ity created by section two of this act.

6 b. The word "project" shall mean any office building or office buildings
7 acquired, leased, constructed or improved by the Authority pursuant to the
8 provisions of this act and all property constituting the same, and shall
9 include all structures and parking facilities and other appurtenances and
10 facilities together with all property rights, easements and interests in
11 property which may be acquired by the Authority for the construction or
12 improvement of any such project.

13 c. The word "bonds" shall mean bonds of the Authority authorized
14 under the provisions of this act.

15 d. The word "person" shall mean any person, association, corporation,
16 State or any agency or subdivision thereof.

17 e. The word "municipality" shall mean any city of any class, any bor-
18 ough, village, town, township or any other municipality, other than a county
19 or a school district.

20 f. The word "county" shall mean any county of any class.

21 g. The words "governing body" shall mean, in the case of a county,
22 the board of chosen freeholders and, in the case of a municipality, the com-
23 mission, council, board or body, by whatever name it may be known, having
24 charge of the finances of the municipality.

25 h. The words "municipal ordinance" shall mean a written act of the
26 governing body of a municipality adopted and otherwise approved and pub-
27 lished in the manner or mode or procedure prescribed for ordinances tend-
28 ing to obligate such municipality pecuniarily.

29 i. The words "county resolution" shall mean a written act of the gov-
30 erning body of a county, adopted and otherwise approved in the manner or
31 mode or procedure prescribed for resolutions tending to obligate such county
32 pecuniarily.

1 2. Creation of Authority. There is hereby created and established in
2 the Department of the Treasury, a body corporate and politic with cor-
3 porate succession, to be known as the "State Office Building Authority."
4 The Authority is hereby constituted an instrumentality exercising public
5 and essential governmental functions, and the exercise by the Authority of
6 the powers conferred by this act shall be deemed and held to be an essential
7 governmental function of the State.

1 3. General purpose of Authority. The Authority shall make plans for
2 and design projects at such locations and in such manner as the Authority
3 may deem necessary and desirable for the future welfare of the State and
4 its inhabitants, and shall acquire, lease, construct, improve, equip, repair,
5 finance and operate projects, and shall lease or otherwise contract for the
6 use of space in projects or parts thereof, but such leases shall be only to, and

7 such contracts only with the State or any departments, agencies, counties,
8 municipalities and instrumentalities thereof.

1 4. Appointment and terms of members. The Authority shall consist of
2 three members, each of whom shall be a citizen of the United States and a
3 resident of the State. Each member of the Authority shall be appointed by
4 the Governor with the advice and consent of the Senate, for a term of five
5 years, and shall serve until his successor is appointed and has qualified;
6 except that the initial appointments shall be for terms of two, three and five
7 years, and the Governor shall designate which of such members shall have
8 such terms of two, three and five years. Each member of the Authority,
9 before entering upon his duties, shall take and subscribe to an oath or
10 affirmation to support the Constitutions of the State and of the United States,
11 and to perform the duties of his office faithfully, impartially and justly, to
12 the best of his ability, and shall file a record of such oath or affirmation in
13 the office of the Secretary of State.

1 5. Vacancies. Any vacancy in the membership of the Authority other
2 than by expiration of term, shall be filled in the same manner as the original
3 appointment but for the unexpired term only.

1 6. Removal. Each member of the Authority may be removed from office
2 by the Governor for cause after a public hearing.

1 7. Members to serve without compensation. The members of the Authority
2 shall not receive compensation of the Authority for their services as mem-
3 bers of the Authority. Each member shall be reimbursed by the Authority
4 for his actual expenses properly incurred in the performance of his duties.

1 8. Quorum. The powers of the Authority shall be vested in the mem-
2 bers in office from time to time and shall be exercised by them without regard
3 or reference to any officer or agency of the State, except as otherwise ex-
4 pressly provided in this act. Two members of the Authority shall constitute
5 a quorum and the vote of two members shall be necessary for any action taken
6 by the Authority. No vacancy in the membership of the Authority shall im-
7 pair the right of a quorum to exercise all the rights and powers and perform
8 all the duties of the Authority.

1 **9. Officers.** The Governor shall designate one of the members of the
 2 Authority as chairman thereof and another member as vice-chairman thereof.
 3 The chairman and vice-chairman of the Authority so designated shall serve
 4 as such at the pleasure of the Governor and until their respective successors
 5 have been designated. The Authority shall appoint a secretary and a treas-
 6 urer and such other officers as it shall determine, none of whom need be mem-
 7 bers of the Authority.

8 Before the issuance of any bonds under the provisions of this act, the
 9 secretary and the treasurer and each member of the Authority shall each
 10 execute a surety bond in the penal sum of twenty-five thousand dollars
 11 (\$25,000.00) conditioned upon the faithful performance of the duties of the
 12 office of secretary or treasurer, or member, as the case may be, and executed
 13 by a surety company authorized to transact business in the State of New
 14 Jersey as surety. Each such bond shall be submitted to the Attorney-General
 15 for his approval and upon his approval shall be filed in the office of the Secre-
 16 tary of State prior to the issuance of any bonds by the Authority. At all
 17 times after the issuance of any bonds by the Authority the secretary and
 18 treasurer and each member shall maintain such surety bonds in full force and
 19 effect. All costs of such surety bonds shall be borne by the Authority.

1 **10. General powers.** The Authority shall have power:

- 2 a. to sue and be sued in its own name;
- 3 b. to adopt a seal and alter the same at pleasure;
- 4 c. to adopt by-laws for the regulation of its affairs and the conduct of
 5 its business;
- 6 d. to maintain an office or offices at such place or places within or with-
 7 out the State as it may designate;
- 8 e. to appoint such officers, who need not be members of the Authority, in
 9 addition to a secretary and a treasurer, as the Authority shall deem advisable.
 10 and to employ consulting engineers, accountants, construction and financial ex-
 11 perts, superintendents, managers, and such other employees and agents as
 12 may be necessary or desirable in its judgment; to fix their compensation;

13 and to promote and discharge such officers, employees and agents; all with-
14 out regard to the provisions of Title 11, Civil Service, of the Revised Stat-
15 utes; to utilize for a limited time the services of such employees of the State
16 as may be loaned by the State to the Authority and to fix and pay their
17 compensation during such period; *provided*, that such service by any such
18 employee shall not affect his civil service status or pension rights and that
19 at the end of said period or any extension thereof, he shall be returned to his
20 position in the State's service;

21 f. to acquire in the name of the Authority, hold and dispose of personal
22 property in the exercise of its powers and the performance of its duties under
23 this act.

24 g. to issue bonds of the Authority and to provide for the rights of the
25 holders thereof as provided in this act;

26 h. to acquire in the name of the Authority by purchase or otherwise on
27 such terms and conditions and in such manner as it may deem proper, or by
28 the exercise of the power of eminent domain as provided in this act, any land
29 and other property which it may determine is reasonably necessary for any
30 project, including public lands, parks, playgrounds, reservations, highways
31 or parkways owned by or in which any county or municipality has any right,
32 title or interest, and including any land devoted to public use, and any or all
33 rights, title and interests in such land and other property or parts thereof,
34 and any fees simple absolute in, easements upon, or the benefit of restrictions
35 upon the abutting property to preserve and protect any project; and to hold
36 and use the same and to sell, convey, lease or otherwise dispose of property
37 so acquired, no longer necessary for the Authority's corporate purposes;

38 i. subject to approval by the Governor to apply for and accept any grant
39 of money from the Federal Government to meet any expenses connected with
40 the purposes of this act and to subscribe to and comply with any rule or reg-
41 ulation made by the Federal Government with respect to the application of
42 such grant; and to enter into and perform any contract or agreement with
43 respect to the application of such grant;

44 j. to make, enter into and perform all contracts and agreements neces-
 45 sary or incidental to the performance of its duties and the execution of its
 46 powers under this act; and

47 k. to do all acts and things necessary or convenient to carry out the powers
 48 expressly granted in this act.

1 11. Additional powers. The Authority shall have power in particular:

2 a. to construct, maintain, equip, furnish, repair and operate a project
 3 or projects;

4 b. to lease any project or part thereof, to contract for the use of any
 5 space in any project and to contract for services to be rendered by the Au-
 6 thority in connection with any project but such leases shall be only to, and
 7 such contracts only with, the State or any departments, agencies, counties,
 8 municipalities and instrumentalities thereof;

9 c. to establish, alter, charge and collect rents and other charges for the
 10 use of any project or part thereof or for any services rendered by the Au-
 11 thority in connection therewith at reasonable rates to be determined by the
 12 Authority for the purpose of providing for the payment of the expenses of
 13 the Authority, the construction, improvement, repair, equipping, furnish-
 14 ing, maintaining and operation of its facilities and properties; the pay-
 15 ment of the principal of and interest on its obligations and to fulfill the
 16 terms and provisions of any agreements made with the purchasers or hold-
 17 ers of any such obligations;

18 d. to establish rules and regulations for the use of any project.

1 12. Power of counties and municipalities to contract with the Authority.
 2 Any county by county resolution and any municipality by municipal ordi-
 3 nance may enter into any lease with the Authority for any project or part
 4 thereof, or any contract with the Authority for the use of any space in any
 5 project, or any contract with the Authority for services to be rendered by
 6 the Authority in connection with any project. Any such lease or contract
 7 may provide for the payment by the county or the municipality of any rents
 8 or other charges to the Authority and may be made for a specified or an

9 unlimited time and on any terms and conditions which may be approved
10 by the county or the municipality and which may be agreed to by the Au-
11 thority. Such county or municipality is hereby authorized and directed to
12 do and perform any and all acts or things necessary, convenient or de-
13 sirable to carry out and perform every such contract and to provide for the
14 payment or discharge of any obligation thereunder in the same manner as
15 other obligations of such county or municipality. Any such contract shall
16 be valid and binding upon the county or municipality, notwithstanding that
17 no appropriation was made or provided to cover the cost or estimated cost
18 of the contract.

1 13. Power of counties and municipalities to convey or lease real prop-
2 erty. Notwithstanding the restrictions of any other laws, any county by
3 county resolution, and any municipality by municipal ordinance, may, with
4 or without consideration, convey or lease or contract to convey or lease to
5 or with the Authority any lands or interest therein or improvements thereon,
6 or any lands previously devoted to public use or any interests in such lands,
7 on such terms and conditions as the county or municipality may approve
8 and the Authority accept.

1 14. Appropriation by counties and municipalities. Any county or any
2 municipality shall have power, in the discretion of its governing body, to
3 appropriate moneys for the purposes of the Authority, and to loan or donate
4 such moneys to the Authority in such installments and upon such terms as
5 may be agreed upon between the county or municipality and the Authority.

1 15. Public bodies to pay rents and other charges. Each county, munic-
2 ipality or other public body shall promptly pay to the Authority all rents
3 and other charges which the Authority may charge to it, pursuant to any
4 lease or contract with the Authority and shall provide for the payment
5 thereof in the same manner as other obligations of such county, munic-
6 ipality or public body.

1 16. Condemnation. Upon the exercise by the Authority of the power of
2 eminent domain pursuant to paragraph h of section ten of this act, the com-

3 pension to be paid thereunder shall be ascertained and paid in the manner
4 provided in chapter one of Title 20 of the Revised Statutes in so far as the
5 provisions thereof are applicable and not inconsistent with the provisions
6 contained in this act. The Authority may join in separate subdivisions in
7 one petition or complaint the descriptions of any number of tracts or parcels
8 of land or property to be condemned and the names of any number of
9 owners and other parties who may have an interest therein and all such land
10 or property included in said petition or complaint may be condemned in a
11 single proceeding; *provided, however*, that separate awards be made for each
12 tract or parcel of land or property; *and provided further*, that each of said
13 tracts or parcels of land or property lies wholly in or has a substantial part
14 of its value lying wholly within the same county.

15 Upon the filing of such petition or complaint or at any time thereafter the
16 Authority may file with the clerk of the county in which such property is
17 located and also with the Clerk of the Superior Court a declaration of taking,
18 signed by the Authority, declaring that possession of one or more of the tracts
19 or parcels of land or property described in the petition or complaint is
20 thereby being taken by and for the use of the Authority. The said declara-
21 tion of taking shall be sufficient if it sets forth (1) a description of each
22 tract or parcel of land or property to be so taken sufficient for the identifia-
23 tion thereof to which there may or may not be attached a plan or map
24 thereof; (2) a statement of the estate or interest in the said land or prop-
25 erty being taken; (3) a statement of the sum of money estimated by the
26 Authority by resolution to be just compensation for the taking of the estate
27 or interest in each tract or parcel of land or property described in said
28 declaration; and (4) that, in compliance with the provisions of this act, the
29 Authority has established and is maintaining a trust fund as hereinafter
30 provided.

31 Upon the filing of the said declaration, the Authority shall deposit with
32 the Clerk of the Superior Court the amount of the estimated compensation
33 stated in said declaration. In addition to the said deposits with the Clerk

34 of the Superior Court the Authority at all times shall maintain a special
35 trust fund on deposit with a bank or trust company doing business in this
36 State in an amount at least equal to twice the aggregate amount deposited
37 with the Clerk of the Superior Court as estimated compensation for all
38 property described in declarations of taking with respect to which the com-
39 pensation has not been finally determined and paid to the persons entitled
40 thereto or into court. Said trust fund shall consist of cash or securities
41 readily convertible into cash constituting legal investments for trust funds
42 under the laws of this State. Said trust fund shall be held solely to secure
43 and may be applied to the payment of just compensation for the land or other
44 property described in such declaration of taking. The Authority shall be
45 entitled to withdraw from said trust fund from time to time so much as may
46 then be in excess of twice the aggregate of the amount deposited with the
47 Clerk of the Superior Court as estimated compensation for all property
48 described in declarations of taking with respect to which the compensation
49 has not been finally determined and paid to the persons entitled thereto or
50 into court.

51 Upon the filing of the said declaration as aforesaid and depositing with
52 the Clerk of the Superior Court the amount of the estimated compensation
53 stated in said declaration, the Authority, without other process or proceed-
54 ings, shall be entitled to the exclusive possession and use of each tract of land
55 or property described in said declaration and may forthwith enter into and
56 take possession of said land or property, it being the intent of this provision
57 that the proceedings for compensation or any other proceedings relating to
58 the taking of said land or interest therein or other property shall not delay
59 the taking of possession thereof and the use thereof by the Authority for the
60 purpose or purposes for which the Authority is authorized by law to acquire
61 or condemn such land or other property or interest therein.

62 The Authority shall cause notice of the filing of said declaration and the
63 making of said deposit to be served upon each party in interest named in
64 the petition residing in this State, either personally or by leaving a copy

65 thereof at his residence, if known, and upon each party in interest residing
66 out of the State, by mailing a copy thereof to him at his residence, if known.
67 In the event that the residence of any such party or the name of such party
68 is unknown, such notice shall be published at least once in a newspaper
69 published or circulating in the county or counties in which the land is located.
70 Such service, mailing or publication shall be made within ten days after
71 filing such declaration. Upon the application of any party in interest and
72 after notice to other parties in interest, including the Authority, any judge
73 of the Superior Court assigned to sit for said county may order that the
74 money deposited with the Clerk of the Superior Court or any part thereof be
75 paid forthwith to the person or persons entitled thereto for or on account
76 of the just compensation to be awarded in said proceeding: *provided*, that
77 each such person shall have filed with the Clerk of the Superior Court a
78 consent in writing that, in the event the award in the condemnation proceed-
79 ing shall be less than the amount deposited, the court, after notice as herein
80 provided and hearing, may determine his liability, if any, for the return of
81 such difference or any part thereof and enter judgment therefor. If the
82 amount of the award as finally determined shall exceed the amount so
83 deposited, the person or persons to whom the award is payable shall be
84 entitled to recover from the Authority the difference between the amount of
85 the deposit and the amount of the award, with interest at the rate of six per
86 centum (6%) per annum thereon from the date of making the deposit. If the
87 amount of the award shall be less than the amount so deposited, the Clerk
88 of the Superior Court shall return the difference between the amount of the
89 award and the deposit to the Authority unless the amount of the deposit or
90 any part thereof shall have theretofore been distributed, in which event the
91 court, on petition of the Authority and notice to all persons interested in the
92 award and affording them an opportunity to be heard, shall enter judgment
93 in favor of the Authority for such difference against the party or parties
94 liable for the return thereof. The Authority shall cause notice of the date
95 fixed for such hearing to be served upon each party thereto residing in this

96 State either personally or by leaving a copy thereof at his residence, if
 97 known, and upon each party residing out of the State by mailing a copy to
 98 him at his residence, if known. In the event that the residence of any party
 99 or the name of such party is unknown, such notice shall be published at least
 100 once in a newspaper published or circulating in the county or counties in
 101 which the land is located. Such service, mailing or publication shall be made
 102 at least ten days before the date fixed for such hearing.

103 Whenever under chapter one of Title 20 of the Revised Statutes the
 104 amount of the award may be paid into court, payment may be made into the
 105 Superior Court and may be distributed according to law. The Authority
 106 shall not abandon any condemnation proceeding subsequent to the date upon
 107 which it has taken possession of the land or property as herein provided.

1 17. Bonds. (a) The Authority shall have the power and is hereby au-
 2 thorized from time to time to issue its negotiable bonds for any of its cor-
 3 porate purposes and, whenever it deems refunding expedient to refund any
 4 bonds issued by it by the issuance of refunding bonds, whether the bonds to
 5 be refunded have or have not matured, and may issue bonds partially to re-
 6 fund bonds then outstanding and partially for any other of its corporate pur-
 7 poses. The refunding bonds may be exchanged for the bonds to be refunded
 8 with such cash adjustments as may be agreed, or may be sold and the pro-
 9 ceeds applied to the purchase, redemption or payment of the bonds to be re-
 10 funded, including interest thereon and any redemption premium payable
 11 thereon.

12 (b) Except as may be otherwise expressly provided by the Authority,
 13 every issue of bonds shall be general obligations payable out of any moneys
 14 or revenues of the Authority, subject only to any agreements with the hold-
 15 ers of particular bonds pledging any particular moneys or revenues.

16 (c) Whether or not bonds issued by the Authority are of such form and
 17 character as to be negotiable instruments, such bonds shall be fully nego-
 18 tiable within the meaning and for all the purposes of the Negotiable Instru-
 19 20 ments Law subject only to any provisions of the bonds for registration.

21 (d) The Authority may issue temporary or interim bonds, pending the
22 preparation of definitive bonds, exchangeable for definitive bonds.

23 (e) Bonds shall be authorized by resolution of the Authority and shall
24 bear such date or dates, mature at such time or times, bear interest at such
25 rate or rates not exceeding six per centum (6%) per annum, be in such de-
26 nominations, be in such form either coupon or registered, carry such regis-
27 tration privileges, be executed in such manner, be payable in such medium
28 of payment and at such place or places, and be subject to such terms of re-
29 demption with or without premium as such resolution or resolutions may pro-
30 vide. Bonds may be sold at public or private sale, for such price or prices as
31 the Authority shall determine.

32 (f) Any resolution of the Authority authorizing the issuance of bonds
33 may appoint a trustee or trustees, a paying agent or paying agents, or such
34 other fiduciaries as such resolution may provide. Any trustee, paying agent
35 and other fiduciary so appointed may be any trust company or bank having
36 the powers of a trust company within or without the State.

37 (g) In order to secure the payment of its bonds, the Authority shall
38 have power in the resolution authorizing the issuance of the bonds (which
39 shall constitute a contract with the bondholders):

40 (i) to pledge all or any part of its rents or revenues to which its right
41 then exists or may thereafter come into existence, and the moneys de-
42 rived therefrom, and the proceeds of bonds.

43 (ii) to covenant against pledging all or any part of its rents or reve-
44 nues, or against mortgaging all or any part of its real or personal prop-
45 erty then owned or thereafter acquired, or against permitting or suffer-
46 ing any lien or such rents, revenues or property; to covenant with
47 respect to limitations on its right to sell, lease or otherwise dispose of
48 any project or any part thereof, or any property of any kind;

49 (iii) to covenant as to the bonds to be issued and the limitations there-
50 on and the terms and conditions thereof and as to the custody, applica-
51 tion and disposition of the proceeds thereof, and to covenant as to the

52 issuance of additional bonds or as to limitations on the issuance of ad-
53 ditional bonds and on the incurring of other debts by it;

54 (iv) to covenant as to the payment of the principal of or interest on the
55 bonds, or any other obligations, as to the sources and methods of such
56 payment, as to the rank or priority of any such bonds or obligations with
57 respect to any lien or security or as to the acceleration of the maturity
58 of any such bonds or obligations;

59 (v) to provide for the replacement of lost, destroyed or mutilated
60 bonds;

61 (vi) to covenant against extending the time for the payment of bonds
62 or interest thereon;

63 (vii) to covenant as to the redemption of bonds and to provide for
64 the redemption premiums and other terms and conditions thereof;

65 (viii) to covenant as to the rates of rents and other charges to be
66 established and charged, the amount to be raised each year or other
67 period of time by rents or other revenues and as to the use and dispo-
68 sition to be made thereof; to create or authorize the creation of special
69 funds or moneys to be held in pledge or otherwise for construction, op-
70 erating expenses, payment or redemption of bonds, reserves or other
71 purposes and to covenant as to the use and disposition of the moneys
72 held in such funds;

73 (ix) to establish the procedure, if any, by which the terms of any
74 contract or covenant with or for the benefit of the bondholders may be
75 amended or abrogated, the amount of bonds the holders of which must
76 consent thereto, and the manner in which such consent may be given;

77 (x) to covenant as to the maintenance of its real and personal prop-
78 erty, the replacement thereof, the insurance to be carried thereon, and
79 the use and disposition of insurance moneys;

80 (xi) to provide for the rights and liabilities, powers and duties aris-
81 ing upon the breach of any covenant, condition or obligation; to pre-
82 scribe the events of default and the terms and conditions upon which any

83 or all of the bonds shall become or may be declared due and payable
84 before maturity and the terms and conditions upon which any such dec-
85 laration and its consequences may be waived;

86 (xii) to vest in a trustee or trustees such property, rights, powers and
87 duties in trust for the bondholders, as the Authority may determine,
88 which may include any or all of the rights, powers and duties of the
89 statutory trustee appointed by the holders of bonds pursuant to para-
90 graph (b) of the next following section of this act; to limit or abrogate
91 the rights of the holders of such bonds to appoint such statutory trust-
92 tee, or to limit the rights, duties and powers of such statutory trustee;

93 (xiii) to limit the rights of the bondholders to enforce any pledge
94 or covenant securing the bonds; and

95 (xiv) to make covenants other than and in addition to the covenants
96 herein expressly authorized, of like or different character; and to make
97 such covenants to do or refrain from doing such acts and things as may
98 be necessary or convenient or desirable in order to better secure the
99 bonds or which, in the absolute discretion of the Authority, will tend to
100 make the bonds more marketable, notwithstanding that such covenants,
101 acts or things may not be enumerated herein;

102 (h) Any pledge of rents or other revenues or other moneys made by the
103 Authority shall be valid and binding from the time when the pledge is made;
104 the rents or other revenues or other moneys so pledged and thereafter re-
105 ceived by the Authority shall immediately be subject to the lien of such
106 pledge without any physical delivery thereof or further act, and the lien of
107 any such pledge shall be valid and binding as against all parties having
108 claims of any kind in tort, contract or otherwise against the Authority, irre-
109 spective of whether such parties have notice thereof. Neither the resolution
110 nor any other instrument by which a pledge is created need be filed or re-
111 corded except in the records of the Authority.

112 (i) Bonds may be issued under the provisions of this act without ob-
113 taining the consent of any department, division, commission, board, bureau

114 or agency of the State, and without any other proceeding or the happening of
 115 any other conditions or things than those proceedings, conditions or things
 116 which are specifically required by this act.

117 (j) The Authority shall not have power to mortgage real property.

118 ~~(k) Moneys of the Authority or moneys held in pledge or otherwise for~~
 119 the payment of bonds or in any way to secure bonds and deposits of such
 120 moneys may be secured in such manner as the Authority may require and
 121 all banks and trust companies are authorized to give such security there-
 122 for.

123 (l) Neither the members of the Authority nor any person executing the
 124 bonds shall be liable personally on the bonds or be subject to any personal
 125 liability or accountability by reason of the issuance thereof.

126 (m) The Authority shall have the power to purchase bonds out of any
 127 funds available therefor. The Authority may hold, cancel or resell such
 128 bonds subject to and in accordance with agreements with bondholders.

1 18. Remedies and statutory trustees. (a) The provisions of this section
 2 shall be applicable to an issue of bonds authorized or issued by the Authority
 3 only if the resolution of the Authority authorizing or providing for the issu-
 4 ance of such bonds shall provide in substance that the holders of the bonds
 5 of such issue shall be entitled to the benefits and be subject to the pro-
 6 visions of this section.

7 (b) In the event that there shall be a default in the payment of prin-
 8 cipal or of interest on any bonds of such issue after the same shall become
 9 due, whether at maturity or upon call for redemption, and such default shall
 10 continue for a period of thirty days, or in the event that the Authority shall
 11 fail or refuse to comply with the provisions of this act or shall fail or refuse
 12 to carry out and perform the terms of any contract or covenant with or for
 13 the benefit of the holders of any of such bonds, and such failure or refusal
 14 shall continue for a period of thirty days after written notice by any holder
 15 of bonds of such issue or by a trustee for bondholders to the Authority of
 16 its existence and nature, the holders of twenty five per centum (25%) in

17 aggregate principal amount of the bonds of such issue then outstanding by
18 instrument or instruments filed in the office of the Secretary of State and
19 proved or acknowledged in the same manner as a deed to be recorded, may
20 appoint a statutory trustee to represent the holders of the bonds of such
21 issue for the purposes provided in this section.

22 (c) Such statutory trustee may and upon written request of the holders
23 of twenty-five per centum (25%) in aggregate principal amount of the bonds
24 of such issue then outstanding shall, in his or its own name:

25 (i) by civil action in lieu of prerogative writ or by any other civil
26 action or suit, enforce all rights of the holders of such bonds, including
27 the right to require the Authority to charge and collect rents and other
28 revenues adequate to carry out any contract as to, or pledge of, such
29 rents and revenues, and to require the Authority to carry out and per-
30 form the terms of any contract or covenant with or for the benefit of the
31 holders of such bonds or its duties under this act;

32-33 (ii) bring action or suit upon all or any part of such bonds or
34 interest coupons or claims appurtenant thereto;

35 (iii) by action or suit require the Authority to account as if it were
36 the trustee of an express trust for the holders of such bonds;

37 (iv) by action or suit enjoin any acts or things which may be un-
38 lawful or in violation of the covenants of the Authority or the rights
39 of the holders of such bonds; or

40 (v) declare all such bonds due and payable, whether or not in
41 advance of maturity, upon thirty days' prior notice in writing to the
42 Authority and if all defaults shall be made good, then with the consent
43 of the holders of twenty-five per centum (25%) of the principal amount
44 of such bonds then outstanding, to annul such declaration and its
45 consequences.

46 (d) Before declaring the principal of all such bonds due and payable
47 the trustee shall first give thirty days' notice in writing to the Authority.

48 (e) Any such trustee, whether or not the issue of bonds represented by

49 such trustee has been declared due and payable, shall be entitled as of right
 50 to the appointment of a receiver of any part or parts of the project the rents
 51 or other revenues of which are pledged for the security of the bonds of such
 52 issue and such receiver may enter and take possession of such part or parts
 53 of the project and ~~subject to any pledge or agreement with bondholders shall~~
 54 take possession of all moneys and other property derived from or applicable
 55 to the construction, operation, maintenance and reconstruction of such part or
 56 parts of the project and proceed with any construction thereon which the
 57 Authority is under obligation to do and to operate, maintain and reconstruct
 58 such part or parts of the project and collect and receive all rents and other
 59 revenues thereafter arising therefrom subject to any pledge thereof or
 60 agreement with bondholders relating thereto and perform the public duties
 61 and carry out the agreements and obligations of the Authority under the
 62 direction of the court. In any suit, action or proceeding by the trustee the
 63 fees, counsel fees and expenses of the trustee and of the receiver, if any,
 64 shall constitute taxable disbursements and all costs and disbursements
 65 allowed by the court shall be a first charge on any rents and other revenues
 66 derived from such project.

67 (F) Such trustee shall, in addition to the foregoing, have and possess all
 68 of the powers necessary or appropriate for the exercise of any functions
 69 specifically set forth herein or incident to the general representation of
 70 bondholders in the enforcement and protection of their rights.

1 19. Credit of State and political subdivisions not pledged. Bonds under
 2 the provisions of this act shall not be deemed to constitute a debt or li-
 3 bility of the State or of any political subdivision thereof or a pledge of the
 4 faith and credit of the State or of any such political subdivision. All such
 5 bonds shall contain on the face thereof a statement to the effect that neither
 6 the State nor any political subdivision thereof is pledged to pay the same or
 7 the interest thereon and that neither the faith and credit nor the taxing
 8 power of the State, or of any political subdivision thereof is pledged to the
 9 payment of the principal of or the interest on such bonds.

1 20. Agreement of State. The State of New Jersey does pledge to and
2 agree with the holders of the bonds issued pursuant to authority contained
3 in this act, that the State will not limit or restrict the rights hereby vested
4 in the Authority to maintain, construct, reconstruct and operate any project
5 as defined in this act or to establish and collect such rents, fees, receipts or
6 other charges as may be convenient or necessary to produce sufficient reve-
7 nues to meet the expenses of maintenance and operation thereof and to ful-
8 fill the terms of any agreements made with the holders of bonds authorized
9 by this act or in any way impair the rights or remedies of the holders of
10 such bonds until the bonds, together with interest thereon, are fully paid
11 and discharged.

1 21. Exemption from taxation. The exercise of the powers granted by this
2 act will be in all respects for the benefit of the people of the State, and as
3 the operation and maintenance of projects by the Authority will constitute
4 the performance of a governmental function, the Authority shall not be re-
5 quired to pay any taxes or assessments upon any project acquired or used
6 by the Authority under the provisions of this act or upon the income there-
7 from, and any project and any property acquired or used by the Authority
8 under the provisions of this act and the income therefrom, and the bonds
9 issued under the provisions of this act, their transfer and the income
10 therefrom (including any profit made on the sale thereof) shall be exempt
11 from taxation.

1 22. Bonds eligible for investment. Bonds issued by the Authority under
2 the provisions of this act are hereby made securities in which the State
3 and all political subdivisions of this State, their officers, boards, commis-
4 sions, departments or other agencies, all banks, bankers, savings banks,
5 trust companies, savings and loan associations, investment companies and
6 other persons carrying on a banking business, all insurance companies, in-
7 surance associations, and other persons carrying on an insurance business
8 and all administrators, executors, guardians, trustees and other fiduciaries
9 and all other persons whatsoever who now are or may hereafter be author

10 ined to invest in bonds or other obligations of the State, may properly and
 11 legally invest any funds, including capital belonging to them or within their
 12 control; and said bonds or other securities or obligations are hereby made
 13 securities which may properly and legally be deposited with and received by
~~14 any State or municipal office or agency of the State for any purpose for~~
 15 which the deposit or bonds or other obligations of the State is now or may
 16 hereafter be authorized by law.

1 23. Annual report. On or before the twenty-eighth day of February in
 2 each year, the Authority shall make an annual report of its activities for
 3 the preceding calendar year to the Governor and the Legislature. Each
 4 such report shall set forth a complete operating and financial statement
 5 covering the Authority's operations during the year. The Authority shall
 6 cause an audit of its books and accounts to be made at least once in each
 7 year by certified public accountants.

1 24. Interested members, agents or employees. Any member, agent or em-
 2 ployee of the Authority who is interested, either directly or indirectly, in
 3 any contract of another with the Authority, or in the sale of any property,
 4 either real or personal, to the Authority, shall be guilty of a misdemeanor
 5 and punished by fine of not more than one thousand dollars (\$1,000.00) or
 6 by imprisonment for not more than one year, or both.

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

1 26. Act liberally construed. This act, being necessary for the welfare
 2 of the State and its inhabitants, shall be liberally construed to effect the
 3 purposes thereof.

1 **27. Severability.** If any provision of this act or the application thereof
2 to any person or circumstance is held invalid, such invalidity shall not
3 affect other provisions or applications of the act which can be given effect
4 without the invalid provisions or application and to this end the provisions
5 of this act are declared to be severable.

1 **28. Inconsistent laws inapplicable.** The powers granted to the Authority
2 by this act may be exercised without regard or reference to any department
3 or agency of the State. All other general or special laws, or parts thereof,
4 inconsistent with this act are hereby declared to be inapplicable to the pro-
5 visions of this act.

1 **29. Short title.** This act shall be known as, and may be cited as, the
2 "State Office Building Authority Act of 1950."

1 **30. Effective date.** This act shall take effect immediately.

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 18

STATE OF NEW JERSEY

INTRODUCED MARCH 23, 1950

By Mr. M. H. THOMPSON

Referred to Committee on Judiciary

AN ACT to provide additional office building space for the use of the State of New Jersey and departments, agencies, counties, municipalities, and instrumentalities thereof and to establish the State Office Building Authority for that purpose.

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

3 1. Definitions. As used in this act, the following words and terms shall
4 have the following meanings, unless the context shall indicate another or
5 different meaning or intent:

6 a. The word "Authority" shall mean the State Office Building Author-
7 ity created by section two of this act.

8 b. The word "project" shall mean any office building or office buildings
9 acquired, leased, constructed or improved by the Authority pursuant to the
10 provisions of this act and all property constituting the same, and shall
11 include all structures and parking facilities and other appurtenances and
12 facilities together with all property rights, easements and interests in
13 property which may be required by the Authority for the construction or
14 improvement of any such project.

15 c. The word "bonds" shall mean bonds of the Authority authorized
16 under the provisions of this act.

15 d. The word "person" shall mean any person, association, corporation,
16 State or any agency or subdivision thereof.

17 e. The word "municipality" shall mean any city of any class, any bor-
18 ough, village, town, township or any other municipality, other than a county
19 or a school district.

20 f. The word "county" shall mean any county of any class.

21 g. The words "governing body" shall mean, in the case of a county,
22 the board of chosen freeholders and, in the case of a municipality, the com-
23 mission, council, board or body, by whatever name it may be known, having
24 charge of the finances of the municipality.

25 h. The words "municipal ordinance" shall mean a written act of the
26 governing body of a municipality adopted and otherwise approved and pub-
27 lished in the manner or mode or procedure prescribed for ordinances tend-
28 ing to obligate such municipality pecuniarily.

29 i. The words "county resolution" shall mean a written act of the gov-
30 erning body of a county, adopted and otherwise approved in the manner or
31 mode or procedure prescribed for resolutions tending to obligate such county
32 pecuniarily.

1 2. Creation of Authority. There is hereby created and established in
2 the Department of the Treasury, a body corporate and politic with cor-
3 porate succession, to be known as the "State Office Building Authority."
4 The Authority is hereby constituted an instrumentality exercising public
5 and essential governmental functions, and the exercise by the Authority of
6 the powers conferred by this act shall be deemed and held to be an essential
7 governmental function of the State.

1 3. General purpose of Authority. The Authority shall make plans for
2 and design projects at such locations and in such manner as the Authority
3 may deem necessary and desirable for the future welfare of the State and
4 its inhabitants, and shall acquire, lease, construct, improve, equip, repair,
5 finance and operate projects, and shall lease or otherwise contract for the
6 use of space in projects or parts thereof, but such leases shall be only to, and

7 such contracts only with the State or any departments, agencies, counties,
8 municipalities and instrumentalities thereof.

1 4. Appointment and terms of members. The Authority shall consist of
2 three members, each of whom shall be a citizen of the United States and a
3 resident of the State. ~~Each member of the Authority shall be appointed by~~
4 the Governor with the advice and consent of the Senate, for a term of five
5 years, and shall serve until his successor is appointed and has qualified;
6 except that the initial appointments shall be for terms of two, three and five
7 years, and the Governor shall designate which of such members shall have
8 such terms of two, three and five years. Each member of the Authority,
9 before entering upon his duties, shall take and subscribe to an oath or
10 affirmation to support the Constitutions of the State and of the United States,
11 and to perform the duties of his office faithfully, impartially and justly, to
12 the best of his ability, and shall file a record of such oath or affirmation in
13 the office of the Secretary of State.

1 5. Vacancies. Any vacancy in the membership of the Authority other
2 than by expiration of term, shall be filled in the same manner as the original
3 appointment but for the unexpired term only.

1 6. Removal. Each member of the Authority may be removed from office
2 by the Governor for cause after a public hearing.

1 7. Members to serve without compensation. The members of the Authority
2 shall not receive compensation of the Authority for their services as mem-
3 bers of the Authority. Each member shall be reimbursed by the Authority
4 for his actual expenses properly incurred in the performance of his duties.

1 8. Quorum. The powers of the Authority shall be vested in the mem-
2 bers in office from time to time and shall be exercised by them without regard
3 or reference to any officer or agency of the State, except as otherwise ex-
4 pressly provided in this act. Two members of the Authority shall constitute
5 a quorum and the vote of two members shall be necessary for any action taken
6 by the Authority. No vacancy in the membership of the Authority shall im-
7 pair the right of a quorum to exercise all the rights and powers and perform
8 all the duties of the Authority.

1 **9. Officers.** The Governor shall designate one of the members of the
 2 Authority as chairman thereof and another member as vice-chairman thereof.
 3 The chairman and vice-chairman of the Authority so designated shall serve
 4 as such at the pleasure of the Governor and until their respective successors
 5 have been designated. The Authority shall appoint a secretary and a treas-
 6 urer and such other officers as it shall determine, none of whom need be mem-
 7 bers of the Authority.

8 Before the issuance of any bonds under the provisions of this act, the
 9 secretary and the treasurer and each member of the Authority shall each
 10 execute a surety bond in the penal sum of twenty-five thousand dollars
 11 (\$25,000.00) conditioned upon the faithful performance of the duties of the
 12 office of secretary or treasurer, or member, as the case may be, and executed
 13 by a surety company authorized to transact business in the State of New
 14 Jersey as surety. Each such bond shall be submitted to the Attorney-General
 15 for his approval and upon his approval shall be filed in the office of the Secre-
 16 tary of State prior to the issuance of any bonds by the Authority. At all
 17 times after the issuance of any bonds by the Authority the secretary and
 18 treasurer and each member shall maintain such surety bonds in full force and
 19 effect. All costs of such surety bonds shall be borne by the Authority.

1 **10. General powers.** The Authority shall have power:

- 2 a. to sue and be sued in its own name;
- 3 b. to adopt a seal and alter the same at pleasure;
- 4 c. to adopt by-laws for the regulation of its affairs and the conduct of
 5 its business;
- 6 d. to maintain an office or offices at such place or places within or with-
 7 out the State as it may designate;
- 8 e. to appoint such officers, who need not be members of the Authority, in
 9 addition to a secretary and a treasurer, as the Authority shall deem advisable,
 10 and to employ consulting engineers, accountants, construction and financial ex-
 11 perts, superintendents, managers, and such other employees and agents as
 12 may be necessary or desirable in its judgment; to fix their compensation;

13 and to promote and discharge such officers, employees and agents; all with-
14 out regard to the provisions of Title 11, Civil Service, of the Revised Stat-
15 utes; to utilize for a limited time the services of such employees of the State
16 as may be loaned by the State to the Authority and to fix and pay their
17 compensation during such period; *provided*, that such service by any such
18 employee shall not affect his civil service status or pension rights and that
19 at the end of said period or any extension thereof, he shall be returned to his
20 position in the State's service;

21 f. to acquire in the name of the Authority, hold and dispose of personal
22 property in the exercise of its powers and the performance of its duties under
23 this act.

24 g. to issue bonds of the Authority and to provide for the rights of the
25 holders thereof as provided in this act;

26 h. to acquire in the name of the Authority by purchase or otherwise on
27 such terms and conditions and in such manner as it may deem proper, or by
28 the exercise of the power of eminent domain as provided in this act, any land
29 and other property which it may determine is reasonably necessary for any
30 project, including public lands, parks, playgrounds, reservations, highways
31 or parkways owned by or in which any county or municipality has any right,
32 title or interest, and including any land devoted to public use, and any or all
33 rights, title and interests in such land and other property or parts thereof,
34 and any fees simple absolute in, easements upon, or the benefit of restrictions
35 upon the abutting property to preserve and protect any project; and to hold
36 and use the same and to sell, convey, lease or otherwise dispose of property
37 so acquired, no longer necessary for the Authority's corporate purposes;

38 i. subject to approval by the Governor to apply for and accept any grant
39 of money from the Federal Government to meet any expenses connected with
40 the purposes of this act and to subscribe to and comply with any rule or reg-
41 ulation made by the Federal Government with respect to the application of
42 such grant; and to enter into and perform any contract or agreement with
43 respect to the application of such grant;

44 j. to make, enter into and perform all contracts and agreements neces-
45 sary or incidental to the performance of its duties and the execution of its
46 powers under this act; and

47 k. to do all acts and things necessary or convenient to carry out the powers
48 expressly granted in this act.

1 11. Additional powers. The Authority shall have power in particular:

2 a. to construct, maintain, equip, furnish, repair and operate a project
3 or projects;

4 b. to lease any project or part thereof, to contract for the use of any
5 space in any project and to contract for services to be rendered by the Au-
6 thority in connection with any project but such leases shall be only to, and
7 such contracts only with, the State or any departments, agencies, counties,
8 municipalities and instrumentalities thereof;

9 c. to establish, alter, charge and collect rents and other charges for the
10 use of any project or part thereof or for any services rendered by the Au-
11 thority in connection therewith at reasonable rates to be determined by the
12 Authority for the purpose of providing for the payment of the expenses of
13 the Authority, the construction, improvement, repair, equipping, furnish-
14 ing, maintaining and operation of its facilities and properties; the pay-
15 ment of the principal of and interest on its obligations and to fulfill the
16 terms and provisions of any agreements made with the purchasers or hold-
17 ers of any such obligations;

18 d. to establish rules and regulations for the use of any project.

1 12. Power of counties and municipalities to contract with the Authority.

2 Any county by county resolution and any municipality by municipal ordi-
3 nance may enter into any lease with the Authority for any project or part
4 thereof, or any contract with the Authority for the use of any space in any
5 project, or any contract with the Authority for services to be rendered by
6 the Authority in connection with any project. Any such lease or contract
7 may provide for the payment by the county or the municipality of any rents
8 or other charge to the Authority and may be made for a specified or an

9 unlimited time and on any terms and conditions which may be approved
 10 by the county or the municipality and which may be agreed to by the Au-
 11 thority. Such county or municipality is hereby authorized and directed to
 12 do and perform any and all acts or things necessary, convenient or de-
 13 sirable to carry out and perform ~~any contract~~ and to provide for the
 14 payment or discharge of any obligation thereunder in the same manner as
 15 other obligations of such county or municipality. Any such contract shall
 16 be valid and binding upon the county or municipality, notwithstanding that
 17 no appropriation was made or provided to cover the cost or estimated cost
 18 of the contract.

4 13. Power of counties and municipalities to convey or lease real prop-
 2 erty. Notwithstanding the restrictions of any other laws, any county by
 3 county resolution, and any municipality by municipal ordinance, may, with
 4 or without consideration, convey or lease or contract to convey or lease to
 5 or with the Authority any lands or interest therein or improvements thereon,
 6 or any lands previously devoted to public use or any interests in such lands,
 7 on such terms and conditions as the county or municipality may approve
 8 and the Authority accept.

1 14. Appropriation by counties and municipalities. Any county or any
 2 municipality shall have power, in the discretion of its governing body, to
 3 appropriate moneys for the purposes of the Authority, and to loan or donate
 4 such moneys to the Authority in such installments and upon such terms as
 5 may be agreed upon between the county or municipality and the Authority.

1 15. Public bodies to pay rents and other charges. Each county, munic-
 2 ipality or other public body shall promptly pay to the Authority all rents
 3 and other charges which the Authority may charge to it, pursuant to any
 4 lease or contract with the Authority and shall provide for the payment
 5 thereof in the same manner as other obligations of such county, munic-
 6 ipality or public body.

1 16. Condemnation. Upon the exercise by the Authority of the power of
 2 eminent domain pursuant to paragraph h of section ten of this act, the com-

3 pension to be paid thereunder shall be ascertained and paid in the manner
4 provided in chapter one of Title 20 of the Revised Statutes in so far as the
5 provisions thereof are applicable and not inconsistent with the provisions
6 contained in this act. The Authority may join in separate subdivisions in
7 one petition or complaint the descriptions of any number of tracts or parcels
8 of land or property to be condemned and the names of any number of
9 owners and other parties who may have an interest therein and all such land
10 or property included in said petition or complaint may be condemned in a
11 single proceeding; *provided, however*, that separate awards be made for each
12 tract or parcel of land or property; *and provided further*, that each of said
13 tracts or parcels of land or property lies wholly in or has a substantial part
14 of its value lying wholly within the same county.

15 Upon the filing of such petition or complaint or at any time thereafter the
16 Authority may file with the clerk of the county in which such property is
17 located and also with the Clerk of the Superior Court a declaration of taking,
18 signed by the Authority, declaring that possession of one or more of the tracts
19 or parcels of land or property described in the petition or complaint is
20 thereby being taken by and for the use of the Authority. The said declara-
21 tion of taking shall be sufficient if it sets forth (1) a description of each
22 tract or parcel of land or property to be so taken sufficient for the identifica-
23 tion thereof to which there may or may not be attached a plan or map
24 thereof; (2) a statement of the estate or interest in the said land or prop-
25 erty being taken; (3) a statement of the sum of money estimated by the
26 Authority by resolution to be just compensation for the taking of the estate
27 or interest in each tract or parcel of land or property described in said
28 declaration; and (4) that, in compliance with the provisions of this act, the
29 Authority has established and is maintaining a trust fund as hereinafter
30 provided.

31 Upon the filing of the said declaration, the Authority shall deposit with
32 the Clerk of the Superior Court the amount of the estimated compensation
33 stated in said declaration. In addition to the said deposits with the Clerk

34 of the Superior Court the Authority at all times shall maintain a special
35 trust fund on deposit with a bank or trust company doing business in this
36 State in an amount at least equal to twice the aggregate amount deposited
37 with the Clerk of the Superior Court as estimated compensation for all
38 ~~property described in declarations of taking with respect to which the com-~~
39 pensation has not been finally determined and paid to the persons entitled
40 thereto or into court. Said trust fund shall consist of cash or securities
41 readily convertible into cash constituting legal investments for trust funds
42 under the laws of this State. Said trust fund shall be held solely to secure
43 and may be applied to the payment of just compensation for the land or other
44 property described in such declaration of taking. The Authority shall be
45 entitled to withdraw from said trust fund from time to time so much as may
46 then be in excess of twice the aggregate of the amount deposited with the
47 Clerk of the Superior Court as estimated compensation for all property
48 described in declarations of taking with respect to which the compensation
49 has not been finally determined and paid to the persons entitled thereto or
50 into court.

51 Upon the filing of the said declaration as aforesaid and depositing with
52 the Clerk of the Superior Court the amount of the estimated compensation
53 stated in said declaration, the Authority, without other process of proceed-
54 ings, shall be entitled to the exclusive possession and use of each tract of land
55 or property described in said declaration and may forthwith enter into and
56 take possession of said land or property, it being the intent of this provision
57 that the proceedings for compensation or any other proceedings relating to
58 the taking of said land or interest therein or other property shall not delay
59 the taking of possession thereof and the use thereof by the Authority for the
60 purpose or purposes for which the Authority is authorized by law to acquire
61 or condemn such land or other property or interest therein.

62 The Authority shall cause notice of the filing of said declaration and the
63 making of said deposit to be served upon each party in interest named in
64 the petition residing in this State, either personally or by leaving a copy

65 thereof at his residence, if known, and upon each party in interest residing
66 out of the State, by mailing a copy thereof to him at his residence, if known.
67 In the event that the residence of any such party or the name of such party
68 is unknown, such notice shall be published at least once in a newspaper
69 published or circulating in the county or counties in which the land is located.
70 Such service, mailing or publication shall be made within ten days after
71 filing such declaration. Upon the application of any party in interest and
72 after notice to other parties in interest, including the Authority, any judge
73 of the Superior Court assigned to sit for said county may order that the
74 money deposited with the Clerk of the Superior Court or any part thereof be
75 paid forthwith to the person or persons entitled thereto for or on account
76 of the just compensation to be awarded in said proceeding; *provided*, that
77 each such person shall have filed with the Clerk of the Superior Court a
78 consent in writing that, in the event the award in the condemnation proceed-
79 ing shall be less than the amount deposited, the court, after notice as herein
80 provided and hearing, may determine his liability, if any, for the return of
81 such difference or any part thereof and enter judgment therefor. If the
82 amount of the award as finally determined shall exceed the amount so
83 deposited, the person or persons to whom the award is payable shall be
84 entitled to recover from the Authority the difference between the amount of
85 the deposit and the amount of the award, with interest at the rate of six per
86 centum (6%) per annum thereon from the date of making the deposit. If the
87 amount of the award shall be less than the amount so deposited, the Clerk
88 of the Superior Court shall return the difference between the amount of the
89 award and the deposit to the Authority unless the amount of the deposit or
90 any part thereof shall have theretofore been distributed, in which event the
91 court, on petition of the Authority and notice to all persons interested in the
92 award and affording them an opportunity to be heard, shall enter judgment
93 in favor of the Authority for such difference against the party or parties
94 liable for the return thereof. The Authority shall cause notice of the date
95 fixed for such hearing to be served upon each party thereto residing in this

96 State either personally or by leaving a copy thereof at his residence, if
 97 known, and upon each party residing out of the State by mailing a copy to
 98 him at his residence, if known. In the event that the residence of any party
 99 or the name of such party is unknown, such notice shall be published at least
 100 once in a newspaper published or circulating in the county or counties in
 101 which the land is located. Such service, mailing or publication shall be made
 102 at least ten days before the date fixed for such hearing.

103 Whenever under chapter one of Title 20 of the Revised Statutes the
 104 amount of the award may be paid into court, payment may be made into the
 105 Superior Court and may be distributed according to law. The Authority
 106 shall not abandon any condemnation proceeding subsequent to the date upon
 107 which it has taken possession of the land or property as herein provided.

1 17. Bonds. (a) The Authority shall have the power and is hereby au-
 2 thorized from time to time to issue its negotiable bonds for any of its cor-
 3 porate purposes and, whenever it deems refunding expedient to refund any
 4 bonds issued by it by the issuance of refunding bonds, whether the bonds to
 5 be refunded have or have not matured, and may issue bonds partially to re-
 6 fund bonds then outstanding and partially for any other of its corporate pur-
 7 poses. The refunding bonds may be exchanged for the bonds to be refunded
 8 with such cash adjustments as may be agreed, or may be sold and the pro-
 9 ceeds applied to the purchase, redemption or payment of the bonds to be re-
 10 funded, including interest thereon and any redemption premium payable
 11 thereon.

12 (b) Except as may be otherwise expressly provided by the Authority,
 13 every issue of bonds shall be general obligations payable out of any moneys
 14 or revenues of the Authority, subject only to any agreements with the hold-
 15 ers of particular bonds pledging any particular moneys or revenues.

16 (c) Whether or not bonds issued by the Authority are of such form and
 17 character as to be negotiable instruments, such bonds shall be fully nego-
 18 tiable within the meaning and for all the purposes of the Negotiable Instru-
 19 20 ments Law subject only to any provisions of the bonds for registration.

21 (d) The Authority may issue temporary or interim bonds, pending the
22 preparation of definitive bonds, exchangeable for definitive bonds.

23 (e) Bonds shall be authorized by resolution of the Authority and shall
24 bear such date or dates, mature at such time or times, bear interest at such
25 rate or rates not exceeding six per centum (3%) per annum, be in such de-
26 nominations, be in such form either coupon or registered, carry such regis-
27 tration privileges, be executed in such manner, be payable in such medium
28 of payment and at such place or places, and be subject to such terms of re-
29 demption with or without premium as such resolution or resolutions may pro-
30 vide. Bonds may be sold at public or private sale, for such price or prices as
31 the Authority shall determine.

32 (f) Any resolution of the Authority authorizing the issuance of bonds
33 may appoint a trustee or trustees, a paying agent or paying agents, or such
34 other fiduciaries as such resolution may provide. Any trustee, paying agent
35 and other fiduciary so appointed may be any trust company or bank having
36 the powers of a trust company within or without the State.

37 (g) In order to secure the payment of its bonds, the Authority shall
38 have power in the resolution authorizing the issuance of the bonds (which
39 shall constitute a contract with the bondholders);

40 (i) to pledge all or any part of its rents or revenues to which its right
41 then exists or may thereafter come into existence, and the moneys de-
42 rived therefrom, and the proceeds of bonds.

43 (ii) to covenant against pledging all or any part of its rents or reve-
44 nues, or against mortgaging all or any part of its real or personal prop-
45 erty then owned or thereafter acquired, or against permitting or suffer-
46 ing any lien or such rents, revenues or property; to covenant with
47 respect to limitations on its right to sell, lease or otherwise dispose of
48 any project or any part thereof, or any property of any kind;

49 (iii) to covenant as to the bonds to be issued and the limitations there-
50 on and the terms and conditions thereof and as to the custody, applica-
51 tion and disposition of the proceeds thereof, and to covenant as to the

52 issuance of additional bonds or as to limitations on the issuance of ad-
53 ditional bonds and on the incurring of other debts by it;

54 (iv) to covenant as to the payment of the principal of or interest on the
55 bonds, or any other obligations, as to the sources and methods of such
56 payment, as to the rank or priority of any such bonds or obligations with
57 respect to any lien or security or as to the acceleration of the maturity
58 of any such bonds or obligations;

59 (v) to provide for the replacement of lost, destroyed or mutilated
60 bonds;

61 (vi) to covenant against extending the time for the payment of bonds
62 or interest thereon;

63 (vii) to covenant as to the redemption of bonds and to provide for
64 the redemption premiums and other terms and conditions thereof;

65 (viii) to covenant as to the rates of rents and other charges to be
66 established and charged, the amount to be raised each year or other
67 period of time by rents or other revenues and as to the use and dispo-
68 sition to be made thereof; to create or authorize the creation of special
69 funds or moneys to be held in pledge or otherwise for construction, op-
70 erating expenses, payment or redemption of bonds, reserves or other
71 purposes and to covenant as to the use and disposition of the moneys
72 held in such funds;

73 (ix) to establish the procedure, if any, by which the terms of any
74 contract or covenant with or for the benefit of the bondholders may be
75 amended or abrogated, the amount of bonds the holders of which must
76 consent thereto, and the manner in which such consent may be given;

77 (x) to covenant as to the maintenance of its real and personal prop-
78 erty, the replacement thereof, the insurance to be carried thereon, and
79 the use and disposition of insurance moneys;

80 (xi) to provide for the rights and liabilities, powers and duties aris-
81 ing upon the breach of any covenant, condition or obligation; to pre-
82 scribe the events of default and the terms and conditions upon which any

83 or all of the bonds shall become or may be declared due and payable
 84 before maturity and the terms and conditions upon which any such dec-
 85 laration and its consequences may be waived;

86 (xii) to vest in a trustee or trustees such property, rights, powers and
 87 duties in trust for the bondholders, as the Authority may determine,
 88 which may include any or all of the rights, powers and duties of the
 89 statutory trustee appointed by the holders of bonds pursuant to para-
 90 graph (b) of the next following section of this act; to limit or abrogate
 91 the rights of the holders of such bonds to appoint such statutory trust-
 92 tee, or to limit the rights, duties and powers of such statutory trustee;

93 (xiii) to limit the rights of the bondholders to enforce any pledge
 94 or covenant securing the bonds; and

95 (xiv) to make covenants other than and in addition to the covenants
 96 herein expressly authorized, of like or different character; and to make
 97 such covenants to do or refrain from doing such acts and things as may
 98 be necessary or convenient or desirable in order to better secure the
 99 bonds or which, in the absolute discretion of the Authority, will tend to
 100 make the bonds more marketable, notwithstanding that such covenants,
 101 acts or things may not be enumerated herein;

102 (h) Any pledge of rents or other revenues or other moneys made by the
 103 Authority shall be valid and binding from the time when the pledge is made;
 104 the rents or other revenues or other moneys so pledged and thereafter re-
 105 ceived by the Authority shall immediately be subject to the lien of such
 106 pledge without any physical delivery thereof or further act, and the lien of
 107 any such pledge shall be valid and binding as against all parties having
 108 claims of any kind in tort, contract or otherwise against the Authority, irre-
 109 spective of whether such parties have notice thereof. Neither the resolution
 110 nor any other instrument by which a pledge is created need be filed or re-
 111 corded except in the records of the Authority.

112 (i) Bonds may be issued under the provisions of this act without ob-
 113 taining the consent of any department, division, commission, board, bureau

114 or agency of the State, and without any other proceeding or the happening of
115 any other conditions or things than those proceedings, conditions or things
116 which are specifically required by this act.

117 (j) The Authority shall not have power to mortgage real property.

118 (k) Moneys of the Authority or moneys held in pledge or otherwise for
119 the payment of bonds or in any way to secure bonds and deposits of such
120 moneys may be secured in such manner as the Authority may require and
121 all banks and trust companies are authorized to give such security there-
122 for.

123 (l) Neither the members of the Authority nor any person executing the
124 bonds shall be liable personally on the bonds or be subject to any personal
125 liability or accountability by reason of the issuance thereof.

126 (m) The Authority shall have the power to purchase bonds out of any
127 funds available therefor. The Authority may hold, cancel or resell such
128 bonds subject to and in accordance with agreements with bondholders.

1 18. Remedies and statutory trustees. (a) The provisions of this section
2 shall be applicable to an issue of bonds authorized or issued by the Authority
3 only if the resolution of the Authority authorizing or providing for the issu-
4 ance of such bonds shall provide in substance that the holders of the bonds
5 of such issue shall be entitled to the benefits and be subject to the pro-
6 visions of this section.

7 (b) In the event that there shall be a default in the payment of prin-
8 cipal of or interest on any bonds of such issue after the same shall become
9 due, whether at maturity or upon call for redemption, and such default shall
10 continue for a period of thirty days, or in the event that the Authority shall
11 fail or refuse to comply with the provisions of this act or shall fail or refuse
12 to carry out and perform the terms of any contract or covenant with or for
13 the benefit of the holders of any of such bonds, and such failure or refusal
14 shall continue for a period of thirty days after written notice by any holder
15 of bonds of such issue or by a trustee for bondholders to the Authority of
16 its existence and nature, the holders of twenty-five per centum (25%) in

17 aggregate principal amount of the bonds of such issue then outstanding by
18 instrument or instruments filed in the office of the Secretary of State and
19 proved or acknowledged in the same manner as a deed to be recorded, may
20 appoint a statutory trustee to represent the holders of the bonds of such
21 issue for the purposes provided in this section.

22 (c) Such statutory trustee may and upon written request of the holders
23 of twenty-five per centum (25%) in aggregate principal amount of the bonds
24 of such issue then outstanding shall, in his or its own name:

25 (i) by civil action in lieu of prerogative writ or by any other civil
26 action or suit, enforce all rights of the holders of such bonds, including
27 the right to require the Authority to charge and collect rents and other
28 revenues adequate to carry out any contract as to, or pledge of, such
29 rents and revenues, and to require the Authority to carry out and per-
30 form the terms of any contract or covenant with or for the benefit of the
31 holders of such bonds or its duties under this act;

32-33 (ii) bring action or suit upon all or any part of such bonds or
34 interest coupons or claims appurtenant thereto;

35 (iii) by action or suit require the Authority to account as if it were
36 the trustee of an express trust for the holders of such bonds;

37 (iv) by action or suit enjoin any acts or things which may be un-
38 lawful or in violation of the covenants of the Authority or the rights
39 of the holders of such bonds; or

40 (v) declare all such bonds due and payable, whether or not in
41 advance of maturity, upon thirty days' prior notice in writing to the
42 Authority and if all defaults shall be made good, then with the consent
43 of the holders of twenty-five per centum (25%) of the principal amount
44 of such bonds then outstanding, to annul such declaration and its
45 consequences.

46 (d) Before declaring the principal of all such bonds due and payable
47 the trustee shall first give thirty days' notice in writing to the Authority.

48 (e) Any such trustee, whether or not the issue of bonds represented by

49 such trustee has been declared due and payable, shall be entitled as of right
50 to the appointment of a receiver of any part or parts of the project the rents
51 or other revenues of which are pledged for the security of the bonds of such
52 issue and such receiver may enter and take possession of such part or parts
53 of the project and subject to any pledge or agreement with bondholders shall
54 take possession of all moneys and other property derived from or applicable
55 to the construction, operation, maintenance and reconstruction of such part or
56 parts of the project and proceed with any construction thereon which the
57 Authority is under obligation to do and to operate, maintain and reconstruct
58 such part or parts of the project and collect and receive all rents and other
59 revenues thereafter arising therefrom subject to any pledge thereof or
60 agreement with bondholders relating thereto and perform the public duties
61 and carry out the agreements and obligations of the Authority under the
62 direction of the court. In any suit, action or proceeding by the trustee the
63 fees, counsel fees and expenses of the trustee and of the receiver, if any,
64 shall constitute taxable disbursements and all costs and disbursements
65 allowed by the court shall be a first charge on any rents and other revenues
66 derived from such project.

67 (f) Such trustee shall, in addition to the foregoing, have and possess all
68 of the powers necessary or appropriate for the exercise of any functions
69 specifically set forth herein or incident to the general representation of
70 bondholders in the enforcement and protection of their rights.

1 19. Credit of State and political subdivisions not pledged. Bonds under
2 the provisions of this act shall not be deemed to constitute a debt or lia-
3 bility of the State or of any political subdivision thereof or a pledge of the
4 faith and credit of the State or of any such political subdivision. All such
5 bonds shall contain on the face thereof a statement to the effect that neither
6 the State nor any political subdivision thereof is pledged to pay the same or
7 the interest thereon and that neither the faith and credit nor the taxing
8 power of the State, or of any political subdivision thereof is pledged to the
9 payment of the principal of or the interest on such bonds.

1 20. Agreement of State. The State of New Jersey does pledge to and
2 agree with the holders of the bonds issued pursuant to authority contained
3 in this act, that the State will not limit or restrict the rights hereby vested
4 in the Authority to maintain, construct, reconstruct and operate any project
5 as defined in this act or to establish and collect such rents, fees, receipts or
6 other charges as may be convenient or necessary to produce sufficient reve-
7 nue to meet the expenses of maintenance and operation thereof and to ful-
8 fill the terms of any agreements made with the holders of bonds authorized
9 by this act or in any way impair the rights or remedies of the holders of
10 such bonds until the bonds, together with interest thereon, are fully paid
11 and discharged.

1 21. Exemption from taxation. The exercise of the powers granted by this
2 act will be in all respects for the benefit of the people of the State, and as
3 the operation and maintenance of projects by the Authority will constitute
4 the performance of a governmental function, the Authority shall not be re-
5 quired to pay any taxes or assessments upon any project acquired or used
6 by the Authority under the provisions of this act or upon the income there-
7 from, and any project and any property acquired or used by the Authority
8 under the provisions of this act and the income therefrom, and the bonds
9 issued under the provisions of this act, their transfer and the income
10 therefrom (including any profit made on the sale thereof) shall be exempt
11 from taxation.

1 22. Bonds eligible for investment. Bonds issued by the Authority under
2 the provisions of this act are hereby made securities in which the State
3 and all political subdivisions of this State, their officers, boards, commis-
4 sions, departments or other agencies, all banks, bankers, savings banks,
5 trust companies, savings and loan associations, investment companies and
6 other persons carrying on a banking business, all insurance companies, in-
7 surance associations, and other persons carrying on an insurance business,
8 and all administrators, executors, guardians, trustees and other fiduciaries,
9 and all other persons whatsoever who now are or may hereafter be author-

10 used to invest in bonds or other obligations of the State, may properly and
 11 legally invest any funds, including capital belonging to them or within their
 12 control; and said bonds or other securities or obligations are hereby made
 13 securities which may properly and legally be deposited with and received by
 14 ~~any State or municipal officers or agents of the State for any purpose for~~
 15 which the deposit or bonds or other obligations of the State is now or may
 16 hereafter be authorized by law.

1 23. Annual report. On or before the twenty-eighth day of February in
 2 each year, the Authority shall make an annual report of its activities for
 3 the preceding calendar year to the Governor and the Legislature. Each
 4 such report shall set forth a complete operating and financial statement
 5 covering the Authority's operations during the year. The Authority shall
 6 cause an audit of its books and accounts to be made at least once in each
 7 year by certified public accountants.

1 24. Interested members, agents or employees. Any member, agent or em-
 2 ployee of the Authority who is interested, either directly or indirectly, in
 3 any contract of another with the Authority, or in the sale of any property,
 4 either real or personal, to the Authority, shall be guilty of a misdemeanor
 5 and punished by fine of not more than one thousand dollars (\$1,000.00) or
 6 by imprisonment for not more than one year, or both.

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

1 26. Act liberally construed. This act, being necessary for the welfare
 2 of the State and its inhabitants, shall be liberally construed to effect the
 3 purposes thereof.

1 **27. Severability.** If any provision of this act or the application thereof
2 to any person or circumstance is held invalid, such invalidity shall not
3 affect other provisions or applications of the act which can be given effect
4 without the invalid provisions or application and to this end the provisions
5 of this act are declared to be severable.

1 **28. Inconsistent laws inapplicable.** The powers granted to the Authority
2 by this act may be exercised without regard or reference to any department
3 or agency of the State. All other general or special laws, or parts thereof,
4 inconsistent with this act are hereby declared to be inapplicable to the pro-
5 visions of this act.

1 **29. Short title.** This act shall be known as, and may be cited as, the
2 "State Office Building Authority Act of 1960."

1 **30. Effective date.** This act shall take effect immediately.