

34:1B-7.7

LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 34:1B-7.7 (Urban Loan Authority and Area Development Authority--repeal statutes & transfer funds)

**LAWS OF:** 1986

**CHAPTER** 127

**BILL NO:** A471

**Sponsor(s):** Muziani and others

**Date Introduced:** Pre-filed

**Committee: Assembly:** Urban Policy and Waterfront Development

**Senate:** Independent Authorities

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

**Date of Passage: Assembly:** Feb. 20, 1986

**Senate:** Sept. 15, 1986

**Date of Approval:** Oct. 9, 1986

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement: Assembly** Yes

**Senate** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

Executive Reorganization Plan, mentioned in statements--attached

---

10-9-86

[OFFICIAL COPY REPRINT]

## ASSEMBLY, No. 471

## STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman MUZIANI

AN ACT concerning the transfer of funds to the New Jersey Economic Development Authority, supplementing P. L. 1974, c. 80 (C. 34:1B-1 et seq.), and repealing P. L. 1962, c. 204, P. L. 1969, c. 202, P. L. 1970, c. 253, and P. L. 1973, c. 75.

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

1 1. The New Jersey Economic Development Authority, as suc-  
2 cessor to the New Jersey State Area Redevelopment Authority  
3 through the Executive Reorganization Plan filed February 27, 1978,  
4 shall repay without interest to the State Treasurer all moneys  
5 realized from borrowers upon loans they obtained through the  
6 New Jersey State Area Redevelopment Authority, which loans were  
7 made from the sums transferred to the authority under section 10  
8 of P. L. 1962, c. 204, section 1 of P. L. 1970, c. 253, and section 1  
9 of P. L. 1973, c. 75 (C. 2A:37-41.2), from the special trust fund  
10 established by N. J. S. 2A:37-41, up to the amounts originally  
11 transferred. The repayment from moneys realized from borrowers  
12 shall be considered as cash received from payments of principal  
13 and interest from the borrowers and received from the liquidation  
14 of collateral securing such loans. Such repayments shall be net  
15 of all direct expenses incurred in servicing the loan or in pro-  
16 tecting and collecting the collateral, or both.

1 2. All sums appropriated or transferred to the New Jersey Area  
2 Redevelopment Authority except those referred to in section 1 of  
3 this act, or to the New Jersey Urban Loan Authority, from any  
4 source, are transferred to the New Jersey Economic Development

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

**Matter printed in italics *thus* is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:**

**\*—Assembly committee amendments adopted February 10, 1986.**

5 Authority economic development fund to carry out the purposes  
6 of P. L. 1974, c. 80 (C. 34:1B-1 et seq.).

1 \*3. *The New Jersey Economic Development Authority, as suc-*  
2 *cessor to the New Jersey State Area Redevelopment Authority,*  
3 *may, after negotiation and agreement with the State Treasurer,*  
4 *prepay all outstanding appropriations due in future years to the*  
5 *State Treasurer, discounted at an interest rate agreeable to the*  
6 *State Treasurer and the New Jersey Economic Development*  
7 *Authority.\**

1 \***[3.]**\* \*4.\* The following acts declared inconsistent with and  
2 superseded by the Executive Reorganization Plan filed Febru-  
3 ary 27, 1978, are repealed: P. L. 1969, c. 202 (C. 52:27D-71  
4 through 52:27D-98); P. L. 1962, c. 204 (C. 13:1B-15.13 through  
5 13:1B-15.22); P. L. 1970, c. 253; P. L. 1973, 75 (C. 2A:37-41.2).

1 \***[4.]**\* \*5.\* This act shall take effect immediately.

---

#### ECONOMIC DEVELOPMENT

Provides for the transfer of certain funds to the Economic De-  
velopment Authority.

---

# ASSEMBLY, No. 471

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman MUZIANI

# ASSEMBLY, No. 2683

# STATE OF NEW JERSEY

INTRODUCED OCTOBER 18, 1984

By Assemblymen MUZIANI, CHINNICI, HARDWICK, HENDRICKSON, ROD, Assemblywoman OGDEN, Assemblymen GALLO, COLBURN, HAYTAIAN, LITTELL, MARKERT and PALAIA

AN ACT concerning the transfer of funds to the New Jersey Economic Development Authority, supplementing P. L. 1974, c. 80 (C. 34:1B-1 et seq.), and repealing P. L. 1962, c. 204, P. L. 1969, c. 202, P. L. 1970, c. 253, and P. L. 1973, c. 75.

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

1 1. The New Jersey Economic Development Authority, as suc-  
2 cessor to the New Jersey State Area Redevelopment Authority  
3 through the Executive Reorganization Plan filed February 27, 1978,  
4 shall repay without interest to the State Treasurer all moneys  
5 realized from borrowers upon loans they obtained through the  
6 New Jersey State Area Redevelopment Authority, which loans were  
7 made from the sums transferred to the authority under section 10  
8 of P. L. 1962, c. 204, section 1 of P. L. 1970, c. 253, and section 1  
9 of P. L. 1973, c. 75 (C. 2A:37-41.2), from the special trust fund  
10 established by N. J. S. 2A:37-41, up to the amounts originally  
11 transferred. The repayment from moneys realized from borrowers  
12 shall be considered as cash received from payments of principal  
13 and interest from the borrowers and received from the liquidation  
14 of collateral securing such loans. Such repayments shall be net  
15 of all direct expenses incurred in servicing the loan or in pro-  
16 tecting and collecting the collateral, or both.

1 2. All sums appropriated or transferred to the New Jersey Area  
2 Redevelopment Authority except those referred to in section 1 of

3 this act, or to the New Jersey Urban Loan Authority, from any  
 4 source, are transferred to the New Jersey Economic Development  
 5 Authority economic development fund to carry out the purposes  
 6 of P. L. 1974, c. 80 (C. 34:1B-1 et seq.).

1 3. The following acts declared inconsistent with and superseded  
 2 by the Executive Reorganization Plan filed February 27, 1978,  
 3 are repealed: P. L. 1969, c. 202 (C. 52:27D-71 through 52:27D-98);  
 4 P. L. 1962, c. 204 (C. 13:1B-15.13 through 13:1B-15.22); P. L.  
 5 1970, c. 253; P. L. 1973, c. 75 (C. 2A:37-41.2).

1 4. This act shall take effect immediately.

---

#### STATEMENT

By an executive reorganization plan filed on February 27, 1978, the New Jersey Urban Loan Authority (ULA) and New Jersey State Area Redevelopment Authority (ARA) were abolished and their functions, powers, and duties were transferred to the New Jersey Economic Development Authority (NJEDA). This bill provides for the repeal of the statutes which created and funded the ULA and ARA. The bill also permits the transfer of funds previously administered by the ULA and ARA presently held in separate accounts, to the loan and guarantee funds of the NJEDA, or to any other fund that will serve the purposes as outlined in the NJEDA enabling acts. The transfer of funds will facilitate the uniform administration of loan funds under the jurisdiction of the NJEDA. The bill also provides for repayment of moneys loaned to the ARA from the Unclaimed Personal Property Trust Fund as the NJEDA receives repayment from borrowers or liquidates the collateral securing the loans which were funded by appropriations from the Unclaimed Personal Property Trust Fund.

AY 71 (1986)

ASSEMBLY URBAN POLICY AND WATERFRONT  
DEVELOPMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 471**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 10, 1986

The Assembly Urban Policy and Waterfront Development Committee reports favorably Assembly Bill No. 471, as amended.

By an executive reorganization plan filed on February 27, 1978, the New Jersey Urban Loan Authority (ULA) and New Jersey State Area Redevelopment Authority (ARA) were abolished and their functions, powers, and duties were transferred to the New Jersey Economic Development Authority (NJEDA). Assembly Bill No. 471 provides for the repeal of the statutes which created and funded the ULA and ARA. The bill also permits the transfer of funds previously administered by the ULA and ARA presently held in separate accounts, to the loan and guarantee funds of the NJEDA, or to any other fund that will serve the purposes as outlined in the NJEDA enabling acts. The transfer of funds will facilitate the uniform administration of loan funds under the jurisdiction of the NJEDA. The bill also provides for repayment of moneys loaned to the ARA from the Unclaimed Personal Property Trust Fund as the NJEDA receives repayment from borrowers or liquidates the collateral securing the loans which were funded by appropriations from the Unclaimed Personal Property Trust Fund.

The committee amendment, at the request of NJEDA, would permit NJEDA to negotiate with the State Treasurer for the prepayment of all outstanding appropriations due in future years to the State Treasurer, discounted at an interest rate agreeable to the State Treasurer and the NJEDA.

This bill was pre-filed for introduction in the 1986 session pending technical review. As amended, the bill includes the changes required by technical review which has been performed.

---

SENATE INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 471**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: JUNE 2, 1986

The Senate Independent Authorities Committee reports favorably Assembly Bill No. 471 (OCR).

The purpose of Assembly Bill No. 471 OCR is to complete the initiatives begun with the "Executive Reorganization Plans for the Urban Loan Authority and Area Redevelopment Authority," filed February 27, 1978, pursuant to the "State Agency Transfer Act," P. L. 1971, c. 375 (C. 52:14D-1 et seq.). That reorganization plan eliminated the New Jersey Area Redevelopment Authority (ARA) and the New Jersey Urban Loan Authority (ULA) and transferred their functions, powers and duties to the New Jersey Economic Development Authority (EDA). Assembly Bill No. 471 OCR repeals the statutory basis for ARA and ULA programs and transfers moneys available therefor to the economic development fund for use by EDA in making loans to businesses.

Section 1 of the bill requires EDA, as the successor to ARA, to repay to the State Treasurer, moneys loaned to ARA from a special trust fund pursuant to section 10 of P. L. 1962, c. 204, section I of P. L. 1970, c. 253 and section I of P. L. 1973, c. 75 (C. 2A:37-41.2). Repayments shall be from all moneys realized from loans made by ARA, net of direct expenses incurred therefor. EDA shall not pay any interest on moneys repaid to the Treasurer; however, interest earned on the ARA loans is repayable to the State Treasurer. This repayment schedule differs from and supersedes that contained in chapters 253 and 75.

Section 2 transfers to EDA, for use by that agency for any of its statutory purposes, all moneys previously appropriated or transferred to ARA and ULA, other than ARA loans subject to section 1 of the bill (that is, loans from moneys from unclaimed personal property forfeited to the State pursuant to N. J. S. 2A:37-29 et seq.). EDA contends that this change is needed to eliminate statutory limitations on the use of ARA and ULA moneys.

Section 3 of the bill authorizes EDA, as a successor to ARA, to prepay all outstanding appropriations at a discounted interest rate mutually agreed to by the two parties.

Section 4 repeals several sections of law deemed to be inconsistent with the aforementioned Executive Reorganization Plans. The laws repealed are:

- (1) P. L. 1969, c. 202, "The Business Incentive Loan Act (1969)" which created the ULA;
- (2) P. L. 1962, c. 204 which created the Area Redevelopment Authority; and
- (3) P. L. 1973, c. 253 and P. L. 1970, c. 75 which authorized the loan to ARA of certain moneys having been forfeited to the State.

According to the 1978 Reorganization Plans, the reasons for abolishing ARA and ULA and transferring their functions, powers and duties to EDA was to "more effectively support employment growth and urban economic revitalization. Also the expanded urban economic development role which has been assumed by the Economic Development Authority should incorporate the parallel activities of the Urban Loan Authority and Area Redevelopment Authority."

---



REORGANIZATION PLANS FOR THE URBAN LOAN  
AUTHORITY AND AREA REDEVELOPMENT  
AUTHORITY

The Urban Loan Authority in the Department of Community Affairs is hereby abolished and all functions, powers and duties of said authority are hereby transferred to the New Jersey Economic Development Authority in, but not of, the Department of Labor and Industry. The Area Redevelopment Authority in the Department of Labor and Industry is hereby abolished and all functions, powers and duties of said authority are hereby transferred to the New Jersey Economic Development Authority in, but not of, the Department of Labor and Industry.

The Urban Loan Authority, established pursuant to the Business Incentive Loan Act, P. L. 1969, c. 202, as amended (c. 52:27D-71 et seq.) provides loans, loan guarantees and technical assistance to businesses which are unable to obtain necessary financing on reasonable terms and are located in areas of high unemployment. The Area Redevelopment Authority, established pursuant to the New Jersey State Redevelopment Assistance Act, P. L. 1962, c. 204, as amended and supplemented, provides financial assistance to local area redevelopment agencies for projects which will expand employment opportunities and improve economic conditions in local redevelopment areas.

The Economic Development Authority, which was created in 1974, has facilitated tax exempt financing and, in some cases, provided loan guarantees for commercial and industrial development and capital facility improvements. The Economic Development Authority activities have substantially expanded employment opportunities and economic growth, with many benefits accruing to urban areas of high unemployment. During the few years of its existence, the Economic Development Authority has become by far the most successful, expert, and dominant financial assistance agency in State government. By abolishing the smaller Urban Loan Authority and Area Redevelopment Authority, and transferring their respective functions, powers and duties to the Economic Development Authority, the State can more effectively support employment growth and urban economic revitalization. Also the expanded urban economic development role which has been assumed by the Economic Development Authority should incorpo-

rate the parallel activities of the Urban Loan Authority and Area Redevelopment Authority.

This reorganization plan concentrates economic development financial assistance functions in a single, effective agency; it eliminates duplication of effort by cabinet officers and staffs serving on the different authorities; and it streamlines financial assistance procedures by eliminating multiple applications for financial assistance and multiple loan reviews by the different staffs.

In accordance with the provisions of the Executive Reorganization Act of 1969, P. L. 1969, c. 203 (c. 52:14c-2), I find and declare that these abolitions, transfers and reorganization are necessary:

- (1) To promote the more effective management of the Executive Branch;
- (2) To reduce expenditures and promote economy to the fullest extent practicable;
- (3) To increase the efficiency of the operations of the Executive Branch to the fullest extent practicable;
- (4) To group, coordinate, and consolidate agencies and functions of the Executive Branch, as nearly as practicable, according to major purposes;
- (5) To reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies as may not be necessary for the efficient conduct of the Executive Branch; and
- (6) To eliminate overlapping and duplication of effort.

All acts and parts of acts inconsistent with any of the provisions of this reorganization plan are superseded to the extent of such inconsistencies. All transfers directed by this reorganization plan shall be effected pursuant to the "State Agency Transfer Act", P. L. 1971, c. 375 (c. 52:14D-1 et seq.).

/s/ BRENDAN BYRNE,  
*Governor.*

Filed February 27, 1978.