

52:27D-198.7

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2000 **CHAPTER:** 56
NJSA: 52:27D-198.7 (“Dormitory Safety Trust Fund Act”)
BILL NO: S891, S835(SCS), S799, A2259, A1943, A1978, A2005, A2007, A2010 and A 2331

SPONSOR(S): Kosco and others

DATE INTRODUCED: February 7, 2000

COMMITTEE: **ASSEMBLY:** Housing; Appropriations
SENATE: Law and Public Safety; Budget

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 29, 2000
SENATE: March 27, 2000

DATE OF APPROVAL: July 5, 2000

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL ACS (2nd reprint) for S891, S835(SCS), S799, A2259, A1943, A1978, A2005, A2007, A2010 and A2331 enacted. (Amendments during passage denoted by superscript numbers)

SCS for S891 and S835

SPONSORS STATEMENT:	No
COMMITTEE STATEMENT:	ASSEMBLY: No
P.S.)	SENATE: Yes 2-28-00 (Law &
	Yes 3-20-00 (Budget)
FLOOR AMENDMENT STATEMENTS:	No
LEGISLATIVE FISCAL ESTIMATE:	Yes
FINAL VERSION (1st reprint):	Yes

S799

SPONSORS STATEMENT: (Begins on page 7 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes 2-28-00 (Law & P.

S.)

Yes 3-20-00 (Budget)

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

FINAL VERSION (2ND reprint): Yes

ACS for S891, S835(SCS), S799, A2259, A1943, A1978, A2005, A2007, A2010 and A2331

SPONSOR STATEMENT: No

(Housing)

COMMITTEE STATEMENT **ASSEMBLY:** Yes 5-8-00

Yes 5-22-00 (Approp.)

SENATE: No

FLOOR AMENDMENT STATEMENTS: Yes

FISCAL ESTIMATE: No

THE FOLLOWING BILLS HAD ONLY SPONSORS STATEMENTS:

A1943 A2007 A2331 **A1978** A2010

S835 A2005 A2259 S891

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: Yes

974.90 New Jersey. Legislature. General Assembly. Housing Committee

S128 Committee meeting investigates the issue of fire safety in state institutions.

2000a Trenton, 2000

NEWSPAPER ARTICLES:

Yes

“Whitman signs law to order sprinklers,” 7-6-2000 Philadelphia Inquirer, p B4

“Whitman signs sprinkler bill,” 7-6-2000 Home News, p.A3

“Sprinklers in dorms now law,” 7-6-2000 Asbury Park Press, p.A3

“Sprinkler bills approval sends colleges scrambling,” 6-30-2000 Star Ledger, p.1

“United Legislature passes fire safety bill for colleges,” 6-30-2000 The Record, p.A4

SENATE, No. 891

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED FEBRUARY 7, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Co-Sponsored by:

Senators Rice and Robertson

SYNOPSIS

Requires installation of automatic fire suppression systems in all dormitories at public or private institutions of higher education.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT requiring the installation of automatic fire suppression
2 systems in certain dormitories and supplementing P.L.1983, c.383
3 (C.52:27D-192 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. Notwithstanding any law, rule or regulation to the contrary,
9 on or before the first day of the fifteenth month after the enactment of
10 P.L. , c. (C.) (now before the Legislature as this bill), an automatic
11 fire suppression system shall be installed and fully operational in every
12 building used as a dormitory in a public or private institution of higher
13 education in this State.

14 b. For the purposes of this section, "dormitory" means a building
15 in which rooms are provided as residences or for overnight sleeping
16 for individuals or groups.
17

18 2. The Department of Community Affairs shall reimburse each
19 public or private institution of higher education for one-half of the cost
20 of the installation of automatic fire suppression systems in dormitories
21 as required pursuant to section 1 of P.L. , c. (C.) (now before the
22 Legislature as this bill).
23

24 3. The Commissioner of Community Affairs, pursuant to the
25 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
26 seq.), shall adopt regulations necessary to effectuate the provisions of
27 P.L. , c. (C.) (now before the Legislature as this bill).
28

29 4. There shall be appropriated annually from the General Fund to
30 the Department of Community Affairs funds sufficient to carry out the
31 provisions of P.L. , c. (C.) (now before the Legislature as this
32 bill).
33

34 5. This act shall take effect immediately.
35
36

37 STATEMENT
38

39 This bill would require all buildings in this State used as dormitories
40 in public or private institutions of higher education to be equipped
41 with automatic fire suppression systems. The bill would require that
42 automatic fire suppression systems be installed and fully operational
43 by the first day of the fifteenth month after the bill's enactment.

44 In recognition of the high cost of installing automatic fire
45 suppression systems in existing buildings, the bill would require the
46 State, through the Department of Community Affairs, to reimburse

S891 KOSCO, CAFIERO

3

1 each public or private institution of higher education for one-half of
2 the cost installing the systems in dormitories. It also would
3 appropriate funds sufficient to carry out its provisions.

4 This bill is introduced in response to the recent fire in a dormitory
5 at Seton Hall Univeristy, in which three students were killed and
6 numerous others were injured. The dormitory was not equipped with
7 an automatic fire suppression system.

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891 and 835

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED FEBRUARY 28, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Senator ROBERT J. MARTIN

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

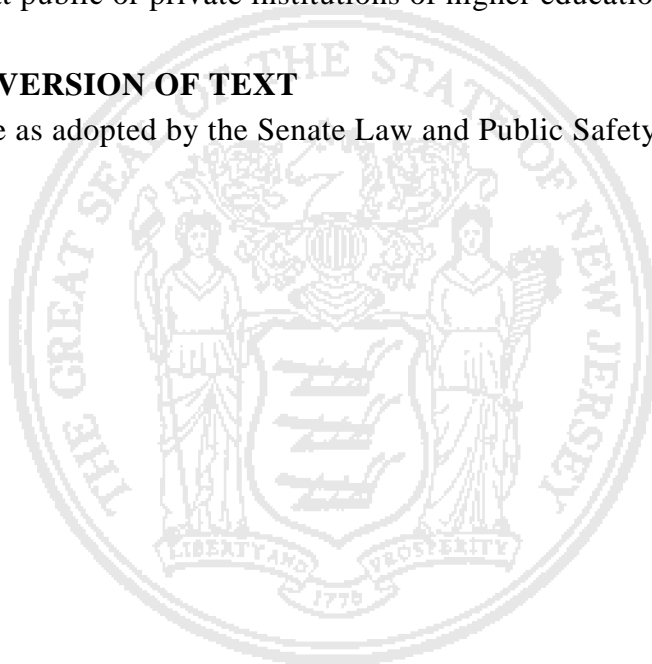
Senators Bucco, Girgenti, Furnari, Rice and Robertson

SYNOPSIS

Requires installation of automatic fire suppression systems in all dormitories at public or private institutions of higher education.

CURRENT VERSION OF TEXT

Substitute as adopted by the Senate Law and Public Safety Committee.



1 **AN ACT** requiring the installation of automatic fire suppression
2 systems in certain dormitories and amending and supplementing
3 P.L.1983, c.383.

4

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

7

8 1. (New section) a. Notwithstanding any provision of law, rule or
9 regulation to the contrary, on or before the first day of the twenty-
10 fourth month after the enactment of this act, an automatic fire
11 suppression system shall be installed and fully operational in
12 accordance with the State Uniform Construction Code in every
13 building used as a dormitory in a public or private institution of higher
14 education in this State.

15 b. For the purposes of this section, "dormitory" means a building
16 in which rooms are provided as residences or for overnight sleeping
17 for individuals or groups.

18

19 2. (New section) a. The Commissioner of Community Affairs,
20 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
21 (C.52:14B-1 et seq.), shall adopt regulations necessary to effectuate
22 the provisions of this act, including but not limited to requiring all
23 public or private institutions of higher education to file a plan within
24 six months of the effective date detailing the institution's projected
25 implementation of the provisions of this act. The regulations may
26 include an exemption from the requirements of section 1 of this act
27 for any types of buildings that may be determined not to warrant the
28 level of protection required in this act based on the fire hazard risk.

29 b. An institution that finds that it is unable to fulfill the
30 requirements of section 1 of this act shall make application to the
31 Commissioner of Community Affairs to request an additional period
32 of time to meet the statutory requirements. The commissioner, in his
33 discretion, may grant such a request if he finds that compliance with
34 section 1 of this act would impose undue hardship or burden upon the
35 institution.

36

37 3. If the funding provided to effectuate the purposes of this act
38 pursuant to the provisions of P.L. , c. (now pending before the
39 Legislature as Senate Bill No. 799 or Assembly Bill No. 2005 of 2000)
40 shall not be sufficient, there shall be appropriated annually from the
41 General Fund to the Department of Community Affairs an amount
42 sufficient to carry out the provisions of this act.

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

Matter underlined thus is new matter.

1 4. Section 22 of P.L.1983, c.383 (C.52:27D-213) is amended to
2 read as follows:

3 22. a. This act shall not be construed as authorizing the adoption
4 of a regulation or the enactment of an ordinance requiring that a
5 building conforming in all respects to the requirements of the current
6 edition of the "State Uniform Construction Code Act," P.L.1975,
7 c.217 (C.52:27D-119 et seq.) be made to conform to more restrictive
8 standards.

9 b. Buildings, structures and premises owned or operated by the
10 State, its agencies, departments, or instrumentalities or an interstate
11 agency shall be inspected exclusively by the Department of Community
12 Affairs, and shall conform to this act in the same manner as all other
13 buildings, structures and premises of similar construction and use
14 classification [; but no fees or penalties shall be charged to or assessed
15 against the State, its agency, department or instrumentality, or an
16 interstate agency]. For purposes of this section, a unit of local
17 government, whether county, inter-local or municipal, or a local,
18 county, regional or consolidated school district, shall not be deemed
19 to be an instrumentality of the State.

20 c. Buildings, structures and premises subject to inspection for fire
21 safety by an agency of the State shall be inspected by the agency in
22 accordance with the standards established pursuant to this act. Any
23 State fire safety standard for buildings, structures or premises
24 established by or pursuant to any statute other than this act shall
25 continue in effect until such time as that standard is superseded by
26 appropriate regulations promulgated under this act. An agency of the
27 State that enforced fire standards prior to the effective date of this act
28 shall be entitled to petition the commissioner to establish a regulation
29 establishing the standards it considers to be necessary and appropriate
30 for buildings, structures and premises subject to its inspection.

31 (cf: P.L.1991, c.222, s.1)

32

33 5. This act shall take effect immediately and shall remain
34 inoperative until the enactment of P.L. , c. (now pending before
35 the Legislature as Senate Bill No. 799 or Assembly Bill No. 2005 of
36 2000).

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 891 and 835**

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 2000

The Senate Law and Public Safety Committee reports favorably a Senate Committee Substitute for Senate Bill Nos. 891 and 835.

This committee substitute would require all buildings in this State used as dormitories in public or private institutions of higher education to be equipped with automatic fire suppression systems. The substitute would require that automatic fire suppression systems be installed and fully operational by the first day of the twenty-fourth month after the bill's enactment.

In recognition of the high cost of installing automatic fire suppression systems in existing buildings, the substitute would remain inoperative until the enactment of pending legislation that would increase the "Higher Education Capital Improvement Fund" by \$50 million to finance the installation of automatic fire suppression systems. In the event those funds are not sufficient, the substitute would appropriate funds to the Department of Community Affairs sufficient to carry out its provisions.

The substitute provides that the Commissioner of Community Affairs would promulgate regulations to effectuate the bill's provisions, including the requirement that the institution file a plan detailing its projected implementation. The regulations also may include an exemption from the bill's requirements for any types of buildings that are determined not to warrant the installation of these systems based on the fire hazard risk.

The substitute also permits an institution that finds it is unable to fulfill the bill's requirements to apply to the Commissioner of Community Affairs for additional time. The commissioner may grant the request if he finds that compliance would impose undue hardship or burden.

Under the Uniform Fire Safety Act, buildings or premises owned or operated by the State, its departments, agencies or instrumentalities or an interstate agency are inspected exclusively by the Department of Community Affairs. The substitute deletes language from current law prohibiting the assessment of fees or penalties against the State, any of its agencies, departments or instrumentalities or an interstate agency. This change would permit the assessment of penalties by the

Division of Fire Safety for fire safety violations on such properties.

Finally, the substitute clarifies that a building conforming to the current edition of the State Uniform Construction Code Act could not be made, by enactment of an ordinance or resolution, to conform to a more restrictive standard.

It is the committee's understanding that these bills were introduced in response to the recent fire in a dormitory at Seton Hall University, in which three students were killed and numerous others were injured. The dormitory was not equipped with an automatic fire suppression system.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 891 and 835**

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 20, 2000

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill Nos. 891 and 835 (SCS).

This bill, as amended, would require all buildings used as dormitories in any public or private high school or institution of higher education in this State to be equipped with automatic fire suppression systems. These systems would have to be fully operational not later than the first day of the 24th month after the bill's enactment.

The bill directs the Commissioner of Community Affairs to promulgate regulations to effectuate the provisions of the legislation; the regulations would have to require each high school or higher education institution to file a plan detailing its projected implementation of those provisions. The regulations could include an exemption from the fire suppression system installation requirement for buildings that are found not to warrant such installation, based on the fire hazard risk. If a school or institution finds that it is unable to meet the bill's requirements, the Commissioner of Community Affairs is authorized to grant its request for additional time upon finding that compliance would impose undue hardship or burden.

The bill eliminates the statutory prohibition against the Department of Community Affairs (DCA) assessing penalties against the State or State agencies for fire safety violations on State property. The DCA is responsible for fire safety inspection of State premises.

Finally, the bill clarifies that a building conforming to the current edition of the State Uniform Construction Code Act could not be required, by enactment of an ordinance or resolution, to conform to a more restrictive standard.

In recognition of the high cost of installing automatic fire suppression systems in existing buildings, the bill would remain inoperative until the enactment of pending legislation that would increase the maximum amount of the capital improvement fund under the New Jersey Education Facilities Authority (NJEFA) by \$90 million to finance the installation of automatic fire suppression systems in high

schools and institutions of higher education. In the event those funds are not sufficient, the bill directs that additional amounts shall be appropriated to the DCA sufficient to carry out the provisions of the legislation.

It is the committee's understanding that this bill is intended as a response to the recent fire in a dormitory at Seton Hall University, in which three students were killed and numerous others were injured. The dormitory was not equipped with an automatic fire suppression system.

COMMITTEE AMENDMENTS

Committee amendments to this bill (1) extend the bill's requirement that automatic fire suppression systems be installed in dormitories to cover high schools, as well as institutions of higher education, (2) clarify that the term "dormitory" includes any fraternity or sorority building providing on campus student housing that is owned or operated by such a school or institution, and (3) incorporate a requirement that, within 90 days of the enactment of the legislation, the DCA shall submit to the Legislature a report of all institutional dormitory facilities in the State, not covered by the bill, that primarily serve a youth population and that lack an adequate automatic fire suppression system.

FISCAL IMPACT

The cost of this bill as amended cannot be estimated at this time. Prior to the extension, by committee amendment, of the scope of the legislation to cover high schools, the Office of Legislative Services estimated that enactment of the legislation would entail appropriations of roughly \$12 million to meet the funding requirements not met by the \$50 million in new NJEFA bonding authority under the pending legislation referred to above. With the increase, under that bill as amended, in new NJEFA bonding authority to \$90 million, it is expected that the full cost of the legislation can be met through the issuance of bonds.

[First Reprint]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891 and 835

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED FEBRUARY 28, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Senator ROBERT J. MARTIN

District 26 (Essex, Morris and Passaic)

Co-Sponsored by:

Senators Bucco, Girgenti, Furnari, Rice, Robertson, Turner and Baer

SYNOPSIS

Requires installation of automatic fire suppression systems in all dormitories at public or private high schools and institutions of higher education.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on March 20, 2000, with amendments.

(Sponsorship Updated As Of: 3/28/2000)

1 **AN ACT** requiring the installation of automatic fire suppression
2 systems in certain dormitories and amending and supplementing
3 P.L.1983, c.383.

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

7
8 1. (New section) a. Notwithstanding any provision of law, rule
9 or regulation to the contrary, on or before the first day of the twenty-
10 fourth month after the enactment of this act, an automatic fire
11 suppression system shall be installed and fully operational in
12 accordance with the State Uniform Construction Code in every
13 building used as a dormitory in a ¹high school or a private school, as
14 defined in N.J.S.18A:1-1, that operates a high school, or in a¹ public
15 or private institution of higher education in this State.

16 b. For the purposes of ¹**[this section]** sections 1 through 4
17 of P.L. , c. (C.) (now pending before the Legislature as this
18 bill)¹, "dormitory" means a building¹, including a building providing on
19 campus housing to the members of an association organized as a
20 fraternity or sorority or as the chapter of a fraternity or sorority, that
21 is owned or operated by such a school or institution of higher
22 education, and¹ in which rooms are provided as residences or for
23 overnight sleeping for individuals or groups.

24
25 2. (New section) a. The Commissioner of Community Affairs,
26 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
27 (C.52:14B-1 et seq.), shall adopt regulations necessary to effectuate
28 the provisions of this act, including but not limited to requiring all
29 ¹high schools or private schools that operate a high school and all¹
30 public or private institutions of higher education to file a plan within
31 six months of the effective date detailing the ¹school or¹ institution's
32 projected implementation of the provisions of this act. The regulations
33 may include an exemption from the requirements of section 1 of this
34 act for any types of buildings that may be determined not to warrant
35 the level of protection required in this act based on the fire hazard risk.

36 b. ¹**[An]** A school or¹ institution that finds that it is unable to
37 fulfill the requirements of section 1 of this act shall make application
38 to the Commissioner of Community Affairs to request an additional
39 period of time to meet the statutory requirements. The commissioner,
40 in ¹**[his]** the commissioner's¹ discretion, may grant such a request if
41 ¹**[he]** the commissioner¹ finds that compliance with section 1 of this

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted March 20, 2000.

1 act would impose undue hardship or burden upon the ¹school or¹
2 institution.

3

4 3. If the funding provided to effectuate the purposes of this act
5 pursuant to the provisions of P.L. , c. (now pending before the
6 Legislature as Senate Bill No. 799 or Assembly Bill No. 2005 of 2000)
7 shall not be sufficient, there shall be appropriated annually from the
8 General Fund to the Department of Community Affairs an amount
9 sufficient to carry out the provisions of this act.

10

11 ¹4. (New section) The Commissioner of Community Affairs, not
12 later than the 90th day following the operative date of P.L. c.
13 (C.) (now pending before the Legislature as this bill), shall
14 prepare and submit to the Legislature a report enumerating all
15 institutional dormitory facilities in this State primarily engaged in
16 servicing persons 21 years of age and younger, including but not limited
17 to any infirmary, pediatric hospital, developmental disability center,
18 physical or substance abuse rehabilitation center, or any facility not
19 included among the foregoing that is affiliated with but not owned by
20 a school or institution of higher education, to which the provisions of
21 section 1 of this act do not apply and in which no adequate automatic
22 fire suppression system is fully operational. The report shall identify
23 for each such facility the measures required to be taken to install and
24 make operational such a system and the cost of implementing those
25 measures. The report shall include any recommendations for the
26 enactment of legislation as the commissioner deems appropriate.¹

27

28 ¹[4.] 5.¹ Section 22 of P.L.1983, c.383 (C.52:27D-213) is
29 amended to read as follows:

30 22. a. This act shall not be construed as authorizing the adoption
31 of a regulation or the enactment of an ordinance requiring that a
32 building conforming in all respects to the requirements of the current
33 edition of the "State Uniform Construction Code Act," P.L.1975,
34 c.217 (C.52:27D-119 et seq.) be made to conform to more restrictive
35 standards.

36 b. Buildings, structures and premises owned or operated by the
37 State, its agencies, departments, or instrumentalities or an interstate
38 agency shall be inspected exclusively by the Department of Community
39 Affairs, and shall conform to this act in the same manner as all other
40 buildings, structures and premises of similar construction and use
41 classification [; but no fees or penalties shall be charged to or assessed
42 against the State, its agency, department or instrumentality, or an
43 interstate agency]. For purposes of this section, a unit of local
44 government, whether county, inter-local or municipal, or a local,
45 county, regional or consolidated school district, shall not be deemed
46 to be an instrumentality of the State.

1 c. Buildings, structures and premises subject to inspection for fire
2 safety by an agency of the State shall be inspected by the agency in
3 accordance with the standards established pursuant to this act. Any
4 State fire safety standard for buildings, structures or premises
5 established by or pursuant to any statute other than this act shall
6 continue in effect until such time as that standard is superseded by
7 appropriate regulations promulgated under this act. An agency of the
8 State that enforced fire standards prior to the effective date of this act
9 shall be entitled to petition the commissioner to establish a regulation
10 establishing the standards it considers to be necessary and appropriate
11 for buildings, structures and premises subject to its inspection.
12 (cf: P.L.1991, c.222, s.1)

13

14 ¹[5.] 6.¹ This act shall take effect immediately and shall remain
15 inoperative until the enactment of P.L. , c. (now pending before
16 the Legislature as Senate Bill No. 799 or Assembly Bill No. 2005 of
17 2000).

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891 and 835
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: APRIL 5, 2000

SUMMARY

Synopsis: Requires installation of automatic fire suppression systems in all dormitories at public or private institutions of higher education.

Type of Impact: Expenditure increase for the DCA, State General Fund, potential revenues obtainable by DCA by imposing inspection fees or penalties.

Agencies Affected: Department of Community Affairs (DCA).

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$12.0 million	None	None
State Revenue			
DCA	Minimal	Minimal	Minimal

- ! Pending legislation and earmarked bond funds will provide \$72.8 million of the \$84.8 total estimated cost of the installation of the required sprinkler systems resulting in a net State cost under this bill of \$12.0 million.
- ! The Department of Community Affairs may obtain minimal revenues by imposing inspection fees or penalties.
- ! Administrative costs could be increased for the Department of Community Affairs by an indeterminate amount.

BILL DESCRIPTION

Senate Committee Substitute for Senate Bill Nos. 891 and 835 of 2000 would require all buildings in this State used as dormitories in public or private institutions of higher education to be equipped with automatic fire suppression systems. The substitute would require that automatic fire suppression systems be installed and fully operational by the first day of the twenty-fourth month after the bill's enactment.

In recognition of the high cost of installing automatic fire suppression systems in existing buildings, the substitute would remain inoperative until the enactment of pending legislation that

would increase the "Higher Education Capital Improvement Fund" by \$50 million to finance the installation of automatic fire suppression systems. In the event those funds are not sufficient, the substitute would appropriate funds to the Department of Community Affairs sufficient to carry out its provisions.

The substitute provides that the Commissioner of Community Affairs would promulgate regulations to effectuate the bill's provisions, including the requirement that the institution file a plan detailing its projected implementation. The regulations also may include an exemption from the bill's requirements for any types of buildings that are determined not to warrant the installation of these systems based on the fire hazard risk.

Under the Uniform Fire Safety Act, buildings or premises owned or operated by the State, its departments, agencies or instrumentalities or an interstate agency are inspected exclusively by the Department of Community Affairs. The substitute deletes language from current law prohibiting the assessment of fees or penalties against the State, any of its agencies, departments or instrumentalities or an interstate agency. This change would permit the assessment of penalties by the Division of Fire Safety for fire safety violations on such properties.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates the cost of this substitute at approximately \$12.0 million in the first year following enactment.

The substitute would be made operative by the enactment of pending legislation (Senate Bill No. 799 or Assembly Bill No. 2005 of 2000) that would increase the "Higher Education Capital Improvement Fund" that is also known as the Capital Improvement Fund by \$50 million to finance the installation of automatic fire suppression systems in every building used as a dormitory in a public or private institution of higher education in this State. Under the Higher Education Capital Improvement Fund Act, P.L.1999, c.217 the New Jersey Educational Facilities Authority was authorized to issue \$550.0 million in bonds to upgrade the infrastructure at New Jersey's four-year public and independent institutions of higher education.

That law stipulated that an institution of higher education may use up to 5 percent of a grant within student-support facilities for fire code renovations and other health-safety code renovations. Since the University of Medicine and Dentistry of New Jersey cannot apply for a fire suppression system project because it has no residential facilities, and under the Capital Improvement Fund that university is allocated \$95.0 million, then for the purposes of calculating the base upon which the 5 percent is to be applied under this estimate, the \$550.0 million is reduced by \$95.0 million to \$455.0 million. Assuming that the 5 percent is used exclusively for fire code renovations, then 5 percent of \$455.0 million is \$22.8 million. Therefore, \$72.8 million (\$50.0 million + \$22.8 million) would be available after enactment of the substitute and the pending legislation to retrofit unprotected public or private institution of higher education dormitory areas.

Based on a survey conducted during February of CY 2000 by the New Jersey Educational Facilities Authority the estimated cost to retrofit unprotected dormitory areas in public and private institutions of higher education under the substitute would be \$84.8 million. The substitute provides that in the event that the \$72.8 million in bond funds is not sufficient, then

funds will be appropriated annually to the Department of Community Affairs to provide grants to New Jersey education institutions of higher education sufficient to carry out the bill's provisions. Therefore this substitute is estimated to require a \$12.0 million General Fund appropriation to the Department of Community Affairs to effectuate its provisions.

To the extent that existing resources are insufficient, this substitute could increase administrative costs for the Department of Community Affairs. OLS does not have sufficient information on which to base an estimate of these potential costs.

Section: *Local Government*

Analyst: *Gerald M. Dowgin, Lead Fiscal Analyst*

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891, 835 (SCS), 799,
ASSEMBLY, Nos. 2259, 1943, 1978,
2005, 2007, 2010 and 2331

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED MAY 8, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JOHN A. GIRGENTI

District 35 (Passaic)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Senator ROBERT J. MARTIN

District 26 (Essex, Morris and Passaic)

Assemblyman JOHN V. KELLY

District 36 (Bergen, Essex and Passaic)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman MARION CRECCO

District 34 (Essex and Passaic)

Assemblyman ALAN M. AUGUSTINE

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman CRAIG A. STANLEY

District 28 (Essex)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Assemblyman STEVE CORODEMUS

District 11 (Monmouth)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JERRY GREEN

District 17 (Middlesex, Somerset and Union)

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Co-Sponsored by:

Senators Bucco, Furnari, Rice, Robertson, Turner, Baer, Assemblymen Zecker, Caraballo, Assemblywoman Pou, Assemblymen Doria, Biondi, Sires, Felice, Zisa, Gibson, Blee, T.Smith, Assemblywoman Buono, Assemblyman Barnes, Assemblywoman Myers, Assemblyman Arnone, Assemblywoman Gill, Assemblymen Jones, Roberts, Assemblywoman Watson Coleman, Assemblymen Charles, Garcia, Assemblywoman Friscia, Assemblymen Carroll, Merkt, Wolfe, Payne, Assemblywomen Cruz-Perez, Weinberg, Assemblyman Gusciora, Assemblywomen Greenstein, Previte and Assemblyman Conaway

SYNOPSIS

The "Dormitory Safety Trust Fund Act."

CURRENT VERSION OF TEXT

Substitute as adopted by the Assembly Housing Committee.



1 **AN ACT** concerning installation of fire suppression systems in student
2 dormitories and supplementing Chapter 72A of Title 18A of the
3 New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.)
4 and amending various parts of the statutory law.

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

8
9 1. (New section) This act shall be known and may be cited as the
10 "Dormitory Safety Trust Fund Act."

11
12 2. (New section) The Legislature finds and declares that:

13 a. Education plays a vital role in the economic development of the
14 nation and the State, by providing the education and training of the
15 work force of the future.

16 b. The safety of students housed in dormitories at secondary
17 schools, military schools, boarding schools, or at institutions of higher
18 education is a vital concern. These students represent New Jersey's
19 future.

20 c. Automatic fire suppression systems installed in buildings have
21 been proven to be a very effective method of preventing injury, death
22 and widespread property damage. The construction, reconstruction,
23 development, extension and improvement of dormitory safety facilities,
24 including fire prevention and sprinkler systems, shall therefore be
25 deemed in the public interest and a public purpose.

26
27 3. (New section) a. Notwithstanding any law, rule or regulation
28 to the contrary, all buildings used as dormitories, in whole or in part,
29 or similar accommodations to house students at a public or private
30 school or at a public or private institution of higher education, shall be
31 equipped throughout with an automatic fire suppression system in
32 accordance with the provisions of this section. For the purpose of this
33 act:

34 (1) "Dormitories" means buildings, or portions thereof, containing
35 rooms which are provided as residences or for overnight sleeping for
36 individuals or groups, and includes those residences utilized by
37 fraternities or sororities which are recognized by or owned by a school
38 or institution of higher education, but does not include those
39 residences or multiple dwellings which are not recognized by or owned
40 by a school or institution of higher education.

41 (2) "Equipped throughout" means installed in the common areas
42 as well as in the areas utilized for sleeping within a dormitory.

43 (3) "Common areas" means those areas within a building which

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

Matter underlined thus is new matter.

1 are normally accessible to all residents, including the corridors, lounge
2 or lobby areas, and areas which contain elements of fire hazards, such
3 as boiler rooms.

4 (4) "School" means a secondary school, military school, or a
5 boarding school.

6 b. Within 120 days of the effective date of P.L. , c. (C.)(now
7 before the Legislature as this substitute), each entity responsible for a
8 building subject to the requirements of this section shall file with the
9 Division of Fire Safety in the Department of Community Affairs a plan
10 outlining the installation of automatic fire suppression systems in those
11 buildings as required pursuant to subsection a. of this section. A plan
12 may cover installation projects which were begun within a 12 month
13 period prior to the effective date of P.L. , c. (C.)(now before
14 the Legislature as this substitute). Each plan shall provide that:

15 (1) at least 20 percent of the required installation will be
16 completed no later than the first day of the 19th month next following
17 the effective date of P.L. , c. (C.)(now before the Legislature
18 as this substitute);

19 (2) at least 40 percent of the required installation will be
20 completed no later than the first day of the 25th month next following
21 the effective date of P.L. , c. (C.)(now before the Legislature
22 as this substitute);

23 (3) at least 60 percent of the required installation will be
24 completed no later than the first day of the 36th month next following
25 the effective date of P.L. , c. (C.)(now before the Legislature
26 as this substitute);

27 (4) at least 80 percent of the required installation will be
28 completed no later than the first day of the 49th month next following
29 the effective date of P.L. , c. (C.)(now before the Legislature
30 as this substitute); and

31 (5) all required installation shall be completed no later than the
32 first day of the 61st month next following the effective date of
33 P.L. , c. (C.)(now before the Legislature as this substitute).

34 Upon application by an entity, the Commissioner of Community
35 Affairs may, at the commissioner's discretion, extend the time frames
36 set forth in this section, upon a showing that the time frame would
37 pose an unreasonable hardship for the entity, or that performance of
38 the installation is impossible for reasons outside the control of the
39 entity by the date set forth under this section. When the request for an
40 extension concerns a building containing asbestos or an historic
41 building, there shall be a presumption in favor of granting the
42 extension.

43

44 4. (New section) The Commissioner of Community Affairs shall,
45 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
46 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to

1 implement P.L. , c. (C.) (now before the Legislature as this
2 substitute). Such rules may include exemption from the requirements
3 of section 1 of P.L. , c. (C.) (now before the Legislature as this
4 substitute) for any types of buildings that may be determined to not
5 warrant the level of protection provided in section 3, of P.L. , c.
6 (C.) (now before the Legislature as this substitute) based on the fire
7 hazard risk.

8
9 5. (New section) The State Treasurer, after consultation with the
10 Commissioner of Community Affairs, shall have the authority to apply
11 State funds otherwise available to State departments, agencies or
12 instrumentalities for the purpose of securing compliance with the
13 requirements established pursuant to P.L. , c. (C.) (now
14 before the Legislature as this substitute). The State Treasurer shall
15 also determine the allocation of moneys to be deposited into the
16 "Dormitory Safety Trust Fund" established pursuant to section 6 of
17 P.L. , c. (C.) (now before the Legislature as this substitute)
18 resulting from the retirement of bonds previously issued by the New
19 Jersey educational facilities authority.

20
21 6. (New section) a. There is created within the New Jersey
22 educational facilities authority established pursuant to N.J.S.18A:72A-
23 4, the "Dormitory Safety Trust Fund," hereinafter referred to as the
24 "trust fund." The trust fund shall be maintained as a separate account
25 and administered by the authority to carry out the provisions of
26 P.L. , c. (C.) (now before the Legislature as this substitute).
27 There shall be paid into this fund:

28 (1) moneys received from the sale of bonds or notes issued
29 pursuant to section 8 of P.L. , c. (C.) (now before the
30 Legislature as this substitute);

31 (2) moneys appropriated by the Legislature, including moneys as
32 may be appropriated annually in an amount sufficient to pay the
33 principal and interest on the bonds or notes;

34 (3) all interest and investment earnings received on the moneys in
35 the trust fund; and

36 (4) all repayments of loans authorized pursuant to P.L. , c.
37 (C.) (now before the Legislature as this substitute).

38 b. The trust fund shall be used to provide loans to the schools and
39 institutions of higher education which are required pursuant to
40 P.L. , c. (C.) (now before the Legislature as this substitute)
41 to install automatic fire suppression systems, for the cost, or a portion
42 of the cost, of the construction, reconstruction, development,
43 extension or improvement of dormitory safety facilities, including fire
44 prevention and sprinkler systems.

45
46 7. (New section) a. The State Treasurer shall establish a program

1 to provide the loans authorized pursuant to P.L. , c. (C.)
2 (now before the Legislature as this substitute). The governing board
3 of a public or private institution of higher education as defined
4 pursuant to N.J.S.18A:72A-3 or of a public or private secondary
5 school shall be eligible for and may determine by resolution to apply
6 for a loan from the trust fund established pursuant to section 6 of
7 P.L. , c. (C.)(now before the Legislature as this substitute).
8 The resolutions shall be transmitted to and in a manner to be
9 determined by the State Treasurer. Owners of residences being
10 utilized by fraternities or sororities, other than those owned by public
11 or private institutions of education, who are responsible for the
12 installation of an automatic fire suppression system pursuant to section
13 3 of P.L. , c. (C.)(now before the Legislature as this
14 substitute) shall not be eligible for a loan from the trust fund
15 established pursuant to section 6 of P.L. , c. (C.)(now before
16 the Legislature as this substitute), but shall be eligible and may apply
17 for a life safety improvement loan pursuant to section 13 of P.L.1983,
18 c.530 (C.55:14K-13) as amended by section 13 of P.L. , c.
19 (C.) (now before the Legislature as this substitute).

20 b. Individual loan amounts from the trust fund shall be limited to
21 no more than the projected costs as stated in the plan required to be
22 filed with the Director of the Division of Fire Safety in the Department
23 of Community Affairs pursuant to section 3 of P.L. , c. (C.)
24 (now before the Legislature as this substitute), and loan amounts shall
25 be disbursed in accordance with the need and the time frame
26 established under the installation plan. If sufficient funds are not
27 available to fully fund each request, the State Treasurer may limit the
28 amounts loaned on a basis which shall provide the maximum amount
29 of funding to the greatest number of buildings.

30 c. The loans issued pursuant to this subsection shall bear interest
31 of not more than:

32 (1) zero percent per year for loans made to public or private
33 institutions of higher education as defined pursuant to N.J.S.18A:72A-
34 3; or

35 (2) two percent per year for loans made to secondary schools,
36 military schools, boarding schools, or similar occupancies.

37 d. The term of a loan shall be for a period of not more than 15
38 years. Any loan approved pursuant to this subsection shall be
39 contingent upon the applicant entering in to a contract or contracts for
40 the construction, reconstruction, development, extension or
41 improvement required in the installation plan in accordance with
42 section 3 of P.L. , c. (C.)(now before the Legislature as this
43 substitute).

44 e. The State Treasurer shall:

45 (1) review each application and approve, disapprove, amend or
46 modify the loan request;

1 (2) establish any other terms or conditions of each loan which are
2 not otherwise provided under this section; and

3 (3) forward to the New Jersey educational facilities authority and
4 the Department of Community Affairs a copy of any loan approval
5 granted pursuant to this section, including information concerning the
6 amount and terms of the loan.

7 f. All repayments of loans awarded pursuant to this section shall
8 be made to the authority and deposited by the authority into the trust
9 fund.

10 g. The State Treasurer shall promulgate the rules necessary to
11 effectuate this section in accordance with the "Administrative
12 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).
13

14 8. (New section) a. The authority shall from time to time issue
15 bonds or notes, in accordance with the provisions of the "New Jersey
16 educational facilities authority law, N.J.S.18A:72A-1 et seq., and in an
17 amount sufficient to finance the loans provided under P.L. , c.
18 (C.)(now before the Legislature as this substitute) and to finance
19 the administrative costs associated with the approval process and the
20 issuance of the bonds or notes, up to a total amount not to exceed
21 \$90,000,000; except that all administrative costs associated with the
22 approval process and the issuance of bonds, notes or other obligations
23 shall not be included within the total aggregate principal amount of the
24 bonds, notes or other obligations issued; the term of any bond so
25 issued shall not exceed 15 years. In computing the foregoing
26 limitation as to amount, there shall be excluded all bonds which shall
27 be issued for refunding purposes, provided that the refunding shall be
28 determined by the authority to result in a debt service savings. The
29 authority shall issue the bonds or notes in such manner as it shall
30 determine in accordance with the provisions of P.L.1993, c.375,
31 (C.18A:72A-49 et al.) and the "New Jersey educational facilities
32 authority law, N.J.S.18A:72A-1 et seq., provided that no bonds or
33 notes shall be issued pursuant to this section without the prior written
34 consent of the State Treasurer.

35 b. Bonds or notes issued pursuant to P.L. , c. (C.)(now before
36 the Legislature as this substitute) shall not be in any way a debt or
37 liability of the State or of any political subdivision thereof other than
38 the authority and shall not create or constitute any indebtedness,
39 liability or obligation of the State or of any political subdivision
40 thereof, or be or constitute a pledge of the faith and credit of the State
41 or of any political subdivision thereof, but all bonds or notes, unless
42 funded or refunded by the bonds or notes of the authority, shall be
43 payable solely from revenues of funds pledged or available for their
44 payment as authorized by P.L. , c. (C.)(now before the Legislature
45 as this substitute). Each bond shall contain on its face a statement to
46 the effect that the authority is obligated to pay the principal thereof,

1 redemption premium, if any, or the interest thereon only from revenue
2 or funds of the authority and that neither the State nor any political
3 subdivision thereof is obligated to pay the principal thereof,
4 redemption premium, if any, or interest thereon and that neither the
5 faith and credit nor the taxing power of the State or of any political
6 subdivision thereof is pledged to the payment of the principal of,
7 redemption premium, if any, or the interest on the bonds.

8 c. The State of New Jersey does hereby pledge to and covenant
9 and agree with the holders of any bonds or notes issued pursuant to
10 the authorization hereunder that the State shall not limit or alter the
11 rights or powers hereby vested in the authority to perform and fulfill
12 the terms of any agreement made with the holders of the bonds or
13 notes, or to fix, establish, charge and collect such rents, fees, rates,
14 payments, or other charges as may be convenient or necessary to
15 produce sufficient revenues to meet all expenses of the authority and
16 to fulfill the terms of any agreement made with the holders of the
17 bonds and notes, together with interest thereon, with interest on any
18 unpaid installments of interest, and all costs and expenses in
19 connection with any action or proceedings by or on behalf of the
20 holders, until the bonds and notes, together with interest thereon, are
21 fully met and discharged or provided for.

22 d. The State Treasurer is hereby authorized to enter into a
23 contract with the authority pursuant to which the State Treasurer,
24 subject to available appropriations, shall pay the amount necessary to
25 pay the principal and interest on bonds, notes and other obligations of
26 the authority issued pursuant to P.L. , c. (C.) (now before the
27 Legislature as this substitute) plus any amounts payable in connections
28 with an agreement authorized under subsection (g) of N.J.S.18A:72A-
29 8.

30 e. To assure the continued operation and solvency of the
31 dormitory safety trust fund program, the authority shall require that if
32 a school or institution of higher education fails or is unable to pay to
33 the authority in full, when due, any obligation of the institution to the
34 authority, an amount sufficient to satisfy the deficiency shall be
35 retained by the State Treasurer from State aid or an appropriation
36 payable to the institution. As used in this section, "obligation of the
37 school or institution" means any amount payable by the school or
38 institution for dormitory safety facilities pursuant to an agreement with
39 the authority.

40 The amount retained by the State Treasurer shall be deducted from
41 the corresponding appropriation or apportionment of State aid payable
42 to the school or institution of higher education and shall not obligate
43 the State to make, or entitle the school or institution to receive, any
44 additional appropriation or apportionment.

45
46 9. (New section) A municipal authority or water utility shall not

1 impose standby fees or charges for any new fire protection system
2 required to be installed pursuant to the provisions of section 3 of
3 P.L. ,c. , (C.) (now before the Legislature as this substitute).

4
5 10. N.J.S.18A:72A-3 is amended to read as follows:

6 18A:72A-3. As used in this act, the following words and terms
7 shall have the following meanings, unless the context indicates or
8 requires another or different meaning or intent:

9 "Authority" means the New Jersey Educational Facilities Authority
10 created by this chapter or any board, body, commission, department
11 or officer succeeding to the principal functions thereof or to whom the
12 powers conferred upon the authority by this chapter shall be given by
13 law;

14 "Bond" means bonds or notes of the authority issued pursuant to
15 this chapter;

16 "County college capital project" means any capital project of a
17 county college certified pursuant to section 2 of P.L.1971, c.12
18 (C.18A:64A-22.2) and approved by the State Treasurer for funding
19 pursuant to the "County College Capital Projects Fund Act,"
20 P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

21 "Dormitory" means a housing unit with necessary and usual
22 attendant and related facilities and equipment and shall include a
23 dormitory of a public or private school, or of a public or private
24 institution of higher education;

25 "Educational facility" means a structure suitable for use as a
26 dormitory, dining hall, student union, administration building,
27 academic building, library, laboratory, research facility, classroom,
28 athletic facility, health care facility, teaching hospital, and parking
29 maintenance storage or utility facility and other structures or facilities
30 related thereto or required or useful for the instruction of students or
31 the conducting of research or the operation of an institution for higher
32 education, and public libraries, and the necessary and usual attendant
33 and related facilities and equipment, but shall not include any facility
34 used or to be used for sectarian instruction or as a place for religious
35 worship;

36 "Emerging needs program" means a program at one or more public
37 or private institutions of higher education directed to meeting new and
38 advanced technology needs or to supporting new academic programs
39 in science and technology;

40 "Higher education equipment" means any property consisting of,
41 or relating to, scientific, engineering, technical, computer,
42 communications or instructional equipment;

43 "Participating college" means a public institution of higher
44 education or private college which, pursuant to the provisions of this
45 chapter, participates with the authority in undertaking the financing
46 and construction or acquisition of a project;

1 "Project" means a dormitory or an educational facility or any
2 combination thereof, or a county college capital project;

3 "Private college" means an institution for higher education other
4 than a public college, situated within the State and which, by virtue of
5 law or charter, is a nonprofit educational institution empowered to
6 provide a program of education beyond the high school level;

7 "Private institution of higher education" means independent
8 colleges or universities incorporated and located in New Jersey, which
9 by virtue of law or character or license, are nonprofit educational
10 institutions authorized to grant academic degrees and which provide
11 a level of education which is equivalent to the education provided by
12 the State's public institutions of higher education as attested by the
13 receipt of and continuation of regional accreditation by the Middle
14 States Association of Colleges and Schools, and which are eligible to
15 receive State aid;

16 "Public institution of higher education" means Rutgers, The State
17 University, the State colleges, the New Jersey Institute of Technology,
18 the University of Medicine and Dentistry of New Jersey, the county
19 colleges and any other public university or college now or hereafter
20 established or authorized by law;

21 "School" means a secondary school, military school, or boarding
22 school.

23 "University" means Rutgers, The State University.
24 (cf: P.L.1999, c.184, s.6)

25
26 11. N.J.S.18A:72A-5 is amended to read as follows:

27 18A:72A-5. The authority shall have power:

28 (a) To adopt bylaws for the regulation of its affairs and the
29 conduct of its business;

30 (b) To adopt and have an official common seal and alter the same
31 at pleasure;

32 (c) To maintain an office at such place or places within the State
33 as it may designate;

34 (d) To sue and be sued in its own name, and plead and be
35 impleaded;

36 (e) To borrow money and to issue bonds and notes and other
37 obligations of the authority and to provide for the rights of the holders
38 thereof as provided in this chapter;

39 (f) To acquire, lease as lessee, hold and dispose of real and
40 personal property or any interest therein, in the exercise of its powers
41 and the performance of its duties under this chapter;

42 (g) To acquire in the name of the authority by purchase or
43 otherwise, on such terms and conditions and in such manner as it may
44 deem proper, or by the exercise of the power of eminent domain, any
45 land or interest therein and other property which it may determine is
46 reasonably necessary for any project, including any lands held by any

1 county, municipality or other governmental subdivision of the State;
2 and to hold and use the same and to sell, convey, lease or otherwise
3 dispose of property so acquired, no longer necessary for the authority's
4 purposes;

5 (h) To receive and accept, from any federal or other public agency
6 or governmental entity, grants or loans for or in aid of the acquisition
7 or construction of any project, and to receive and accept aid or
8 contributions from any other source, of either money, property, labor
9 or other things of value, to be held, used and applied only for the
10 purposes for which such grants, loans and contributions may be made;

11 (i) To prepare or cause to be prepared plans, specifications,
12 designs and estimates of costs for the construction and equipment of
13 projects for participating colleges under the provisions of this chapter,
14 and from time to time to modify such plans, specifications, designs or
15 estimates;

16 (j) By contract or contracts or by its own employees to construct,
17 acquire, reconstruct, rehabilitate and improve, and furnish and equip,
18 projects for participating colleges; however, in any contract or
19 contracts undertaken by the authority for the construction,
20 reconstruction, rehabilitation or improvement of any public college
21 project where the cost of such work will exceed \$25,000, the
22 contracting agent shall advertise for and receive in the manner
23 provided by law:

24 (1) separate bids for the following categories of work;

25 (a) the plumbing and gas fitting work;

26 (b) the heating and ventilating systems and equipment;

27 (c) the electrical work, including any electrical power plants;

28 (d) the structural steel and ornamental iron work;

29 (e) all other work and materials required for the completion of the
30 project, or

31 (2) bids for all work and materials required to complete the entire
32 project if awarded as a single contract; or

33 (3) both (1) and (2) above.

34 All bids submitted shall set forth the names and license numbers of,
35 and evidence of performance security from, all subcontractors to
36 whom the bidder will subcontract the work described in the foregoing
37 categories (1)(a) through (1)(e).

38 Contracts shall be awarded to the lowest responsible bidder whose
39 bid, conforming to the invitation for bids, will be the most
40 advantageous to the authority;

41 (k) To determine the location and character of any project to be
42 undertaken pursuant to the provisions of this chapter, and to
43 construct, reconstruct, maintain, repair, operate, lease, as lessee or
44 lessor, and regulate the same; to enter into contracts for any or all
45 such purposes; to enter into contracts for the management and
46 operation of a project, and to designate a participating college as its

1 agent to determine the location and character of a project undertaken
2 by such participating college under the provisions of this chapter and,
3 as the agent of the authority, to construct, reconstruct, maintain,
4 repair, operate, lease, as lessee or lessor, and regulate the same, and,
5 as agent of the authority, to enter into contracts for any and all such
6 purposes including contracts for the management and operation of
7 such project;

8 (l) To establish rules and regulations for the use of a project or
9 any portion thereof and to designate a participating college as its agent
10 to establish rules and regulations for the use of a project undertaken
11 by such participating college;

12 (m) Generally to fix and revise from time to time and to charge
13 and collect rates, rents, fees and other charges for the use of and for
14 the services furnished or to be furnished by a project or any portion
15 thereof and to contract with holders of its bonds and with any other
16 person, party, association, corporation or other body, public or
17 private, in respect thereof;

18 (n) To enter into any and all agreements or contracts, execute any
19 and all instruments, and do and perform any and all acts or things
20 necessary, convenient or desirable for the purposes of the authority or
21 to carry out any power expressly given in this chapter;

22 (o) To invest any moneys held in reserve or sinking funds, or any
23 moneys not required for immediate use or disbursement, at the
24 discretion of the authority, in such obligations as are authorized by law
25 for the investment of trust funds in the custody of the State Treasurer;

26 (p) To enter into any lease relating to higher education equipment
27 with a public or private institution of higher education pursuant to the
28 provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

29 (q) To enter into loan agreements with any county, to hold bonds
30 or notes of the county evidencing those loans, and to issue bonds or
31 notes of the authority to finance county college capital projects
32 pursuant to the provisions of the "County College Capital Projects
33 Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

34 (r) To issue bonds and notes and other obligations of the authority
35 under the direction of law for the purpose of providing financial
36 assistance for the installation of fire prevention and safety systems in
37 dormitories.

38 (cf: P.L.1997, c.360, s.6)

39

40 12. Section 22 of P.L. 1983, c. 383 (C.52:27D-213) is amended
41 to read as follows:

42 22. a. This act shall not be construed as authorizing the adoption
43 of a regulation or the enactment of an ordinance requiring that a
44 building conforming in all respects to the requirements of the "State
45 Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et
46 seq.) be made to conform to more restrictive standards.

1 b. Buildings, structures and premises owned or operated by the
2 State, its agencies, departments, or instrumentalities or an interstate
3 agency shall be inspected exclusively by the Department of Community
4 Affairs, and shall conform to this act in the same manner as all other
5 buildings, structures and premises of similar construction and use
6 classification [; but no]. The department may establish fees [or] and
7 issue penalties [shall be charged to or assessed] against the State, its
8 agency, department or instrumentality, or an interstate agency to
9 obtain compliance with P.L.1983, c.383. (C.52:27D-192 et seq.) . For
10 purposes of this section, a unit of local government, whether county,
11 inter-local or municipal, or a local, county, regional or consolidated
12 school district, shall not be deemed to be an instrumentality of the
13 State.

14 c. Buildings, structures and premises subject to inspection for fire
15 safety by an agency of the State shall be inspected by the agency in
16 accordance with the standards established pursuant to this act. Any
17 State fire safety standard for buildings, structures or premises
18 established by or pursuant to any statute other than this act shall
19 continue in effect until such time as that standard is superseded by
20 appropriate regulations promulgated under this act. An agency of the
21 State that enforced fire standards prior to the effective date of this act
22 shall be entitled to petition the commissioner to establish a regulation
23 establishing the standards it considers to be necessary and appropriate
24 for buildings, structures and premises subject to its inspection.
25 (cf: P.L.1991, c.222, s.1)

26
27 13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to
28 read as follows:

29 13. a. In order to encourage the construction, acquisition and
30 rendering of life safety improvements at or to boarding houses, the
31 agency is hereby authorized to finance by life safety improvement
32 loans the construction, acquisition and rendering of life safety
33 improvements at or to boarding houses and residences utilized by
34 fraternities or sororities which are recognized by a public or private
35 institution of higher education. For the purposes of this section,
36 "boarding house" shall include reference to residences utilized by
37 fraternities or sororities which are recognized by a public or private
38 institution of higher education.

39 b. To carry out the purposes of this section, the agency may
40 accept from boarding house owners applications for life safety
41 improvement loans and enter into agreements with boarding house
42 owners with respect thereto. In considering applications for life safety
43 improvement loans, the agency shall give consideration to:

44 (1) the degree of need for the life safety improvement at the
45 boarding house with respect to which the application is made;

46 (2) factors affecting the tax-exempt status of interest on the bonds

1 issued by the agency to raise the money necessary to make the life
2 safety improvement loan, including the location and ownership of
3 boarding houses with respect to which applications have been and are
4 being made;

5 (3) the extent of the benefit which, in the agency's opinion, can be
6 expected to be achieved from the life safety improvement intended to
7 be financed with the life safety improvement loan for which the
8 application is made, giving effect to, among other things, the cost of
9 such life safety improvement;

10 (4) the applicant's ability to obtain alternate financing; and

11 (5) the extent of the applicant's compliance with the "Rooming
12 and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et
13 seq.), if that act is applicable. This determination shall be
14 accomplished through an inspection of the boarding house by either
15 the New Jersey Department of Community Affairs or the New Jersey
16 Department of Health. Deficiencies which are to be corrected through
17 life safety improvement loans are not to be used as a basis for
18 disapproving a loan under this section.

19 c. Life safety improvement loans made by the agency shall not be
20 subject to the terms and conditions set forth in sections 6 through 10
21 of this act but shall be subject to the following terms and conditions:

22 (1) the amount of the loan shall not exceed 100% of the cost of the
23 life safety improvement to be constructed, acquired or rendered, as
24 determined by the agency.

25 (2) the interest rate on the loan shall be established by the agency
26 at the lowest level consistent with the agency's cost of operation but
27 not lower than the effective cost of the agency of the obligations of
28 the agency sold to raise the money used to make the loan.

29 (3) the loan shall be evidenced by a promissory note which shall
30 contain terms and provisions and be in a form approved by the agency
31 [and]. Except for loans made to owners of residences that are utilized
32 as fraternities or sororities, but are not otherwise rooming and
33 boarding houses, the terms and provisions shall include, but not be
34 limited to, agency requirements that: (a) the boarding house owner
35 remit to the agency the entire unpaid balance of all life safety
36 improvement loans made by the agency to the boarding house owner
37 as of the time when the facility ceases to be a boarding house, and the
38 money shall be used for making new boarding house life safety
39 improvement loans or any other lawful purpose; (b) the boarding
40 house owner remit to the agency, for payment to the Department of
41 Community Affairs for deposit in the "Boarding House Rental
42 Assistance Fund," established under section 14 of this act, an amount
43 equal to the rental assistance payments made to or on behalf of the
44 residents of a boarding house, pursuant to this section, prior to the
45 point in time when the facility ceases to be a boarding house, but the
46 inclusion of this second requirement in the promissory note and the

1 remittance of that amount shall be required if and to the extent that
2 the agency determines it to be feasible and practicable; and (c) in the
3 event of any sale which occurs during the period when the life safety
4 improvement loan is being repaid to a purchaser who will maintain the
5 facility as a boarding house, the boarding house owner shall either
6 remit the entire unpaid balance of all life safety improvement loans
7 made by the agency to the boarding house owner or require the
8 purchaser to assume the loan.

9 (4) as a condition of the loan, the agency shall have the power at
10 all times during the construction, acquisition or rendering of a life
11 safety improvement at or to a boarding house and for a reasonable
12 period of time subsequent thereto to enter without prior notice the
13 boarding house with respect to which the loan is made in order to
14 inspect the construction, acquisition or rendering of the life safety
15 improvement being financed with the loan.

16 (cf: P.L.1983, c.530, s.13)

17

18 14. This act shall take effect immediately.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

**SENATE Nos. 891 and 835 SCS, 799,
ASSEMBLY Nos. 2259, 1943, 1978, 2005, 2007, 2010 and 2331**

STATE OF NEW JERSEY

DATED: MAY 8, 2000

The Assembly Housing Committee reports favorably Senate Bill Nos. 891 and 835 SCS, 799, Assembly Bill Nos. 2259, 1943, 1978, 2005, 2007, 2010 and 2331, by committee substitute.

This substitute, called the "Dormitory Safety Trust Fund Act," creates a requirement for the owners of buildings utilized as dormitories for students at public or private schools or at public or private institutions of higher education to install an automatic fire suppression system. The requirement would not apply to dormitories which are not located at schools or colleges, such as dormitories at correctional facilities. The term "dormitories" is defined under the substitute to mean buildings, or portions thereof, containing rooms which are provided as residences or for overnight sleeping for individuals or groups, and includes those residences recognized for use as fraternity or sorority houses, whether or not the buildings are owned by an educational institution.

The substitute is in response to a recent tragic dormitory fire in which three students were killed and numerous others were injured. The dormitory, although not required by law, was not equipped with an automatic fire suppression system. Sprinklers have been proven as a highly effective method to prevent death and property damage resulting from fires.

Under the substitute, each entity owning a dormitory in which sprinklers will be required, would be required to file, within 120 days after the enactment of the substitute into law, a plan with the Division of Fire Safety within the Department of Community Affairs (DCA) outlining the total sprinkler installation plan, including costs and projected dates of construction.

Each plan shall provide that:

(1) at least 20 percent of the required installation will be completed no later than the first day of the 19th month next following the effective date of the substitute, after enactment into law;

(2) at least 40 percent of the required installation will be completed no later than the first day of the 25th month next following

the effective date of the substitute, after enactment into law;

(3) at least 60 percent of the required installation will be completed no later than the first day of the 36th month next following the effective date of the substitute, after enactment into law;

(4) at least 80 percent of the required installation will be completed no later than the first day of the 49th month next following the effective date of the substitute, after enactment into law; and

(5) all required installation shall be completed no later than the first day of the 61st month next following the effective date of the substitute, after enactment into law .

Upon application by an entity, the Commissioner of Community Affairs may, at the commissioner's discretion, extend the time frames for installation, upon a showing that the time frame would pose an unreasonable hardship for the entity, or performance of the installation is impossible for reasons outside the control of the entity by the date set forth under this section. When the request for an extension concerns a building containing asbestos or an historic building, there shall be a presumption in favor of granting the extension. In addition, the commissioner is empowered to exempt certain building types from the sprinkler installation requirements if it is determined that the type of building does not warrant the level of protection provided by a sprinkler system, based on the fire hazard risk. The substitute provides that sprinkler installation projects which were begun within a 12 month period prior to the effective date of the substitute, if enacted into law, will be eligible to be included in the plan, and the costs of such installation will thus eligible to be included in any loan request.

Under the substitute, the "Dormitory Safety Trust Fund" is established within the educational facilities authority (EFA) established pursuant to N.J.S.18A:72A-4. The fund will be the repository of bond proceeds from the sale of bonds by the EFA, which are authorized to be issued by the substitute in an amount not to exceed \$90,000,000. The trust fund is to be used to provide loans to the schools and institutions of higher education and private schools which are required pursuant to the substitute to install automatic fire suppression systems, for the cost, or a portion of the cost, of the construction, reconstruction, development, extension or improvement of dormitory safety facilities, including fire prevention and sprinkler systems.

The State Treasurer is required to establish a program to provide the loans authorized by the substitute. A public or private institution of higher education or a public or private secondary school is eligible for a loan from the trust fund created under the substitute, and may determine by resolution to apply for a loan from the trust fund. Owners of residences being utilized by fraternities or sororities, other than those owned by public or private institutions of education, who are responsible for the installation of an automatic fire suppression system pursuant to the substitute may apply for a life safety improvement loan pursuant to section 13 of P.L.1983, c.530

(C.55:14K-13), as amended by the substitute. The loan program for life safety improvements, including the installation of automatic fire suppression systems, currently is available only to rooming and boarding house owners, but is extended by the substitute to owners of houses utilized as fraternities or sororities.

The loans authorized pursuant to the substitute from the "Dormitory Safety Trust fund" shall bear interest of not more than zero percent per year for loans made to public or private institutions of higher education as defined pursuant to N.J.S.18A:72A-3, or two percent per year for loans made to secondary schools, military schools, boarding schools, or similar occupancies. The term of a loan shall be for a period of not more than 15 years. Any loan approved shall be contingent upon the applicant entering in to a contract or contracts for the construction, reconstruction, development, extension or improvement required in the installation plan in accordance with section 3 of the substitute. The substitute provides that the loan proceeds would be disbursed according to the time table established in the installation plan filed with the Department of Community Affairs.

The substitute amends the statutes to enlarge the powers of the educational facilities authority to include the purposes of the substitute and makes several definitional changes. The substitute also amends a section of the "Uniform Fire Safety Act," P.L.1983, c.383 (C.52:27D-192 et seq.) to provide that the department may establish fees and issue penalties against the State, its agency, department or instrumentality, or an interstate agency to obtain compliance with that act.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
**SENATE, Nos. 891, 835 (SCS), 799, ASSEMBLY Nos. 2259,
1943, 1978, 2005, 2007, 2010 and 2331**

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Assembly Appropriations Committee reports favorably Senate Bill Nos. 891, 835 (SCS), 799 Assembly Bill Nos. 2259, 1943, 1978, 2005, 2007, 2010, 2331 (ACS) with committee amendments.

Senate Bill Nos. 891, 835 (SCS), S799, Assembly Nos. 2259, 1943, 1978, 2005, 2007, 2010 and 2331 (ACS), as amended, and called the "Dormitory Safety Trust Fund Act," creates a requirement for the owners of buildings utilized as dormitories for students at public or private schools or at public or private institutions of higher education to install an automatic fire suppression system. The requirement would not apply to dormitories which are not located at schools or colleges, such as dormitories at correctional facilities. The term "dormitories" is defined as buildings, or portions thereof, containing rooms which are provided as residences or for overnight sleeping for individuals or groups, and includes those residences recognized for use as fraternity or sorority houses, whether or not the buildings are owned by an educational institution.

Under the bill, each entity owning a dormitory would be required to file, within 120 days after the enactment, a plan with the Division of Fire Safety within the Department of Community Affairs (DCA) outlining the total sprinkler installation plan, including costs and projected dates of construction.

Each plan shall provide that:

(1) at least 20 percent of the required installation be completed no later than the first day of the 19th month after enactment;

(2) at least 40 percent of the required installation be completed no later than the first day of the 25th month after enactment;

(3) at least 60 percent of the required installation be completed no later than the first day of the 36th month after enactment;

(4) at least 80 percent of the required installation be completed no later than the first day of the 49th month after enactment; and

(5) all required installation shall be completed no later than the first day of the 61st month after enactment.

Upon application by an entity, the commissioner of DCA may, at the commissioner's discretion, extend the time frames for installation, upon a showing that the time frame would pose an unreasonable hardship for the entity, or performance of the installation is impossible for reasons outside the control of the entity by the date set forth under this section. When the request for an extension concerns a building containing asbestos or an historic building, there shall be a presumption in favor of granting the extension. In addition, the commissioner is empowered to exempt certain building types from the sprinkler installation requirements if it is determined that the type of building does not warrant the level of protection provided by a sprinkler system, based on the fire hazard risk. The bill provides that sprinkler installation projects which were begun within a 12 month period prior to the effective date of the bill, if enacted into law, will be eligible to be included in the plan, and the costs of such installation will thus eligible to be included in any loan request.

FISCAL IMPACT:

Under the bill, the "Dormitory Safety Trust Fund" is established within the educational facilities authority (EFA). The fund will be the repository of bond proceeds from the sale of bonds by the EFA, which are authorized to be issued in an amount not to exceed \$90,000,000. The trust fund is to be used to provide loans to the schools and institutions of higher education and private schools required to install automatic fire suppression systems, for the cost, or a portion of the cost, of the construction, reconstruction, development, extension or improvement of dormitory safety facilities, including fire prevention and sprinkler systems.

The State Treasurer is required to establish a program to provide the loans. A public or private institution of higher education or a public or private secondary school is eligible for a loan and may determine by resolution to apply for a loan from the trust fund. Owners of residences being utilized by fraternities or sororities, other than those owned by public or private institutions of education, who are responsible for the installation of an automatic fire suppression system may apply for a life safety improvement loan pursuant to section 13 of P.L.1983, c.530 (C.55:14K-13).

The loans shall bear interest of zero percent per year made to public or private institutions of higher education, or two percent per year for loans made to secondary schools, military schools, boarding schools, or similar occupancies. The term shall be for a period of not more than 15 years. Any loan approved shall be contingent upon the applicant entering in to a contract or contracts for the construction, reconstruction, development, extension or improvement required in the installation plan in accordance with section 3 of the bill. The bill provides that the loan proceeds would be disbursed according to the time table established in the installation plan filed with the Department of Community Affairs.

COMMITTEE AMENDMENTS:

The amendments clarify that the allocation powers of the State Treasurer shall apply only to moneys resulting from the retirement of bonds previously issued by the EFA pursuant to the "Dormitory Safety Trust Fund Act," not all EFA bonds.

The amendments also remove a restriction on water company charges for new fire protection system installations to allow charges for the costs of services actually used.

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891, 835 (SCS), 799,
ASSEMBLY, Nos. 2259, 1943, 1978,
2005, 2007, 2010 and 2331

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED MAY 8, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JOHN A. GIRGENTI

District 35 (Passaic)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Senator ROBERT J. MARTIN

District 26 (Essex, Morris and Passaic)

Assemblyman JOHN V. KELLY

District 36 (Bergen, Essex and Passaic)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman MARION CRECCO

District 34 (Essex and Passaic)

Assemblyman ALAN M. AUGUSTINE

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman CRAIG A. STANLEY

District 28 (Essex)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Assemblyman STEVE CORODEMUS

District 11 (Monmouth)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JERRY GREEN

District 17 (Middlesex, Somerset and Union)

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Co-Sponsored by:

Senators Bucco, Furnari, Rice, Robertson, Turner, Baer, Assemblymen Zecker, Caraballo, Assemblywoman Pou, Assemblymen Doria, Biondi, Sires, Felice, Zisa, Gibson, Blee, T.Smith, Assemblywoman Buono, Assemblyman Barnes, Assemblywoman Myers, Assemblyman Arnone, Assemblywoman Gill, Assemblymen Jones, Roberts, Assemblywoman Watson Coleman, Assemblymen Charles, Garcia, Assemblywoman Friscia, Assemblymen Carroll, Merkt, Wolfe, Payne, Assemblywomen Cruz-Perez, Weinberg, Assemblyman Gusciora, Assemblywomen Greenstein, Previte and Assemblyman Conaway

SYNOPSIS

The "Dormitory Safety Trust Fund Act."

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on May 22, 2000, with amendments.



1 **AN ACT** concerning installation of fire suppression systems in student
2 dormitories and supplementing Chapter 72A of Title 18A of the
3 New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.)
4 and amending various parts of the statutory law.

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

8
9 1. (New section) This act shall be known and may be cited as the
10 "Dormitory Safety Trust Fund Act."

11
12 2. (New section) The Legislature finds and declares that:
13 a. Education plays a vital role in the economic development of the
14 nation and the State, by providing the education and training of the
15 work force of the future.

16 b. The safety of students housed in dormitories at secondary
17 schools, military schools, boarding schools, or at institutions of higher
18 education is a vital concern. These students represent New Jersey's
19 future.

20 c. Automatic fire suppression systems installed in buildings have
21 been proven to be a very effective method of preventing injury, death
22 and widespread property damage. The construction, reconstruction,
23 development, extension and improvement of dormitory safety facilities,
24 including fire prevention and sprinkler systems, shall therefore be
25 deemed in the public interest and a public purpose.

26
27 3. (New section) a. Notwithstanding any law, rule or regulation
28 to the contrary, all buildings used as dormitories, in whole or in part,
29 or similar accommodations to house students at a public or private
30 school or at a public or private institution of higher education, shall be
31 equipped throughout with an automatic fire suppression system in
32 accordance with the provisions of this section. For the purpose of this
33 act:

34 (1) "Dormitories" means buildings, or portions thereof, containing
35 rooms which are provided as residences or for overnight sleeping for
36 individuals or groups, and includes those residences utilized by
37 fraternities or sororities which are recognized by or owned by a school
38 or institution of higher education, but does not include those
39 residences or multiple dwellings which are not recognized by or owned
40 by a school or institution of higher education.

41 (2) "Equipped throughout" means installed in the common areas
42 as well as in the areas utilized for sleeping within a dormitory.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted May 22, 2000.

1 (3) "Common areas" means those areas within a building which
2 are normally accessible to all residents, including the corridors, lounge
3 or lobby areas, and areas which contain elements of fire hazards, such
4 as boiler rooms.

5 (4) "School" means a secondary school, military school, or a
6 boarding school.

7 b. Within 120 days of the effective date of P.L. , c. (C.)(now
8 before the Legislature as this substitute), each entity responsible for a
9 building subject to the requirements of this section shall file with the
10 Division of Fire Safety in the Department of Community Affairs a plan
11 outlining the installation of automatic fire suppression systems in those
12 buildings as required pursuant to subsection a. of this section. A plan
13 may cover installation projects which were begun within a 12 month
14 period prior to the effective date of P.L. , c. (C.)(now before
15 the Legislature as this substitute). Each plan shall provide that:

16 (1) at least 20 percent of the required installation will be
17 completed no later than the first day of the 19th month next following
18 the effective date of P.L. , c. (C.)(now before the Legislature
19 as this substitute);

20 (2) at least 40 percent of the required installation will be
21 completed no later than the first day of the 25th month next following
22 the effective date of P.L. , c. (C.)(now before the Legislature
23 as this substitute);

24 (3) at least 60 percent of the required installation will be
25 completed no later than the first day of the 36th month next following
26 the effective date of P.L. , c. (C.)(now before the Legislature
27 as this substitute);

28 (4) at least 80 percent of the required installation will be
29 completed no later than the first day of the 49th month next following
30 the effective date of P.L. , c. (C.)(now before the Legislature
31 as this substitute); and

32 (5) all required installation shall be completed no later than the
33 first day of the 61st month next following the effective date of
34 P.L. , c. (C.)(now before the Legislature as this substitute).

35 Upon application by an entity, the Commissioner of Community
36 Affairs may, at the commissioner's discretion, extend the time frames
37 set forth in this section, upon a showing that the time frame would
38 pose an unreasonable hardship for the entity, or that performance of
39 the installation is impossible for reasons outside the control of the
40 entity by the date set forth under this section. When the request for an
41 extension concerns a building containing asbestos or an historic
42 building, there shall be a presumption in favor of granting the
43 extension.

44
45 4. (New section) The Commissioner of Community Affairs shall,
46 pursuant to the "Administrative Procedure Act," P.L.1968, c.410

1 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to
2 implement P.L. , c. (C.) (now before the Legislature as this
3 substitute). Such rules may include exemption from the requirements
4 of section 1 of P.L. , c. (C.) (now before the Legislature as this
5 substitute) for any types of buildings that may be determined to not
6 warrant the level of protection provided in section 3, of P.L. , c.
7 (C.) (now before the Legislature as this substitute) based on the fire
8 hazard risk.

9
10 5. (New Section) The State Treasurer, after consultation with the
11 Commissioner of Community Affairs, shall have the authority to apply
12 State funds otherwise available to State departments, agencies or
13 instrumentalities for the purpose of securing compliance with the
14 requirements established pursuant to P.L. , c. (C.)(now before
15 the Legislature as this substitute). The State Treasurer shall also
16 determine the allocation of moneys to be deposited into the
17 "Dormitory Safety Trust Fund" established pursuant to section 6 of
18 P.L. , c. (C.)(now before the Legislature as this substitute)
19 resulting from the retirement of bonds previously issued ¹for deposit
20 to the "Dormitory Safety Trust Fund"¹ by the New Jersey educational
21 facilities authority.

22
23 6. (New section) a. There is created within the New Jersey
24 educational facilities authority established pursuant to N.J.S.18A:72A-
25 4, the "Dormitory Safety Trust Fund," hereinafter referred to as the
26 "trust fund." The trust fund shall be maintained as a separate account
27 and administered by the authority to carry out the provisions of
28 P.L. , c. (C.)(now before the Legislature as this substitute).
29 There shall be paid into this fund:

30 (1) moneys received from the sale of bonds or notes issued
31 pursuant to section 8 of P.L. , c. (C.)(now before the
32 Legislature as this substitute);

33 (2) moneys appropriated by the Legislature, including moneys as
34 may be appropriated annually in an amount sufficient to pay the
35 principal and interest on the bonds or notes;

36 (3) all interest and investment earnings received on the moneys in
37 the trust fund; and

38 (4) all repayments of loans authorized pursuant to P.L. , c.
39 (C.) (now before the Legislature as this substitute).

40 b. The trust fund shall be used to provide loans to the schools and
41 institutions of higher education which are required pursuant to
42 P.L. , c. (C.)(now before the Legislature as this substitute)
43 to install automatic fire suppression systems, for the cost, or a portion
44 of the cost, of the construction, reconstruction, development,
45 extension or improvement of dormitory safety facilities, including fire
46 prevention and sprinkler systems.

1 7. (New section) a. The State Treasurer shall establish a program
2 to provide the loans authorized pursuant to P.L. , c. (C.)
3 (now before the Legislature as this substitute). The governing board
4 of a public or private institution of higher education as defined
5 pursuant to N.J.S.18A:72A-3 or of a public or private secondary
6 school shall be eligible for and may determine by resolution to apply
7 for a loan from the trust fund established pursuant to section 6 of
8 P.L. , c. (C.)(now before the Legislature as this substitute).
9 The resolutions shall be transmitted to and in a manner to be
10 determined by the State Treasurer. Owners of residences being
11 utilized by fraternities or sororities, other than those owned by public
12 or private institutions of education, who are responsible for the
13 installation of an automatic fire suppression system pursuant to section
14 3 of P.L. , c. (C.)(now before the Legislature as this
15 substitute) shall not be eligible for a loan from the trust fund
16 established pursuant to section 6 of P.L. , c. (C.)(now before
17 the Legislature as this substitute), but shall be eligible and may apply
18 for a life safety improvement loan pursuant to section 13 of P.L.1983,
19 c.530 (C.55:14K-13) as amended by section 13 of P.L. , c.
20 (C.) (now before the Legislature as this substitute).

21 b. Individual loan amounts from the trust fund shall be limited to
22 no more than the projected costs as stated in the plan required to be
23 filed with the Director of the Division of Fire Safety in the Department
24 of Community Affairs pursuant to section 3 of P.L. , c. (C.)
25 (now before the Legislature as this substitute), and loan amounts shall
26 be disbursed in accordance with the need and the time frame
27 established under the installation plan. If sufficient funds are not
28 available to fully fund each request, the State Treasurer may limit the
29 amounts loaned on a basis which shall provide the maximum amount
30 of funding to the greatest number of buildings.

31 c. The loans issued pursuant to this subsection shall bear interest
32 of not more than:

33 (1) zero percent per year for loans made to public or private
34 institutions of higher education as defined pursuant to N.J.S.18A:72A-
35 3; or

36 (2) two percent per year for loans made to secondary schools,
37 military schools, boarding schools, or similar occupancies.

38 d. The term of a loan shall be for a period of not more than 15
39 years. Any loan approved pursuant to this subsection shall be
40 contingent upon the applicant entering in to a contract or contracts for
41 the construction, reconstruction, development, extension or
42 improvement required in the installation plan in accordance with
43 section 3 of P.L. , c. (C.)(now before the Legislature as this
44 substitute).

45 e. The State Treasurer shall:

46 (1) review each application and approve, disapprove, amend or

1 modify the loan request;

2 (2) establish any other terms or conditions of each loan which are
3 not otherwise provided under this section; and

4 (3) forward to the New Jersey educational facilities authority and
5 the Department of Community Affairs a copy of any loan approval
6 granted pursuant to this section, including information concerning the
7 amount and terms of the loan.

8 f. All repayments of loans awarded pursuant to this section shall
9 be made to the authority and deposited by the authority into the trust
10 fund.

11 g. The State Treasurer shall promulgate the rules necessary to
12 effectuate this section in accordance with the "Administrative
13 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

14

15 8. (New section) a. The authority shall from time to time issue
16 bonds or notes, in accordance with the provisions of the "New Jersey
17 educational facilities authority law, N.J.S.18A:72A-1 et seq., and in an
18 amount sufficient to finance the loans provided under P.L. , c.
19 (C.)(now before the Legislature as this substitute) and to finance
20 the administrative costs associated with the approval process and the
21 issuance of the bonds or notes, up to a total amount not to exceed
22 \$90,000,000; except that all administrative costs associated with the
23 approval process and the issuance of bonds, notes or other obligations
24 shall not be included within the total aggregate principal amount of the
25 bonds, notes or other obligations issued; the term of any bond so
26 issued shall not exceed 15 years. In computing the foregoing
27 limitation as to amount, there shall be excluded all bonds which shall
28 be issued for refunding purposes, provided that the refunding shall be
29 determined by the authority to result in a debt service savings. The
30 authority shall issue the bonds or notes in such manner as it shall
31 determine in accordance with the provisions of P.L.1993, c.375,
32 (C.18A:72A-49 et al.) and the "New Jersey educational facilities
33 authority law, N.J.S.18A:72A-1 et seq., provided that no bonds or
34 notes shall be issued pursuant to this section without the prior written
35 consent of the State Treasurer.

36 b. Bonds or notes issued pursuant to P.L. , c. (C.)(now before
37 the Legislature as this substitute) shall not be in any way a debt or
38 liability of the State or of any political subdivision thereof other than
39 the authority and shall not create or constitute any indebtedness,
40 liability or obligation of the State or of any political subdivision
41 thereof, or be or constitute a pledge of the faith and credit of the State
42 or of any political subdivision thereof, but all bonds or notes, unless
43 funded or refunded by the bonds or notes of the authority, shall be
44 payable solely from revenues of funds pledged or available for their
45 payment as authorized by P.L. , c. (C.)(now before the Legislature
46 as this substitute). Each bond shall contain on its face a statement to

1 the effect that the authority is obligated to pay the principal thereof,
2 redemption premium, if any, or the interest thereon only from revenue
3 or funds of the authority and that neither the State nor any political
4 subdivision thereof is obligated to pay the principal thereof,
5 redemption premium, if any, or interest thereon and that neither the
6 faith and credit nor the taxing power of the State or of any political
7 subdivision thereof is pledged to the payment of the principal of,
8 redemption premium, if any, or the interest on the bonds.

9 c. The State of New Jersey does hereby pledge to and covenant
10 and agree with the holders of any bonds or notes issued pursuant to
11 the authorization hereunder that the State shall not limit or alter the
12 rights or powers hereby vested in the authority to perform and fulfill
13 the terms of any agreement made with the holders of the bonds or
14 notes, or to fix, establish, charge and collect such rents, fees, rates,
15 payments, or other charges as may be convenient or necessary to
16 produce sufficient revenues to meet all expenses of the authority and
17 to fulfill the terms of any agreement made with the holders of the
18 bonds and notes, together with interest thereon, with interest on any
19 unpaid installments of interest, and all costs and expenses in
20 connection with any action or proceedings by or on behalf of the
21 holders, until the bonds and notes, together with interest thereon, are
22 fully met and discharged or provided for.

23 d. The State Treasurer is hereby authorized to enter into a
24 contract with the authority pursuant to which the State Treasurer,
25 subject to available appropriations, shall pay the amount necessary to
26 pay the principal and interest on bonds, notes and other obligations of
27 the authority issued pursuant to P.L. , c. (C.) (now before the
28 Legislature as this substitute) plus any amounts payable in connections
29 with an agreement authorized under subsection (g) of N.J.S.18A:72A-
30 8.

31 e. To assure the continued operation and solvency of the
32 dormitory safety trust fund program, the authority shall require that if
33 a school or institution of higher education fails or is unable to pay to
34 the authority in full, when due, any obligation of the institution to the
35 authority, an amount sufficient to satisfy the deficiency shall be
36 retained by the State Treasurer from State aid or an appropriation
37 payable to the institution. As used in this section, "obligation of the
38 school or institution" means any amount payable by the school or
39 institution for dormitory safety facilities pursuant to an agreement with
40 the authority.

41 The amount retained by the State Treasurer shall be deducted from
42 the corresponding appropriation or apportionment of State aid payable
43 to the school or institution of higher education and shall not obligate
44 the State to make, or entitle the school or institution to receive, any
45 additional appropriation or apportionment.

1 9. (New section) A municipal authority or water utility shall not
2 impose standby fees ¹[or charges]¹ for any new fire protection system
3 required to be installed pursuant to the provisions of section 3 of
4 P.L. ,c. , (C.) (now before the Legislature as this substitute).

5
6 10. N.J.S.18A:72A-3 is amended to read as follows:

7 18A:72A-3. As used in this act, the following words and terms
8 shall have the following meanings, unless the context indicates or
9 requires another or different meaning or intent:

10 "Authority" means the New Jersey Educational Facilities Authority
11 created by this chapter or any board, body, commission, department
12 or officer succeeding to the principal functions thereof or to whom the
13 powers conferred upon the authority by this chapter shall be given by
14 law;

15 "Bond" means bonds or notes of the authority issued pursuant to
16 this chapter;

17 "County college capital project" means any capital project of a
18 county college certified pursuant to section 2 of P.L.1971, c.12
19 (C.18A:64A-22.2) and approved by the State Treasurer for funding
20 pursuant to the "County College Capital Projects Fund Act,"
21 P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

22 "Dormitory" means a housing unit with necessary and usual
23 attendant and related facilities and equipment and shall include a
24 dormitory of a public or private school, or of a public or private
25 institution of higher education;

26 "Educational facility" means a structure suitable for use as a
27 dormitory, dining hall, student union, administration building,
28 academic building, library, laboratory, research facility, classroom,
29 athletic facility, health care facility, teaching hospital, and parking
30 maintenance storage or utility facility and other structures or facilities
31 related thereto or required or useful for the instruction of students or
32 the conducting of research or the operation of an institution for higher
33 education, and public libraries, and the necessary and usual attendant
34 and related facilities and equipment, but shall not include any facility
35 used or to be used for sectarian instruction or as a place for religious
36 worship;

37 "Emerging needs program" means a program at one or more public
38 or private institutions of higher education directed to meeting new and
39 advanced technology needs or to supporting new academic programs
40 in science and technology;

41 "Higher education equipment" means any property consisting of,
42 or relating to, scientific, engineering, technical, computer,
43 communications or instructional equipment;

44 "Participating college" means a public institution of higher
45 education or private college which, pursuant to the provisions of this
46 chapter, participates with the authority in undertaking the financing

1 and construction or acquisition of a project;

2 "Project" means a dormitory or an educational facility or any
3 combination thereof, or a county college capital project;

4 "Private college" means an institution for higher education other
5 than a public college, situated within the State and which, by virtue of
6 law or charter, is a nonprofit educational institution empowered to
7 provide a program of education beyond the high school level;

8 "Private institution of higher education" means independent
9 colleges or universities incorporated and located in New Jersey, which
10 by virtue of law or character or license, are nonprofit educational
11 institutions authorized to grant academic degrees and which provide
12 a level of education which is equivalent to the education provided by
13 the State's public institutions of higher education as attested by the
14 receipt of and continuation of regional accreditation by the Middle
15 States Association of Colleges and Schools, and which are eligible to
16 receive State aid;

17 "Public institution of higher education" means Rutgers, The State
18 University, the State colleges, the New Jersey Institute of Technology,
19 the University of Medicine and Dentistry of New Jersey, the county
20 colleges and any other public university or college now or hereafter
21 established or authorized by law;

22 "School" means a secondary school, military school, or boarding
23 school.

24 "University" means Rutgers, The State University.

25 (cf: P.L.1999, c.184, s.6)

26

27 11. N.J.S.18A:72A-5 is amended to read as follows:

28 18A:72A-5. The authority shall have power:

29 (a) To adopt bylaws for the regulation of its affairs and the
30 conduct of its business;

31 (b) To adopt and have an official common seal and alter the same
32 at pleasure;

33 (c) To maintain an office at such place or places within the State
34 as it may designate;

35 (d) To sue and be sued in its own name, and plead and be
36 impleaded;

37 (e) To borrow money and to issue bonds and notes and other
38 obligations of the authority and to provide for the rights of the holders
39 thereof as provided in this chapter;

40 (f) To acquire, lease as lessee, hold and dispose of real and
41 personal property or any interest therein, in the exercise of its powers
42 and the performance of its duties under this chapter;

43 (g) To acquire in the name of the authority by purchase or
44 otherwise, on such terms and conditions and in such manner as it may
45 deem proper, or by the exercise of the power of eminent domain, any
46 land or interest therein and other property which it may determine is

1 reasonably necessary for any project, including any lands held by any
2 county, municipality or other governmental subdivision of the State;
3 and to hold and use the same and to sell, convey, lease or otherwise
4 dispose of property so acquired, no longer necessary for the authority's
5 purposes;

6 (h) To receive and accept, from any federal or other public agency
7 or governmental entity, grants or loans for or in aid of the acquisition
8 or construction of any project, and to receive and accept aid or
9 contributions from any other source, of either money, property, labor
10 or other things of value, to be held, used and applied only for the
11 purposes for which such grants, loans and contributions may be made;

12 (i) To prepare or cause to be prepared plans, specifications,
13 designs and estimates of costs for the construction and equipment of
14 projects for participating colleges under the provisions of this chapter,
15 and from time to time to modify such plans, specifications, designs or
16 estimates;

17 (j) By contract or contracts or by its own employees to construct,
18 acquire, reconstruct, rehabilitate and improve, and furnish and equip,
19 projects for participating colleges; however, in any contract or
20 contracts undertaken by the authority for the construction,
21 reconstruction, rehabilitation or improvement of any public college
22 project where the cost of such work will exceed \$25,000, the
23 contracting agent shall advertise for and receive in the manner
24 provided by law:

25 (1) separate bids for the following categories of work;

26 (a) the plumbing and gas fitting work;

27 (b) the heating and ventilating systems and equipment;

28 (c) the electrical work, including any electrical power plants;

29 (d) the structural steel and ornamental iron work;

30 (e) all other work and materials required for the completion of the
31 project, or

32 (2) bids for all work and materials required to complete the entire
33 project if awarded as a single contract; or

34 (3) both (1) and (2) above.

35 All bids submitted shall set forth the names and license numbers of,
36 and evidence of performance security from, all subcontractors to
37 whom the bidder will subcontract the work described in the foregoing
38 categories (1)(a) through (1)(e).

39 Contracts shall be awarded to the lowest responsible bidder whose
40 bid, conforming to the invitation for bids, will be the most
41 advantageous to the authority;

42 (k) To determine the location and character of any project to be
43 undertaken pursuant to the provisions of this chapter, and to
44 construct, reconstruct, maintain, repair, operate, lease, as lessee or
45 lessor, and regulate the same; to enter into contracts for any or all
46 such purposes; to enter into contracts for the management and

1 operation of a project, and to designate a participating college as its
2 agent to determine the location and character of a project undertaken
3 by such participating college under the provisions of this chapter and,
4 as the agent of the authority, to construct, reconstruct, maintain,
5 repair, operate, lease, as lessee or lessor, and regulate the same, and,
6 as agent of the authority, to enter into contracts for any and all such
7 purposes including contracts for the management and operation of
8 such project;

9 (l) To establish rules and regulations for the use of a project or
10 any portion thereof and to designate a participating college as its agent
11 to establish rules and regulations for the use of a project undertaken
12 by such participating college;

13 (m) Generally to fix and revise from time to time and to charge
14 and collect rates, rents, fees and other charges for the use of and for
15 the services furnished or to be furnished by a project or any portion
16 thereof and to contract with holders of its bonds and with any other
17 person, party, association, corporation or other body, public or
18 private, in respect thereof;

19 (n) To enter into any and all agreements or contracts, execute any
20 and all instruments, and do and perform any and all acts or things
21 necessary, convenient or desirable for the purposes of the authority or
22 to carry out any power expressly given in this chapter;

23 (o) To invest any moneys held in reserve or sinking funds, or any
24 moneys not required for immediate use or disbursement, at the
25 discretion of the authority, in such obligations as are authorized by law
26 for the investment of trust funds in the custody of the State Treasurer;

27 (p) To enter into any lease relating to higher education equipment
28 with a public or private institution of higher education pursuant to the
29 provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

30 (q) To enter into loan agreements with any county, to hold bonds
31 or notes of the county evidencing those loans, and to issue bonds or
32 notes of the authority to finance county college capital projects
33 pursuant to the provisions of the "County College Capital Projects
34 Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

35 (r) To issue bonds and notes and other obligations of the authority
36 under the direction of law for the purpose of providing financial
37 assistance for the installation of fire prevention and safety systems in
38 dormitories.

39 (cf: P.L.1997, c.360, s.6)

40

41 12. Section 22 of P.L. 1983, c. 383 (C.52:27D-213) is amended
42 to read as follows:

43 22. a. This act shall not be construed as authorizing the adoption
44 of a regulation or the enactment of an ordinance requiring that a
45 building conforming in all respects to the requirements of the "State
46 Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et

1 seq.) be made to conform to more restrictive standards.

2 b. Buildings, structures and premises owned or operated by the
3 State, its agencies, departments, or instrumentalities or an interstate
4 agency shall be inspected exclusively by the Department of Community
5 Affairs, and shall conform to this act in the same manner as all other
6 buildings, structures and premises of similar construction and use
7 classification [; but no]. The department may establish fees [or] and
8 issue penalties [shall be charged to or assessed] against the State, its
9 agency, department or instrumentality, or an interstate agency to
10 obtain compliance with P.L.1983, c.383. (C.52:27D-192 et seq.) . For
11 purposes of this section, a unit of local government, whether county,
12 inter-local or municipal, or a local, county, regional or consolidated
13 school district, shall not be deemed to be an instrumentality of the
14 State.

15 c. Buildings, structures and premises subject to inspection for fire
16 safety by an agency of the State shall be inspected by the agency in
17 accordance with the standards established pursuant to this act. Any
18 State fire safety standard for buildings, structures or premises
19 established by or pursuant to any statute other than this act shall
20 continue in effect until such time as that standard is superseded by
21 appropriate regulations promulgated under this act. An agency of the
22 State that enforced fire standards prior to the effective date of this act
23 shall be entitled to petition the commissioner to establish a regulation
24 establishing the standards it considers to be necessary and appropriate
25 for buildings, structures and premises subject to its inspection.

26 (cf: P.L.1991, c.222, s.1)

27

28 13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to
29 read as follows:

30 13. a. In order to encourage the construction, acquisition and
31 rendering of life safety improvements at or to boarding houses, the
32 agency is hereby authorized to finance by life safety improvement
33 loans the construction, acquisition and rendering of life safety
34 improvements at or to boarding houses and residences utilized by
35 fraternities or sororities which are recognized by a public or private
36 institution of higher education. For the purposes of this section,
37 "boarding house" shall include reference to residences utilized by
38 fraternities or sororities which are recognized by a public or private
39 institution of higher education.

40 b. To carry out the purposes of this section, the agency may
41 accept from boarding house owners applications for life safety
42 improvement loans and enter into agreements with boarding house
43 owners with respect thereto. In considering applications for life safety
44 improvement loans, the agency shall give consideration to:

45 (1) the degree of need for the life safety improvement at the
46 boarding house with respect to which the application is made;

1 (2) factors affecting the tax-exempt status of interest on the bonds
2 issued by the agency to raise the money necessary to make the life
3 safety improvement loan, including the location and ownership of
4 boarding houses with respect to which applications have been and are
5 being made;

6 (3) the extent of the benefit which, in the agency's opinion, can be
7 expected to be achieved from the life safety improvement intended to
8 be financed with the life safety improvement loan for which the
9 application is made, giving effect to, among other things, the cost of
10 such life safety improvement;

11 (4) the applicant's ability to obtain alternate financing; and

12 (5) the extent of the applicant's compliance with the "Rooming
13 and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et
14 seq.), if that act is applicable. This determination shall be
15 accomplished through an inspection of the boarding house by either
16 the New Jersey Department of Community Affairs or the New Jersey
17 Department of Health. Deficiencies which are to be corrected through
18 life safety improvement loans are not to be used as a basis for
19 disapproving a loan under this section.

20 c. Life safety improvement loans made by the agency shall not be
21 subject to the terms and conditions set forth in sections 6 through 10
22 of this act but shall be subject to the following terms and conditions:

23 (1) the amount of the loan shall not exceed 100% of the cost of the
24 life safety improvement to be constructed, acquired or rendered, as
25 determined by the agency.

26 (2) the interest rate on the loan shall be established by the agency
27 at the lowest level consistent with the agency's cost of operation but
28 not lower than the effective cost of the agency of the obligations of
29 the agency sold to raise the money used to make the loan.

30 (3) the loan shall be evidenced by a promissory note which shall
31 contain terms and provisions and be in a form approved by the agency
32 [and]. Except for loans made to owners of residences that are utilized
33 as fraternities or sororities, but are not otherwise rooming and
34 boarding houses, the terms and provisions shall include, but not be
35 limited to, agency requirements that: (a) the boarding house owner
36 remit to the agency the entire unpaid balance of all life safety
37 improvement loans made by the agency to the boarding house owner
38 as of the time when the facility ceases to be a boarding house, and the
39 money shall be used for making new boarding house life safety
40 improvement loans or any other lawful purpose; (b) the boarding
41 house owner remit to the agency, for payment to the Department of
42 Community Affairs for deposit in the "Boarding House Rental
43 Assistance Fund," established under section 14 of this act, an amount
44 equal to the rental assistance payments made to or on behalf of the
45 residents of a boarding house, pursuant to this section, prior to the
46 point in time when the facility ceases to be a boarding house, but the

1 inclusion of this second requirement in the promissory note and the
2 remittance of that amount shall be required if and to the extent that
3 the agency determines it to be feasible and practicable; and (c) in the
4 event of any sale which occurs during the period when the life safety
5 improvement loan is being repaid to a purchaser who will maintain the
6 facility as a boarding house, the boarding house owner shall either
7 remit the entire unpaid balance of all life safety improvement loans
8 made by the agency to the boarding house owner or require the
9 purchaser to assume the loan.

10 (4) as a condition of the loan, the agency shall have the power at
11 all times during the construction, acquisition or rendering of a life
12 safety improvement at or to a boarding house and for a reasonable
13 period of time subsequent thereto to enter without prior notice the
14 boarding house with respect to which the loan is made in order to
15 inspect the construction, acquisition or rendering of the life safety
16 improvement being financed with the loan.

17 (cf: P.L.1983, c.530, s.13)

18

19 14. This act shall take effect immediately.

[Second Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891, 835 (SCS), 799,
ASSEMBLY, Nos. 2259, 1943, 1978,
2005, 2007, 2010 and 2331

STATE OF NEW JERSEY
209th LEGISLATURE

ADOPTED MAY 8, 2000

Sponsored by:

Senator LOUIS F. KOSCO

District 38 (Bergen)

Senator JOHN A. GIRGENTI

District 35 (Passaic)

Senator JOHN J. MATHEUSSEN

District 4 (Camden and Gloucester)

Senator JAMES S. CAFIERO

District 1 (Cape May, Atlantic and Cumberland)

Senator ROBERT J. MARTIN

District 26 (Essex, Morris and Passaic)

Assemblyman JOHN V. KELLY

District 36 (Bergen, Essex and Passaic)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman MARION CRECCO

District 34 (Essex and Passaic)

Assemblyman ALAN M. AUGUSTINE

District 22 (Middlesex, Morris, Somerset and Union)

Assemblyman CRAIG A. STANLEY

District 28 (Essex)

Assemblyman KEVIN J. O'TOOLE

District 21 (Essex and Union)

Assemblyman STEVE CORODEMUS

District 11 (Monmouth)

Assemblyman NICHOLAS ASSELTA

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman JERRY GREEN

District 17 (Middlesex, Somerset and Union)

Assemblyman DAVID C. RUSSO

District 40 (Bergen and Passaic)

Co-Sponsored by:

Senators Bucco, Furnari, Rice, Robertson, Turner, Baer, Assemblymen Zecker, Caraballo, Assemblywoman Pou, Assemblymen Doria, Biondi, Sires, Felice, Zisa, Gibson, Blee, T.Smith, Assemblywoman Buono, Assemblyman Barnes, Assemblywoman Myers, Assemblyman Arnone, Assemblywoman Gill, Assemblymen Jones, Roberts, Assemblywoman Watson Coleman, Assemblymen Charles, Garcia, Assemblywoman Friscia, Assemblymen Carroll, Merkt, Wolfe, Payne, Assemblywomen Cruz-Perez, Weinberg, Assemblyman Gusciora, Assemblywomen Greenstein, Previte and Assemblyman Conaway

SYNOPSIS

The "Dormitory Safety Trust Fund Act."

CURRENT VERSION OF TEXT

As amended by the Senate on June 8, 2000.



1 AN ACT concerning installation of fire suppression systems in student
2 dormitories and supplementing Chapter 72A of Title 18A of the
3 New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.)
4 and amending various parts of the statutory law.

5

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

8

9 1. (New section) This act shall be known and may be cited as the
10 "Dormitory Safety Trust Fund Act."

11

12 2. (New section) The Legislature finds and declares that:

13 a. Education plays a vital role in the economic development of the
14 nation and the State, by providing the education and training of the
15 work force of the future.

16 b. The safety of students housed in dormitories at secondary
17 schools, military schools, boarding schools, or at institutions of higher
18 education is a vital concern. These students represent New Jersey's
19 future.

20 c. Automatic fire suppression systems installed in buildings have
21 been proven to be a very effective method of preventing injury, death
22 and widespread property damage. The construction, reconstruction,
23 development, extension and improvement of dormitory safety facilities,
24 including fire prevention and sprinkler systems, shall therefore be
25 deemed in the public interest and a public purpose.

26

27 3. (New section) a. Notwithstanding any law, rule or regulation
28 to the contrary, all buildings used as dormitories, in whole or in part,
29 or similar accommodations to house students at a public or private
30 school or at a public or private institution of higher education, shall be
31 equipped throughout with an automatic fire suppression system in
32 accordance with the provisions of this section. For the purpose of this
33 act:

34 (1) "Dormitories" means buildings, or portions thereof, containing
35 rooms which are provided as residences or for overnight sleeping for
36 individuals or groups, and includes those residences utilized by
37 fraternities or sororities which are recognized by or owned by a school
38 or institution of higher education, but does not include those
39 residences or multiple dwellings which are not recognized by or owned
40 by a school or institution of higher education.

41 (2) "Equipped throughout" means installed in the common areas

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted May 22, 2000.

² Senate floor amendments adopted June 8, 2000.

1 as well as in the areas utilized for sleeping within a dormitory.

2 (3) "Common areas" means those areas within a building which
3 are normally accessible to all residents, including the corridors, lounge
4 or lobby areas, and areas which contain elements of fire hazards, such
5 as boiler rooms.

6 (4) "School" means a secondary school, military school, or a
7 boarding school.

8 b. Within 120 days of the effective date of P.L. , c. (C.)(now
9 before the Legislature as this substitute), each entity responsible for a
10 building subject to the requirements of this section shall file with the
11 Division of Fire Safety in the Department of Community Affairs a plan
12 outlining the installation of automatic fire suppression systems in those
13 buildings as required pursuant to subsection a. of this section. A plan
14 may cover installation projects which were begun within a 12 month
15 period prior to the effective date of P.L. , c. (C.)(now before
16 the Legislature as this substitute). Each plan shall provide that:

17 (1) at least ²[20] 25² percent of the required installation will be
18 completed no later than the ²[first] last² day of the ²[19th] 12th²
19 month next following the effective date of P.L. , c. (C.)(now
20 before the Legislature as this substitute);

21 (2) at least ²[40] 50² percent of the required installation will be
22 completed no later than the ²[first] last² day of the ²[25th] 24th²
23 month next following the effective date of P.L. , c. (C.)(now
24 before the Legislature as this substitute);

25 (3) at least ²[60] 75² percent of the required installation will be
26 completed no later than the ²[first] last² day of the 36th month next
27 following the effective date of P.L. , c. (C.)(now before the
28 Legislature as this substitute); ²and²

29 (4) ²[at least 80 percent of the required installation will be
30 completed no later than the first day of the 49th month next following
31 the effective date of P.L. , c. (C.)(now before the Legislature
32 as this substitute); and

33 (5)]² all required installation shall be completed no later than the
34 ²[first] last² day of the ²[61st] 48th² month next following the
35 effective date of P.L. , c. (C.)(now before the Legislature as this
36 substitute).

37 Upon application by an entity, the Commissioner of Community
38 Affairs may, at the commissioner's discretion, extend the time frames
39 set forth in this section, upon a showing that the time frame would
40 pose an unreasonable hardship for the entity, or that performance of
41 the installation is impossible for reasons outside the control of the
42 entity by the date set forth under this section. When the request for an
43 extension concerns a building containing asbestos or an historic
44 building, there shall be a presumption in favor of granting the
45 extension.

1 4. (New section) The Commissioner of Community Affairs shall,
2 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
3 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to
4 implement P.L. , c. (C.) (now before the Legislature as this
5 substitute). Such rules may include exemption from the requirements
6 of section 1 of P.L. , c. (C.) (now before the Legislature as this
7 substitute) for any types of buildings that may be determined to not
8 warrant the level of protection provided in section 3, of P.L. , c.
9 (C.) (now before the Legislature as this substitute) based on the fire
10 hazard risk.

11

12 5. (New Section) The State Treasurer, after consultation with the
13 Commissioner of Community Affairs, shall have the authority to apply
14 State funds otherwise available to State departments, agencies or
15 instrumentalities for the purpose of securing compliance with the
16 requirements established pursuant to P.L. , c. (C.)(now before
17 the Legislature as this substitute). The State Treasurer shall also
18 determine the allocation of moneys to be deposited into the
19 "Dormitory Safety Trust Fund" established pursuant to section 6 of
20 P.L. , c. (C.)(now before the Legislature as this substitute)
21 resulting from the retirement of bonds previously issued ¹for deposit
22 to the "Dormitory Safety Trust Fund"¹ by the New Jersey educational
23 facilities authority.

24

25 6. (New section) a. There is created within the New Jersey
26 educational facilities authority established pursuant to N.J.S.18A:72A-
27 4, the "Dormitory Safety Trust Fund," hereinafter referred to as the
28 "trust fund." The trust fund shall be maintained as a separate account
29 and administered by the authority to carry out the provisions of
30 P.L. , c. (C.)(now before the Legislature as this substitute).
31 There shall be paid into this fund:

32 (1) moneys received from the sale of bonds or notes issued
33 pursuant to section 8 of P.L. , c. (C.)(now before the
34 Legislature as this substitute);

35 (2) moneys appropriated by the Legislature, including moneys as
36 may be appropriated annually in an amount sufficient to pay the
37 principal and interest on the bonds or notes;

38 (3) all interest and investment earnings received on the moneys in
39 the trust fund; and

40 (4) all repayments of loans authorized pursuant to P.L. , c.
41 (C.) (now before the Legislature as this substitute).

42 b. The trust fund shall be used to provide loans to the schools and
43 institutions of higher education which are required pursuant to
44 P.L. , c. (C.)(now before the Legislature as this substitute)
45 to install automatic fire suppression systems, for the cost, or a portion
46 of the cost, of the construction, reconstruction, development,

1 extension or improvement of dormitory safety facilities, including fire
2 prevention and sprinkler systems.

3
4 7. (New section) a. The State Treasurer shall establish a program
5 to provide the loans authorized pursuant to P.L. , c. (C.)
6 (now before the Legislature as this substitute). The governing board
7 of a public or private institution of higher education as defined
8 pursuant to N.J.S.18A:72A-3 or of a public or private secondary
9 school shall be eligible for and may determine by resolution to apply
10 for a loan from the trust fund established pursuant to section 6 of
11 P.L. , c. (C.)(now before the Legislature as this substitute).
12 The resolutions shall be transmitted to and in a manner to be
13 determined by the State Treasurer. Owners of residences being
14 utilized by fraternities or sororities, other than those owned by public
15 or private institutions of education, who are responsible for the
16 installation of an automatic fire suppression system pursuant to section
17 3 of P.L. , c. (C.)(now before the Legislature as this
18 substitute) shall not be eligible for a loan from the trust fund
19 established pursuant to section 6 of P.L. , c. (C.)(now before
20 the Legislature as this substitute), but shall be eligible and may apply
21 for a life safety improvement loan pursuant to section 13 of P.L.1983,
22 c.530 (C.55:14K-13) as amended by section 13 of P.L. , c.
23 (C.)(now before the Legislature as this substitute).

24 b. Individual loan amounts from the trust fund shall be limited to
25 no more than the projected costs as stated in the plan required to be
26 filed with the Director of the Division of Fire Safety in the Department
27 of Community Affairs pursuant to section 3 of P.L. , c. (C.)
28 (now before the Legislature as this substitute), and loan amounts shall
29 be disbursed in accordance with the need and the time frame
30 established under the installation plan. If sufficient funds are not
31 available to fully fund each request, the State Treasurer may limit the
32 amounts loaned on a basis which shall provide the maximum amount
33 of funding to the greatest number of buildings.

34 c. The loans issued pursuant to this subsection shall bear interest
35 of not more than:

36 (1) zero percent per year for loans made to public or private
37 institutions of higher education as defined pursuant to N.J.S.18A:
38 3; or

39 (2) two percent per year for loans made to secondary schools,
40 military schools, boarding schools, or similar occupancies.

41 d. The term of a loan shall be for a period of not more than 15
42 years. Any loan approved pursuant to this subsection shall be
43 contingent upon the applicant entering in to a contract or contracts for
44 the construction, reconstruction, development, extension or
45 improvement required in the installation plan in accordance with
46 section 3 of P.L. , c. (C.)(now before the Legislature as this

1 substitute).

2 e. The State Treasurer shall:

3 (1) review each application and approve, disapprove, amend or
4 modify the loan request;

5 (2) establish any other terms or conditions of each loan which are
6 not otherwise provided under this section; and

7 (3) forward to the New Jersey educational facilities authority and
8 the Department of Community Affairs a copy of any loan approval
9 granted pursuant to this section, including information concerning the
10 amount and terms of the loan.

11 f. All repayments of loans awarded pursuant to this section shall
12 be made to the authority and deposited by the authority into the trust
13 fund.

14 g. The State Treasurer shall promulgate the rules necessary to
15 effectuate this section in accordance with the "Administrative
16 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

17

18 8. (New section) a. The authority shall from time to time issue
19 bonds or notes, in accordance with the provisions of the "New Jersey
20 educational facilities authority law, N.J.S.18A:72A-1 et seq., and in an
21 amount sufficient to finance the loans provided under P.L. , c.

22 (C.)(now before the Legislature as this substitute) and to finance
23 the administrative costs associated with the approval process and the
24 issuance of the bonds or notes, up to a total amount not to exceed
25 \$90,000,000; except that all administrative costs associated with the
26 approval process and the issuance of bonds, notes or other obligations
27 shall not be included within the total aggregate principal amount of the
28 bonds, notes or other obligations issued; the term of any bond so
29 issued shall not exceed 15 years. In computing the foregoing
30 limitation as to amount, there shall be excluded all bonds which shall
31 be issued for refunding purposes, provided that the refunding shall be
32 determined by the authority to result in a debt service savings. The
33 authority shall issue the bonds or notes in such manner as it shall
34 determine in accordance with the provisions of P.L.1993, c.375,
35 (C.18A:72A-49 et al.) and the "New Jersey educational facilities
36 authority law, N.J.S.18A:72A-1 et seq., provided that no bonds or
37 notes shall be issued pursuant to this section without the prior written
38 consent of the State Treasurer.

39 b. Bonds or notes issued pursuant to P.L. , c. (C.)(now before
40 the Legislature as this substitute) shall not be in any way a debt or
41 liability of the State or of any political subdivision thereof other than
42 the authority and shall not create or constitute any indebtedness,
43 liability or obligation of the State or of any political subdivision
44 thereof, or be or constitute a pledge of the faith and credit of the State
45 or of any political subdivision thereof, but all bonds or notes, unless
46 funded or refunded by the bonds or notes of the authority, shall be

1 payable solely from revenues of funds pledged or available for their
2 payment as authorized by P.L. , c. (C.) (now before the Legislature
3 as this substitute). Each bond shall contain on its face a statement to
4 the effect that the authority is obligated to pay the principal thereof,
5 redemption premium, if any, or the interest thereon only from revenue
6 or funds of the authority and that neither the State nor any political
7 subdivision thereof is obligated to pay the principal thereof,
8 redemption premium, if any, or interest thereon and that neither the
9 faith and credit nor the taxing power of the State or of any political
10 subdivision thereof is pledged to the payment of the principal of,
11 redemption premium, if any, or the interest on the bonds.

12 c. The State of New Jersey does hereby pledge to and covenant
13 and agree with the holders of any bonds or notes issued pursuant to
14 the authorization hereunder that the State shall not limit or alter the
15 rights or powers hereby vested in the authority to perform and fulfill
16 the terms of any agreement made with the holders of the bonds or
17 notes, or to fix, establish, charge and collect such rents, fees, rates,
18 payments, or other charges as may be convenient or necessary to
19 produce sufficient revenues to meet all expenses of the authority and
20 to fulfill the terms of any agreement made with the holders of the
21 bonds and notes, together with interest thereon, with interest on any
22 unpaid installments of interest, and all costs and expenses in
23 connection with any action or proceedings by or on behalf of the
24 holders, until the bonds and notes, together with interest thereon, are
25 fully met and discharged or provided for.

26 d. The State Treasurer is hereby authorized to enter into a
27 contract with the authority pursuant to which the State Treasurer,
28 subject to available appropriations, shall pay the amount necessary to
29 pay the principal and interest on bonds, notes and other obligations of
30 the authority issued pursuant to P.L. , c. (C.) (now before the
31 Legislature as this substitute) plus any amounts payable in connections
32 with an agreement authorized under subsection (g) of N.J.S.18A:72A-
33 8.

34 e. To assure the continued operation and solvency of the
35 dormitory safety trust fund program, the authority shall require that if
36 a school or institution of higher education fails or is unable to pay to
37 the authority in full, when due, any obligation of the institution to the
38 authority, an amount sufficient to satisfy the deficiency shall be
39 retained by the State Treasurer from State aid or an appropriation
40 payable to the institution. As used in this section, "obligation of the
41 school or institution" means any amount payable by the school or
42 institution for dormitory safety facilities pursuant to an agreement with
43 the authority.

44 The amount retained by the State Treasurer shall be deducted from
45 the corresponding appropriation or apportionment of State aid payable
46 to the school or institution of higher education and shall not obligate

1 the State to make, or entitle the school or institution to receive, any
2 additional appropriation or apportionment.

3

4 9. (New section) A municipal authority or water utility shall not
5 impose standby fees ¹[or charges]¹ for any new fire protection system
6 required to be installed pursuant to the provisions of section 3 of
7 P.L. ,c. , (C.) (now before the Legislature as this substitute).

8

9 10. N.J.S.18A:72A-3 is amended to read as follows:

10 18A:72A-3. As used in this act, the following words and terms
11 shall have the following meanings, unless the context indicates or
12 requires another or different meaning or intent:

13 "Authority" means the New Jersey Educational Facilities Authority
14 created by this chapter or any board, body, commission, department
15 or officer succeeding to the principal functions thereof or to whom the
16 powers conferred upon the authority by this chapter shall be given by
17 law;

18 "Bond" means bonds or notes of the authority issued pursuant to
19 this chapter;

20 "County college capital project" means any capital project of a
21 county college certified pursuant to section 2 of P.L.1971, c.12
22 (C.18A:64A-22.2) and approved by the State Treasurer for funding
23 pursuant to the "County College Capital Projects Fund Act,"
24 P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

25 "Dormitory" means a housing unit with necessary and usual
26 attendant and related facilities and equipment , and shall include a
27 dormitory of a public or private school, or of a public or private
28 institution of higher education;

29 "Educational facility" means a structure suitable for use as a
30 dormitory, dining hall, student union, administration building,
31 academic building, library, laboratory, research facility, classroom,
32 athletic facility, health care facility, teaching hospital, and parking
33 maintenance storage or utility facility and other structures or facilities
34 related thereto or required or useful for the instruction of students or
35 the conducting of research or the operation of an institution for higher
36 education, and public libraries, and the necessary and usual attendant
37 and related facilities and equipment, but shall not include any facility
38 used or to be used for sectarian instruction or as a place for religious
39 worship;

40 "Emerging needs program" means a program at one or more public
41 or private institutions of higher education directed to meeting new and
42 advanced technology needs or to supporting new academic programs
43 in science and technology;

44 "Higher education equipment" means any property consisting of,
45 or relating to, scientific, engineering, technical, computer,
46 communications or instructional equipment;

1 "Participating college" means a public institution of higher
2 education or private college which, pursuant to the provisions of this
3 chapter, participates with the authority in undertaking the financing
4 and construction or acquisition of a project;

5 "Project" means a dormitory or an educational facility or any
6 combination thereof, or a county college capital project;

7 "Private college" means an institution for higher education other
8 than a public college, situated within the State and which, by virtue of
9 law or charter, is a nonprofit educational institution empowered to
10 provide a program of education beyond the high school level;

11 "Private institution of higher education" means independent
12 colleges or universities incorporated and located in New Jersey, which
13 by virtue of law or character or license, are nonprofit educational
14 institutions authorized to grant academic degrees and which provide
15 a level of education which is equivalent to the education provided by
16 the State's public institutions of higher education as attested by the
17 receipt of and continuation of regional accreditation by the Middle
18 States Association of Colleges and Schools, and which are eligible to
19 receive State aid;

20 "Public institution of higher education" means Rutgers, The State
21 University, the State colleges, the New Jersey Institute of Technology,
22 the University of Medicine and Dentistry of New Jersey, the county
23 colleges and any other public university or college now or hereafter
24 established or authorized by law;

25 "School" means a secondary school, military school, or boarding
26 school.

27 "University" means Rutgers, The State University.

28 (cf: P.L.1999, c.184, s.6)

29
30 11. N.J.S.18A:72A-5 is amended to read as follows:

31 18A:72A-5. The authority shall have power:

32 (a) To adopt bylaws for the regulation of its affairs and the
33 conduct of its business;

34 (b) To adopt and have an official common seal and alter the same
35 at pleasure;

36 (c) To maintain an office at such place or places within the State
37 as it may designate;

38 (d) To sue and be sued in its own name, and plead and be
39 impleaded;

40 (e) To borrow money and to issue bonds and notes and other
41 obligations of the authority and to provide for the rights of the holders
42 thereof as provided in this chapter;

43 (f) To acquire, lease as lessee, hold and dispose of real and
44 personal property or any interest therein, in the exercise of its powers
45 and the performance of its duties under this chapter;

46 (g) To acquire in the name of the authority by purchase or

1 otherwise, on such terms and conditions and in such manner as it may
2 deem proper, or by the exercise of the power of eminent domain, any
3 land or interest therein and other property which it may determine is
4 reasonably necessary for any project, including any lands held by any
5 county, municipality or other governmental subdivision of the State;
6 and to hold and use the same and to sell, convey, lease or otherwise
7 dispose of property so acquired, no longer necessary for the authority's
8 purposes;

9 (h) To receive and accept, from any federal or other public agency
10 or governmental entity, grants or loans for or in aid of the acquisition
11 or construction of any project, and to receive and accept aid or
12 contributions from any other source, of either money, property, labor
13 or other things of value, to be held, used and applied only for the
14 purposes for which such grants, loans and contributions may be made;

15 (i) To prepare or cause to be prepared plans, specifications,
16 designs and estimates of costs for the construction and equipment of
17 projects for participating colleges under the provisions of this chapter,
18 and from time to time to modify such plans, specifications, designs or
19 estimates;

20 (j) By contract or contracts or by its own employees to construct,
21 acquire, reconstruct, rehabilitate and improve, and furnish and equip,
22 projects for participating colleges; however, in any contract or
23 contracts undertaken by the authority for the construction,
24 reconstruction, rehabilitation or improvement of any public college
25 project where the cost of such work will exceed \$25,000, the
26 contracting agent shall advertise for and receive in the manner
27 provided by law:

28 (1) separate bids for the following categories of work;

29 (a) the plumbing and gas fitting work;

30 (b) the heating and ventilating systems and equipment;

31 (c) the electrical work, including any electrical power plants;

32 (d) the structural steel and ornamental iron work;

33 (e) all other work and materials required for the completion of the
34 project, or

35 (2) bids for all work and materials required to complete the entire
36 project if awarded as a single contract; or

37 (3) both (1) and (2) above.

38 All bids submitted shall set forth the names and license numbers of,
39 and evidence of performance security from, all subcontractors to
40 whom the bidder will subcontract the work described in the foregoing
41 categories (1)(a) through (1)(e).

42 Contracts shall be awarded to the lowest responsible bidder whose
43 bid, conforming to the invitation for bids, will be the most
44 advantageous to the authority;

45 (k) To determine the location and character of any project to be
46 undertaken pursuant to the provisions of this chapter, and to

1 construct, reconstruct, maintain, repair, operate, lease, as lessee or
2 lessor, and regulate the same; to enter into contracts for any or all
3 such purposes; to enter into contracts for the management and
4 operation of a project, and to designate a participating college as its
5 agent to determine the location and character of a project undertaken
6 by such participating college under the provisions of this chapter and,
7 as the agent of the authority, to construct, reconstruct, maintain,
8 repair, operate, lease, as lessee or lessor, and regulate the same, and,
9 as agent of the authority, to enter into contracts for any and all such
10 purposes including contracts for the management and operation of
11 such project;

12 (l) To establish rules and regulations for the use of a project or
13 any portion thereof and to designate a participating college as its agent
14 to establish rules and regulations for the use of a project undertaken
15 by such participating college;

16 (m) Generally to fix and revise from time to time and to charge
17 and collect rates, rents, fees and other charges for the use of and for
18 the services furnished or to be furnished by a project or any portion
19 thereof and to contract with holders of its bonds and with any other
20 person, party, association, corporation or other body, public or
21 private, in respect thereof;

22 (n) To enter into any and all agreements or contracts, execute any
23 and all instruments, and do and perform any and all acts or things
24 necessary, convenient or desirable for the purposes of the authority or
25 to carry out any power expressly given in this chapter;

26 (o) To invest any moneys held in reserve or sinking funds, or any
27 moneys not required for immediate use or disbursement, at the
28 discretion of the authority, in such obligations as are authorized by law
29 for the investment of trust funds in the custody of the State Treasurer;

30 (p) To enter into any lease relating to higher education equipment
31 with a public or private institution of higher education pursuant to the
32 provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

33 (q) To enter into loan agreements with any county, to hold bonds
34 or notes of the county evidencing those loans, and to issue bonds or
35 notes of the authority to finance county college capital projects
36 pursuant to the provisions of the "County College Capital Projects
37 Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

38 (r) To issue bonds and notes and other obligations of the authority
39 under the direction of law for the purpose of providing financial
40 assistance for the installation of fire prevention and safety systems in
41 dormitories.

42 (cf: P.L.1997, c.360, s.6)

43

44 12. Section 22 of P.L. 1983, c. 383 (C.52:27D-213) is amended
45 to read as follows:

46 22. a. This act shall not be construed as authorizing the adoption

1 of a regulation or the enactment of an ordinance requiring that a
2 building conforming in all respects to the requirements of the "State
3 Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et
4 seq.) be made to conform to more restrictive standards.

5 b. Buildings, structures and premises owned or operated by the
6 State, its agencies, departments, or instrumentalities or an interstate
7 agency shall be inspected exclusively by the Department of Community
8 Affairs, and shall conform to this act in the same manner as all other
9 buildings, structures and premises of similar construction and use
10 classification [; but no]. The department may establish fees [or] and
11 issue penalties [shall be charged to or assessed] against the State, its
12 agency, department or instrumentality, or an interstate agency to
13 obtain compliance with P.L.1983, c.383. (C.52:27D-192 et seq.). For
14 purposes of this section, a unit of local government, whether county,
15 inter-local or municipal, or a local, county, regional or consolidated
16 school district, shall not be deemed to be an instrumentality of the
17 State.

18 c. Buildings, structures and premises subject to inspection for fire
19 safety by an agency of the State shall be inspected by the agency in
20 accordance with the standards established pursuant to this act. Any
21 State fire safety standard for buildings, structures or premises
22 established by or pursuant to any statute other than this act shall
23 continue in effect until such time as that standard is superseded by
24 appropriate regulations promulgated under this act. An agency of the
25 State that enforced fire standards prior to the effective date of this act
26 shall be entitled to petition the commissioner to establish a regulation
27 establishing the standards it considers to be necessary and appropriate
28 for buildings, structures and premises subject to its inspection.

29 (cf: P.L.1991, c.222, s.1)

30

31 13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to
32 read as follows:

33 13. a. In order to encourage the construction, acquisition and
34 rendering of life safety improvements at or to boarding houses, the
35 agency is hereby authorized to finance by life safety improvement
36 loans the construction, acquisition and rendering of life safety
37 improvements at or to boarding houses and residences utilized by
38 fraternities or sororities which are recognized by a public or private
39 institution of higher education. For the purposes of this section,
40 "boarding house" shall include reference to residences utilized by
41 fraternities or sororities which are recognized by a public or private
42 institution of higher education.

43 b. To carry out the purposes of this section, the agency may
44 accept from boarding house owners applications for life safety
45 improvement loans and enter into agreements with boarding house
46 owners with respect thereto. In considering applications for life safety

1 improvement loans, the agency shall give consideration to:

2 (1) the degree of need for the life safety improvement at the
3 boarding house with respect to which the application is made;

4 (2) factors affecting the tax-exempt status of interest on the bonds
5 issued by the agency to raise the money necessary to make the life
6 safety improvement loan, including the location and ownership of
7 boarding houses with respect to which applications have been and are
8 being made;

9 (3) the extent of the benefit which, in the agency's opinion, can be
10 expected to be achieved from the life safety improvement intended to
11 be financed with the life safety improvement loan for which the
12 application is made, giving effect to, among other things, the cost of
13 such life safety improvement;

14 (4) the applicant's ability to obtain alternate financing; and

15 (5) the extent of the applicant's compliance with the "Rooming
16 and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et
17 seq.), if that act is applicable. This determination shall be
18 accomplished through an inspection of the boarding house by either
19 the New Jersey Department of Community Affairs or the New Jersey
20 Department of Health. Deficiencies which are to be corrected through
21 life safety improvement loans are not to be used as a basis for
22 disapproving a loan under this section.

23 c. Life safety improvement loans made by the agency shall not be
24 subject to the terms and conditions set forth in sections 6 through 10
25 of this act but shall be subject to the following terms and conditions:

26 (1) the amount of the loan shall not exceed 100% of the cost of the
27 life safety improvement to be constructed, acquired or rendered, as
28 determined by the agency.

29 (2) the interest rate on the loan shall be established by the agency
30 at the lowest level consistent with the agency's cost of operation but
31 not lower than the effective cost of the agency of the obligations of
32 the agency sold to raise the money used to make the loan.

33 (3) the loan shall be evidenced by a promissory note which shall
34 contain terms and provisions and be in a form approved by the agency
35 [and]. Except for loans made to owners of residences that are utilized
36 as fraternities or sororities, but are not otherwise rooming and
37 boarding houses, the terms and provisions shall include, but not be
38 limited to, agency requirements that: (a) the boarding house owner
39 remit to the agency the entire unpaid balance of all life safety
40 improvement loans made by the agency to the boarding house owner
41 as of the time when the facility ceases to be a boarding house, and the
42 money shall be used for making new boarding house life safety
43 improvement loans or any other lawful purpose; (b) the boarding
44 house owner remit to the agency, for payment to the Department of
45 Community Affairs for deposit in the "Boarding House Rental
46 Assistance Fund," established under section 14 of this act, an amount

1 equal to the rental assistance payments made to or on behalf of the
2 residents of a boarding house, pursuant to this section, prior to the
3 point in time when the facility ceases to be a boarding house, but the
4 inclusion of this second requirement in the promissory note and the
5 remittance of that amount shall be required if and to the extent that
6 the agency determines it to be feasible and practicable; and (c) in the
7 event of any sale which occurs during the period when the life safety
8 improvement loan is being repaid to a purchaser who will maintain the
9 facility as a boarding house, the boarding house owner shall either
10 remit the entire unpaid balance of all life safety improvement loans
11 made by the agency to the boarding house owner or require the
12 purchaser to assume the loan.

13 (4) as a condition of the loan, the agency shall have the power at
14 all times during the construction, acquisition or rendering of a life
15 safety improvement at or to a boarding house and for a reasonable
16 period of time subsequent thereto to enter without prior notice the
17 boarding house with respect to which the loan is made in order to
18 inspect the construction, acquisition or rendering of the life safety
19 improvement being financed with the loan.

20 (cf: P.L.1983, c.530, s.13)

21

22 14. This act shall take effect immediately.

STATEMENT TO

**ASSEMBLY COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 891, 835 (SCS), 799, ASSEMBLY, Nos. 2259,
1943, 1978, 2005, 2007, 2010 and 2331**

with Senate Floor Amendments
(Proposed By Senator KOSCO)

ADOPTED: JUNE 8, 2000

The Assembly Committee Substitute (1R) for Senate Bill Nos. 891, 835 (SCS), S799, Assembly Bill Nos. 2259, 1943, 1978, 2005, 2007, 2010 and 2331, called the "Dormitory Safety Trust Fund Act," creates a requirement for the owners of buildings utilized as dormitories for students at public or private schools or at public or private institutions of higher education to install an automatic fire suppression system.

Under the substitute, each entity owning a dormitory would be required to file, within 120 days after the enactment, a plan with the Division of Fire Safety within the Department of Community Affairs (DCA) outlining the total sprinkler installation plan, including costs and projected dates of construction.

As approved by the Assembly, the substitute required each plan to provide that:

- (1) at least 20 percent of the required installation be completed no later than the first day of the 19th month after enactment;
- (2) at least 40 percent of the required installation be completed no later than the first day of the 25th month after enactment;
- (3) at least 60 percent of the required installation be completed no later than the first day of the 36th month after enactment;
- (4) at least 80 percent of the required installation be completed no later than the first day of the 49th month after enactment; and
- (5) all required installation shall be completed no later than the first day of the 61st month after enactment.

Under this Senate amendment, each plan shall provide that:

- (1) at least 25 percent of the required installation be completed no later than the last day of the 12th month after enactment;
- (2) at least 50 percent of the required installation be completed no later than the last day of the 24th month after enactment;
- (3) at least 75 percent of the required installation be completed no later than the last day of the 36th month after enactment; and
- (4) all required installation be completed no later than the last day of the 48th month after enactment.

§§1-5,9 -
C.52:27D-198.7
to 52:27D-198.12
§§6-8 -
C.18A:72A-12.6
to 18A:72A-12.8

P.L. 2000, CHAPTER 56, *approved July 5, 2000*
Assembly Committee Substitute (*Second Reprint*) for
Senate, Nos.891,835 (SCS),799,
Assembly, Nos.2259,1943,1978,2005,2007,2010 and 2331

1 **AN ACT** concerning installation of fire suppression systems in student
2 dormitories and supplementing Chapter 72A of Title 18A of the
3 New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.)
4 and amending various parts of the statutory law.

5

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

8

9 1. (New section) This act shall be known and may be cited as the
10 "Dormitory Safety Trust Fund Act."

11

12 2. (New section) The Legislature finds and declares that:

13 a. Education plays a vital role in the economic development of the
14 nation and the State, by providing the education and training of the
15 work force of the future.

16 b. The safety of students housed in dormitories at secondary
17 schools, military schools, boarding schools, or at institutions of higher
18 education is a vital concern. These students represent New Jersey's
19 future.

20 c. Automatic fire suppression systems installed in buildings have
21 been proven to be a very effective method of preventing injury, death
22 and widespread property damage. The construction, reconstruction,
23 development, extension and improvement of dormitory safety facilities,
24 including fire prevention and sprinkler systems, shall therefore be
25 deemed in the public interest and a public purpose.

26

27 3. (New section) a. Notwithstanding any law, rule or regulation
28 to the contrary, all buildings used as dormitories, in whole or in part,
29 or similar accommodations to house students at a public or private
30 school or at a public or private institution of higher education, shall be
31 equipped throughout with an automatic fire suppression system in
32 accordance with the provisions of this section. For the purpose of this
33 act:

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted May 22, 2000.

² Senate floor amendments adopted June 8, 2000.

1 (1) "Dormitories" means buildings, or portions thereof, containing
2 rooms which are provided as residences or for overnight sleeping for
3 individuals or groups, and includes those residences utilized by
4 fraternities or sororities which are recognized by or owned by a school
5 or institution of higher education, but does not include those
6 residences or multiple dwellings which are not recognized by or owned
7 by a school or institution of higher education.

8 (2) "Equipped throughout" means installed in the common areas
9 as well as in the areas utilized for sleeping within a dormitory.

10 (3) "Common areas" means those areas within a building which
11 are normally accessible to all residents, including the corridors, lounge
12 or lobby areas, and areas which contain elements of fire hazards, such
13 as boiler rooms.

14 (4) "School" means a secondary school, military school, or a
15 boarding school.

16 b. Within 120 days of the effective date of P.L. , c. (C.)(now
17 before the Legislature as this substitute), each entity responsible for a
18 building subject to the requirements of this section shall file with the
19 Division of Fire Safety in the Department of Community Affairs a plan
20 outlining the installation of automatic fire suppression systems in those
21 buildings as required pursuant to subsection a. of this section. A plan
22 may cover installation projects which were begun within a 12 month
23 period prior to the effective date of P.L. , c. (C.)(now before
24 the Legislature as this substitute). Each plan shall provide that:

25 (1) at least ²[20] 25² percent of the required installation will be
26 completed no later than the ²[first] last² day of the ²[19th] 12th²
27 month next following the effective date of P.L. , c. (C.)(now
28 before the Legislature as this substitute);

29 (2) at least ²[40] 50² percent of the required installation will be
30 completed no later than the ²[first] last² day of the ²[25th] 24th²
31 month next following the effective date of P.L. , c. (C.)(now
32 before the Legislature as this substitute);

33 (3) at least ²[60] 75² percent of the required installation will be
34 completed no later than the ²[first] last² day of the 36th month next
35 following the effective date of P.L. , c. (C.)(now before the
36 Legislature as this substitute); ²and²

37 (4) ²[at least 80 percent of the required installation will be
38 completed no later than the first day of the 49th month next following
39 the effective date of P.L. , c. (C.)(now before the Legislature
40 as this substitute); and

41 (5)]² all required installation shall be completed no later than the
42 ²[first] last² day of the ²[61st] 48th² month next following the
43 effective date of P.L. , c. (C.)(now before the Legislature as this
44 substitute).

1 Upon application by an entity, the Commissioner of Community
2 Affairs may, at the commissioner's discretion, extend the time frames
3 set forth in this section, upon a showing that the time frame would
4 pose an unreasonable hardship for the entity, or that performance of
5 the installation is impossible for reasons outside the control of the
6 entity by the date set forth under this section. When the request for an
7 extension concerns a building containing asbestos or an historic
8 building, there shall be a presumption in favor of granting the
9 extension.

10

11 4. (New section) The Commissioner of Community Affairs shall,
12 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
13 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to
14 implement P.L. , c. (C.) (now before the Legislature as this
15 substitute). Such rules may include exemption from the requirements
16 of section 1 of P.L. , c. (C.) (now before the Legislature as this
17 substitute) for any types of buildings that may be determined to not
18 warrant the level of protection provided in section 3, of P.L. , c.
19 (C.) (now before the Legislature as this substitute) based on the fire
20 hazard risk.

21

22 5. (New Section) The State Treasurer, after consultation with the
23 Commissioner of Community Affairs, shall have the authority to apply
24 State funds otherwise available to State departments, agencies or
25 instrumentalities for the purpose of securing compliance with the
26 requirements established pursuant to P.L. , c. (C.) (now before
27 the Legislature as this substitute). The State Treasurer shall also
28 determine the allocation of moneys to be deposited into the
29 "Dormitory Safety Trust Fund" established pursuant to section 6 of
30 P.L. , c. (C.) (now before the Legislature as this substitute)
31 resulting from the retirement of bonds previously issued ¹for deposit
32 to the "Dormitory Safety Trust Fund"¹ by the New Jersey educational
33 facilities authority.

34

35 6. (New section) a. There is created within the New Jersey
36 educational facilities authority established pursuant to N.J.S.18A:72A-
37 4, the "Dormitory Safety Trust Fund," hereinafter referred to as the
38 "trust fund." The trust fund shall be maintained as a separate account
39 and administered by the authority to carry out the provisions of
40 P.L. , c. (C.) (now before the Legislature as this substitute).
41 There shall be paid into this fund:

42 (1) moneys received from the sale of bonds or notes issued
43 pursuant to section 8 of P.L. , c. (C.) (now before the
44 Legislature as this substitute);

45 (2) moneys appropriated by the Legislature, including moneys as

1 may be appropriated annually in an amount sufficient to pay the
2 principal and interest on the bonds or notes;
3 (3) all interest and investment earnings received on the moneys in
4 the trust fund; and
5 (4) all repayments of loans authorized pursuant to P.L. , c.
6 (C.) (now before the Legislature as this substitute).
7 b. The trust fund shall be used to provide loans to the schools and
8 institutions of higher education which are required pursuant to
9 P.L. , c. (C.)(now before the Legislature as this substitute)
10 to install automatic fire suppression systems, for the cost, or a portion
11 of the cost, of the construction, reconstruction, development,
12 extension or improvement of dormitory safety facilities, including fire
13 prevention and sprinkler systems.
14
15 7. (New section) a. The State Treasurer shall establish a program
16 to provide the loans authorized pursuant to P.L. , c. (C.)
17 (now before the Legislature as this substitute). The governing board
18 of a public or private institution of higher education as defined
19 pursuant to N.J.S.18A:72A-3 or of a public or private secondary
20 school shall be eligible for and may determine by resolution to apply
21 for a loan from the trust fund established pursuant to section 6 of
22 P.L. , c. (C.)(now before the Legislature as this substitute).
23 The resolutions shall be transmitted to and in a manner to be
24 determined by the State Treasurer. Owners of residences being
25 utilized by fraternities or sororities, other than those owned by public
26 or private institutions of education, who are responsible for the
27 installation of an automatic fire suppression system pursuant to section
28 3 of P.L. , c. (C.)(now before the Legislature as this
29 substitute) shall not be eligible for a loan from the trust fund
30 established pursuant to section 6 of P.L. , c. (C.)(now before
31 the Legislature as this substitute), but shall be eligible and may apply
32 for a life safety improvement loan pursuant to section 13 of P.L.1983,
33 c.530 (C.55:14K-13) as amended by section 13 of P.L. , c.
34 (C.) (now before the Legislature as this substitute).
35 b. Individual loan amounts from the trust fund shall be limited to
36 no more than the projected costs as stated in the plan required to be
37 filed with the Director of the Division of Fire Safety in the Department
38 of Community Affairs pursuant to section 3 of P.L. , c. (C.)
39 (now before the Legislature as this substitute), and loan amounts shall
40 be disbursed in accordance with the need and the time frame
41 established under the installation plan. If sufficient funds are not
42 available to fully fund each request, the State Treasurer may limit the
43 amounts loaned on a basis which shall provide the maximum amount
44 of funding to the greatest number of buildings.
45 c. The loans issued pursuant to this subsection shall bear interest

1 of not more than:

2 (1) zero percent per year for loans made to public or private
3 institutions of higher education as defined pursuant to N.J.S.18A:72A-
4 3; or

5 (2) two percent per year for loans made to secondary schools,
6 military schools, boarding schools, or similar occupancies.

7 d. The term of a loan shall be for a period of not more than 15
8 years. Any loan approved pursuant to this subsection shall be
9 contingent upon the applicant entering in to a contract or contracts for
10 the construction, reconstruction, development, extension or
11 improvement required in the installation plan in accordance with
12 section 3 of P.L. , c. (C.)(now before the Legislature as this
13 substitute).

14 e. The State Treasurer shall:

15 (1) review each application and approve, disapprove, amend or
16 modify the loan request;

17 (2) establish any other terms or conditions of each loan which are
18 not otherwise provided under this section; and

19 (3) forward to the New Jersey educational facilities authority and
20 the Department of Community Affairs a copy of any loan approval
21 granted pursuant to this section, including information concerning the
22 amount and terms of the loan.

23 f. All repayments of loans awarded pursuant to this section shall
24 be made to the authority and deposited by the authority into the trust
25 fund.

26 g. The State Treasurer shall promulgate the rules necessary to
27 effectuate this section in accordance with the "Administrative
28 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

29

30 8. (New section) a. The authority shall from time to time issue
31 bonds or notes, in accordance with the provisions of the "New Jersey
32 educational facilities authority law, N.J.S.18A:72A-1 et seq., and in an
33 amount sufficient to finance the loans provided under P.L. , c.

34 (C.)(now before the Legislature as this substitute) and to finance
35 the administrative costs associated with the approval process and the
36 issuance of the bonds or notes, up to a total amount not to exceed
37 \$90,000,000; except that all administrative costs associated with the
38 approval process and the issuance of bonds, notes or other obligations
39 shall not be included within the total aggregate principal amount of the
40 bonds, notes or other obligations issued; the term of any bond so
41 issued shall not exceed 15 years. In computing the foregoing
42 limitation as to amount, there shall be excluded all bonds which shall
43 be issued for refunding purposes, provided that the refunding shall be
44 determined by the authority to result in a debt service savings. The
45 authority shall issue the bonds or notes in such manner as it shall

1 determine in accordance with the provisions of P.L.1993, c.375,
2 (C.18A:72A-49 et al.) and the "New Jersey educational facilities
3 authority law, N.J.S.18A:72A-1 et seq., provided that no bonds or
4 notes shall be issued pursuant to this section without the prior written
5 consent of the State Treasurer.

6 b. Bonds or notes issued pursuant to P.L. , c. (C.) (now before
7 the Legislature as this substitute) shall not be in any way a debt or
8 liability of the State or of any political subdivision thereof other than
9 the authority and shall not create or constitute any indebtedness,
10 liability or obligation of the State or of any political subdivision
11 thereof, or be or constitute a pledge of the faith and credit of the State
12 or of any political subdivision thereof, but all bonds or notes, unless
13 funded or refunded by the bonds or notes of the authority, shall be
14 payable solely from revenues of funds pledged or available for their
15 payment as authorized by P.L. , c. (C.) (now before the Legislature
16 as this substitute). Each bond shall contain on its face a statement to
17 the effect that the authority is obligated to pay the principal thereof,
18 redemption premium, if any, or the interest thereon only from revenue
19 or funds of the authority and that neither the State nor any political
20 subdivision thereof is obligated to pay the principal thereof,
21 redemption premium, if any, or interest thereon and that neither the
22 faith and credit nor the taxing power of the State or of any political
23 subdivision thereof is pledged to the payment of the principal of,
24 redemption premium, if any, or the interest on the bonds.

25 c. The State of New Jersey does hereby pledge to and covenant
26 and agree with the holders of any bonds or notes issued pursuant to
27 the authorization hereunder that the State shall not limit or alter the
28 rights or powers hereby vested in the authority to perform and fulfill
29 the terms of any agreement made with the holders of the bonds or
30 notes, or to fix, establish, charge and collect such rents, fees, rates,
31 payments, or other charges as may be convenient or necessary to
32 produce sufficient revenues to meet all expenses of the authority and
33 to fulfill the terms of any agreement made with the holders of the
34 bonds and notes, together with interest thereon, with interest on any
35 unpaid installments of interest, and all costs and expenses in
36 connection with any action or proceedings by or on behalf of the
37 holders, until the bonds and notes, together with interest thereon, are
38 fully met and discharged or provided for.

39 d. The State Treasurer is hereby authorized to enter into a
40 contract with the authority pursuant to which the State Treasurer,
41 subject to available appropriations, shall pay the amount necessary to
42 pay the principal and interest on bonds, notes and other obligations of
43 the authority issued pursuant to P.L. , c. (C.) (now before the
44 Legislature as this substitute) plus any amounts payable in connections
45 with an agreement authorized under subsection (g) of N.J.S.18A-

1 8.

2 e. To assure the continued operation and solvency of the
3 dormitory safety trust fund program, the authority shall require that if
4 a school or institution of higher education fails or is unable to pay to
5 the authority in full, when due, any obligation of the institution to the
6 authority, an amount sufficient to satisfy the deficiency shall be
7 retained by the State Treasurer from State aid or an appropriation
8 payable to the institution. As used in this section, "obligation of the
9 school or institution" means any amount payable by the school or
10 institution for dormitory safety facilities pursuant to an agreement with
11 the authority.

12 The amount retained by the State Treasurer shall be deducted from
13 the corresponding appropriation or apportionment of State aid payable
14 to the school or institution of higher education and shall not obligate
15 the State to make, or entitle the school or institution to receive, any
16 additional appropriation or apportionment.

17

18 9. (New section) A municipal authority or water utility shall not
19 impose standby fees ¹[or charges]¹ for any new fire protection system
20 required to be installed pursuant to the provisions of section 3 of
21 P.L. ,c. , (C.) (now before the Legislature as this substitute).

22

23 10. N.J.S.18A:72A-3 is amended to read as follows:

24 18A:72A-3. As used in this act, the following words and terms
25 shall have the following meanings, unless the context indicates or
26 requires another or different meaning or intent:

27 "Authority" means the New Jersey Educational Facilities Authority
28 created by this chapter or any board, body, commission, department
29 or officer succeeding to the principal functions thereof or to whom the
30 powers conferred upon the authority by this chapter shall be given by
31 law;

32 "Bond" means bonds or notes of the authority issued pursuant to
33 this chapter;

34 "County college capital project" means any capital project of a
35 county college certified pursuant to section 2 of P.L.1971, c.12
36 (C.18A:64A-22.2) and approved by the State Treasurer for funding
37 pursuant to the "County College Capital Projects Fund Act,"
38 P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

39 "Dormitory" means a housing unit with necessary and usual
40 attendant and related facilities and equipment and shall include a
41 dormitory of a public or private school, or of a public or private
42 institution of higher education;

43 "Educational facility" means a structure suitable for use as a
44 dormitory, dining hall, student union, administration building,

1 academic building, library, laboratory, research facility, classroom,
2 athletic facility, health care facility, teaching hospital, and parking
3 maintenance storage or utility facility and other structures or facilities
4 related thereto or required or useful for the instruction of students or
5 the conducting of research or the operation of an institution for higher
6 education, and public libraries, and the necessary and usual attendant
7 and related facilities and equipment, but shall not include any facility
8 used or to be used for sectarian instruction or as a place for religious
9 worship;

10 "Emerging needs program" means a program at one or more public
11 or private institutions of higher education directed to meeting new and
12 advanced technology needs or to supporting new academic programs
13 in science and technology;

14 "Higher education equipment" means any property consisting of,
15 or relating to, scientific, engineering, technical, computer,
16 communications or instructional equipment;

17 "Participating college" means a public institution of higher
18 education or private college which, pursuant to the provisions of this
19 chapter, participates with the authority in undertaking the financing
20 and construction or acquisition of a project;

21 "Project" means a dormitory or an educational facility or any
22 combination thereof, or a county college capital project;

23 "Private college" means an institution for higher education other
24 than a public college, situated within the State and which, by virtue of
25 law or charter, is a nonprofit educational institution empowered to
26 provide a program of education beyond the high school level;

27 "Private institution of higher education" means independent
28 colleges or universities incorporated and located in New Jersey, which
29 by virtue of law or character or license, are nonprofit educational
30 institutions authorized to grant academic degrees and which provide
31 a level of education which is equivalent to the education provided by
32 the State's public institutions of higher education as attested by the
33 receipt of and continuation of regional accreditation by the Middle
34 States Association of Colleges and Schools, and which are eligible to
35 receive State aid;

36 "Public institution of higher education" means Rutgers, The State
37 University, the State colleges, the New Jersey Institute of Technology,
38 the University of Medicine and Dentistry of New Jersey, the county
39 colleges and any other public university or college now or hereafter
40 established or authorized by law;

41 "School" means a secondary school, military school, or boarding
42 school.

43 "University" means Rutgers, The State University.

44 (cf: P.L.1999, c.184, s.6)

1 11. N.J.S.18A:72A-5 is amended to read as follows:

2 18A:72A-5. The authority shall have power:

3 (a) To adopt bylaws for the regulation of its affairs and the
4 conduct of its business;

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

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

9 (d) To sue and be sued in its own name, and plead and be
10 impleaded;

11 (e) To borrow money and to issue bonds and notes and other
12 obligations of the authority and to provide for the rights of the holders
13 thereof as provided in this chapter;

14 (f) To acquire, lease as lessee, hold and dispose of real and
15 personal property or any interest therein, in the exercise of its powers
16 and the performance of its duties under this chapter;

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

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

32 (i) To prepare or cause to be prepared plans, specifications,
33 designs and estimates of costs for the construction and equipment of
34 projects for participating colleges under the provisions of this chapter,
35 and from time to time to modify such plans, specifications, designs or
36 estimates;

37 (j) By contract or contracts or by its own employees to construct,
38 acquire, reconstruct, rehabilitate and improve, and furnish and equip,
39 projects for participating colleges; however, in any contract or
40 contracts undertaken by the authority for the construction,
41 reconstruction, rehabilitation or improvement of any public college
42 project where the cost of such work will exceed \$25,000, the
43 contracting agent shall advertise for and receive in the manner
44 provided by law:

45 (1) separate bids for the following categories of work;

- 1 (a) the plumbing and gas fitting work;
- 2 (b) the heating and ventilating systems and equipment;
- 3 (c) the electrical work, including any electrical power plants;
- 4 (d) the structural steel and ornamental iron work;
- 5 (e) all other work and materials required for the completion of the
- 6 project, or

7 (2) bids for all work and materials required to complete the entire

8 project if awarded as a single contract; or

9 (3) both (1) and (2) above.

10 All bids submitted shall set forth the names and license numbers of,

11 and evidence of performance security from, all subcontractors to

12 whom the bidder will subcontract the work described in the foregoing

13 categories (1)(a) through (1)(e).

14 Contracts shall be awarded to the lowest responsible bidder whose

15 bid, conforming to the invitation for bids, will be the most

16 advantageous to the authority;

17 (k) To determine the location and character of any project to be

18 undertaken pursuant to the provisions of this chapter, and to

19 construct, reconstruct, maintain, repair, operate, lease, as lessee or

20 lessor, and regulate the same; to enter into contracts for any or all

21 such purposes; to enter into contracts for the management and

22 operation of a project, and to designate a participating college as its

23 agent to determine the location and character of a project undertaken

24 by such participating college under the provisions of this chapter and,

25 as the agent of the authority, to construct, reconstruct, maintain,

26 repair, operate, lease, as lessee or lessor, and regulate the same, and,

27 as agent of the authority, to enter into contracts for any and all such

28 purposes including contracts for the management and operation of

29 such project;

30 (l) To establish rules and regulations for the use of a project or

31 any portion thereof and to designate a participating college as its agent

32 to establish rules and regulations for the use of a project undertaken

33 by such participating college;

34 (m) Generally to fix and revise from time to time and to charge

35 and collect rates, rents, fees and other charges for the use of and for

36 the services furnished or to be furnished by a project or any portion

37 thereof and to contract with holders of its bonds and with any other

38 person, party, association, corporation or other body, public or

39 private, in respect thereof;

40 (n) To enter into any and all agreements or contracts, execute any

41 and all instruments, and do and perform any and all acts or things

42 necessary, convenient or desirable for the purposes of the authority or

43 to carry out any power expressly given in this chapter;

44 (o) To invest any moneys held in reserve or sinking funds, or any

45 moneys not required for immediate use or disbursement, at the

1 discretion of the authority, in such obligations as are authorized by law
2 for the investment of trust funds in the custody of the State Treasurer;

3 (p) To enter into any lease relating to higher education equipment
4 with a public or private institution of higher education pursuant to the
5 provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

6 (q) To enter into loan agreements with any county, to hold bonds
7 or notes of the county evidencing those loans, and to issue bonds or
8 notes of the authority to finance county college capital projects
9 pursuant to the provisions of the "County College Capital Projects
10 Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

11 (r) To issue bonds and notes and other obligations of the authority
12 under the direction of law for the purpose of providing financial
13 assistance for the installation of fire prevention and safety systems in
14 dormitories.

15 (cf: P.L.1997, c.360, s.6)

16

17 12. Section 22 of P.L. 1983, c. 383 (C.52:27D-213) is amended
18 to read as follows:

19 22. a. This act shall not be construed as authorizing the adoption
20 of a regulation or the enactment of an ordinance requiring that a
21 building conforming in all respects to the requirements of the "State
22 Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et
23 seq.) be made to conform to more restrictive standards.

24 b. Buildings, structures and premises owned or operated by the
25 State, its agencies, departments, or instrumentalities or an interstate
26 agency shall be inspected exclusively by the Department of Community
27 Affairs, and shall conform to this act in the same manner as all other
28 buildings, structures and premises of similar construction and use
29 classification [; but no]. The department may establish fees [or] and
30 issue penalties [shall be charged to or assessed] against the State, its
31 agency, department or instrumentality, or an interstate agency to
32 obtain compliance with P.L.1983, c.383. (C.52:27D-192 et seq.) . For
33 purposes of this section, a unit of local government, whether county,
34 inter-local or municipal, or a local, county, regional or consolidated
35 school district, shall not be deemed to be an instrumentality of the
36 State.

37 c. Buildings, structures and premises subject to inspection for fire
38 safety by an agency of the State shall be inspected by the agency in
39 accordance with the standards established pursuant to this act. Any
40 State fire safety standard for buildings, structures or premises
41 established by or pursuant to any statute other than this act shall
42 continue in effect until such time as that standard is superseded by
43 appropriate regulations promulgated under this act. An agency of the
44 State that enforced fire standards prior to the effective date of this act

1 shall be entitled to petition the commissioner to establish a regulation
2 establishing the standards it considers to be necessary and appropriate
3 for buildings, structures and premises subject to its inspection.

4 (cf: P.L.1991, c.222, s.1)

5
6 13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to
7 read as follows:

8 13. a. In order to encourage the construction, acquisition and
9 rendering of life safety improvements at or to boarding houses, the
10 agency is hereby authorized to finance by life safety improvement
11 loans the construction, acquisition and rendering of life safety
12 improvements at or to boarding houses and residences utilized by
13 fraternities or sororities which are recognized by a public or private
14 institution of higher education. For the purposes of this section,
15 "boarding house" shall include reference to residences utilized by
16 fraternities or sororities which are recognized by a public or private
17 institution of higher education.

18 b. To carry out the purposes of this section, the agency may
19 accept from boarding house owners applications for life safety
20 improvement loans and enter into agreements with boarding house
21 owners with respect thereto. In considering applications for life safety
22 improvement loans, the agency shall give consideration to:

23 (1) the degree of need for the life safety improvement at the
24 boarding house with respect to which the application is made;

25 (2) factors affecting the tax-exempt status of interest on the bonds
26 issued by the agency to raise the money necessary to make the life
27 safety improvement loan, including the location and ownership of
28 boarding houses with respect to which applications have been and are
29 being made;

30 (3) the extent of the benefit which, in the agency's opinion, can be
31 expected to be achieved from the life safety improvement intended to
32 be financed with the life safety improvement loan for which the
33 application is made, giving effect to, among other things, the cost of
34 such life safety improvement;

35 (4) the applicant's ability to obtain alternate financing; and

36 (5) the extent of the applicant's compliance with the "Rooming
37 and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et
38 seq.), if that act is applicable. This determination shall be
39 accomplished through an inspection of the boarding house by either
40 the New Jersey Department of Community Affairs or the New Jersey
41 Department of Health. Deficiencies which are to be corrected through
42 life safety improvement loans are not to be used as a basis for
43 disapproving a loan under this section.

44 c. Life safety improvement loans made by the agency shall not be
45 subject to the terms and conditions set forth in sections 6 through 10

1 of this act but shall be subject to the following terms and conditions:

2 (1) the amount of the loan shall not exceed 100% of the cost of the
3 life safety improvement to be constructed, acquired or rendered, as
4 determined by the agency.

5 (2) the interest rate on the loan shall be established by the agency
6 at the lowest level consistent with the agency's cost of operation but
7 not lower than the effective cost of the agency of the obligations of
8 the agency sold to raise the money used to make the loan.

9 (3) the loan shall be evidenced by a promissory note which shall
10 contain terms and provisions and be in a form approved by the agency
11 [and]. Except for loans made to owners of residences that are utilized
12 as fraternities or sororities, but are not otherwise rooming and
13 boarding houses, the terms and provisions shall include, but not be
14 limited to, agency requirements that: (a) the boarding house owner
15 remit to the agency the entire unpaid balance of all life safety
16 improvement loans made by the agency to the boarding house owner
17 as of the time when the facility ceases to be a boarding house, and the
18 money shall be used for making new boarding house life safety
19 improvement loans or any other lawful purpose; (b) the boarding
20 house owner remit to the agency, for payment to the Department of
21 Community Affairs for deposit in the "Boarding House Rental
22 Assistance Fund," established under section 14 of this act, an amount
23 equal to the rental assistance payments made to or on behalf of the
24 residents of a boarding house, pursuant to this section, prior to the
25 point in time when the facility ceases to be a boarding house, but the
26 inclusion of this second requirement in the promissory note and the
27 remittance of that amount shall be required if and to the extent that
28 the agency determines it to be feasible and practicable; and (c) in the
29 event of any sale which occurs during the period when the life safety
30 improvement loan is being repaid to a purchaser who will maintain the
31 facility as a boarding house, the boarding house owner shall either
32 remit the entire unpaid balance of all life safety improvement loans
33 made by the agency to the boarding house owner or require the
34 purchaser to assume the loan.

35 (4) as a condition of the loan, the agency shall have the power at
36 all times during the construction, acquisition or rendering of a life
37 safety improvement at or to a boarding house and for a reasonable
38 period of time subsequent thereto to enter without prior notice the
39 boarding house with respect to which the loan is made in order to
40 inspect the construction, acquisition or rendering of the life safety
41 improvement being financed with the loan.

42 (cf: P.L.1983, c.530, s.13)

43

44 14. This act shall take effect immediately.

1

2

3

4 The "Dormitory Safety Trust Fund Act."

CHAPTER 56

AN ACT concerning installation of fire suppression systems in student dormitories and supplementing Chapter 72A of Title 18A of the New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.) and amending various parts of the statutory law.

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

C.52:27D-198.7 Short title.

1. This act shall be known and may be cited as the "Dormitory Safety Trust Fund Act."

C.52:27D-198.8 Findings, declarations relative to installation of fire suppression systems in student dormitories.

2. The Legislature finds and declares that:

- a. Education plays a vital role in the economic development of the nation and the State, by providing the education and training of the work force of the future.

- b. The safety of students housed in dormitories at secondary schools, military schools, boarding schools, or at institutions of higher education is a vital concern. These students represent New Jersey's future.

- c. Automatic fire suppression systems installed in buildings have been proven to be a very effective method of preventing injury, death and widespread property damage. The construction, reconstruction, development, extension and improvement of dormitory safety facilities, including fire prevention and sprinkler systems, shall therefore be deemed in the public interest and a public purpose.

C.52:27D-198.9 Definitions relative to installation of fire suppression systems in student dormitories; requirements.

3. a. Notwithstanding any law, rule or regulation to the contrary, all buildings used as dormitories, in whole or in part, or similar accommodations to house students at a public or private school or at a public or private institution of higher education, shall be equipped throughout with an automatic fire suppression system in accordance with the provisions of this section. For the purpose of this act:

- (1) "Dormitories" means buildings, or portions thereof, containing rooms which are provided as residences or for overnight sleeping for individuals or groups, and includes those residences utilized by fraternities or sororities which are recognized by or owned by a school or institution of higher education, but does not include those residences or multiple dwellings which are not recognized by or owned by a school or institution of higher education.

- (2) "Equipped throughout" means installed in the common areas as well as in the areas utilized for sleeping within a dormitory.

- (3) "Common areas" means those areas within a building which are normally accessible to all residents, including the corridors, lounge or lobby areas, and areas which contain elements of fire hazards, such as boiler rooms.

- (4) "School" means a secondary school, military school, or a boarding school.

- b. Within 120 days of the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.), each entity responsible for a building subject to the requirements of this section shall file with the Division of Fire Safety in the Department of Community Affairs a plan outlining the installation of automatic fire suppression systems in those buildings as required pursuant to subsection a. of this section. A plan may cover installation projects which were begun within a 12 month period prior to the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.). Each plan shall provide that:

- (1) at least 25 percent of the required installation will be completed no later than the last day of the 12th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.);

- (2) at least 50 percent of the required installation will be completed no later than the last day of the 24th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.);

- (3) at least 75 percent of the required installation will be completed no later than the last day of the 36th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.); and

(4) all required installation shall be completed no later than the last day of the 48th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.).

Upon application by an entity, the Commissioner of Community Affairs may, at the commissioner's discretion, extend the time frames set forth in this section, upon a showing that the time frame would pose an unreasonable hardship for the entity, or that performance of the installation is impossible for reasons outside the control of the entity by the date set forth under this section. When the request for an extension concerns a building containing asbestos or an historic building, there shall be a presumption in favor of granting the extension.

C.52:27D-198.10 Rules; exemptions.

4. The Commissioner of Community Affairs shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to implement P.L.2000, c.56 (C.52:27D-198.7 et al.). Such rules may include exemption from the requirements of section 3 of P.L.2000, c.56 (C.52:27D-198.9) for any types of buildings that may be determined to not warrant the level of protection provided in section 3 of P.L.2000, c.56 (C.52:27D-198.9) based on the fire hazard risk.

C.52:27D-198.11 Application of funds to secure compliance.

5. The State Treasurer, after consultation with the Commissioner of Community Affairs, shall have the authority to apply State funds otherwise available to State departments, agencies or instrumentalities for the purpose of securing compliance with the requirements established pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.). The State Treasurer shall also determine the allocation of moneys to be deposited into the "Dormitory Safety Trust Fund" established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6) resulting from the retirement of bonds previously issued for deposit to the "Dormitory Safety Trust Fund" by the New Jersey educational facilities authority.

C.18A:72A-12.6 "Dormitory Safety Trust Fund."

6. a. There is created within the New Jersey educational facilities authority established pursuant to N.J.S.18A:72A-4, the "Dormitory Safety Trust Fund," hereinafter referred to as the "trust fund." The trust fund shall be maintained as a separate account and administered by the authority to carry out the provisions of P.L.2000, c.56 (C.52:27D-198.7 et al.). There shall be paid into this fund:

- (1) moneys received from the sale of bonds or notes issued pursuant to section 8 of P.L.2000, c.56 (C.18A:72A-12.8);
- (2) moneys appropriated by the Legislature, including moneys as may be appropriated annually in an amount sufficient to pay the principal and interest on the bonds or notes;
- (3) all interest and investment earnings received on the moneys in the trust fund; and
- (4) all repayments of loans authorized pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.).

b. The trust fund shall be used to provide loans to the schools and institutions of higher education which are required pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) to install automatic fire suppression systems, for the cost, or a portion of the cost, of the construction, reconstruction, development, extension or improvement of dormitory safety facilities, including fire prevention and sprinkler systems.

C.18A:72A-12.7 Establishment of program to provide loans.

7. a. The State Treasurer shall establish a program to provide the loans authorized pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.). The governing board of a public or private institution of higher education as defined pursuant to N.J.S.18A:72A-3 or of a public or private secondary school shall be eligible for and may determine by resolution to apply for a loan from the trust fund established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6). The resolutions shall be transmitted to and in a manner to be determined by the State Treasurer. Owners of residences being utilized by fraternities or sororities, other than those owned by public or private institutions of education, who are responsible for the installation of an automatic fire suppression

system pursuant to section 3 of P.L.2000, c.56 (C.52:27D-198.9) shall not be eligible for a loan from the trust fund established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6), but shall be eligible and may apply for a life safety improvement loan pursuant to section 13 of P.L.1983, c.530 (C.55:14K-13) as amended by section 13 of P.L.2000, c.56.

b. Individual loan amounts from the trust fund shall be limited to no more than the projected costs as stated in the plan required to be filed with the Director of the Division of Fire Safety in the Department of Community Affairs pursuant to section 3 of P.L.2000, c.56 (C.52:27D-198.9), and loan amounts shall be disbursed in accordance with the need and the time frame established under the installation plan. If sufficient funds are not available to fully fund each request, the State Treasurer may limit the amounts loaned on a basis which shall provide the maximum amount of funding to the greatest number of buildings.

c. The loans issued pursuant to this subsection shall bear interest of not more than:

(1) zero percent per year for loans made to public or private institutions of higher education as defined pursuant to N.J.S.18A:72A-3; or

(2) two percent per year for loans made to secondary schools, military schools, boarding schools, or similar occupancies.

d. The term of a loan shall be for a period of not more than 15 years. Any loan approved pursuant to this subsection shall be contingent upon the applicant entering into a contract or contracts for the construction, reconstruction, development, extension or improvement required in the installation plan in accordance with section 3 of P.L.2000, c.56 (C.52:27D-198.9).

e. The State Treasurer shall:

(1) review each application and approve, disapprove, amend or modify the loan request;

(2) establish any other terms or conditions of each loan which are not otherwise provided under this section; and

(3) forward to the New Jersey educational facilities authority and the Department of Community Affairs a copy of any loan approval granted pursuant to this section, including information concerning the amount and terms of the loan.

f. All repayments of loans awarded pursuant to this section shall be made to the authority and deposited by the authority into the trust fund.

g. The State Treasurer shall promulgate the rules necessary to effectuate this section in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

C.18A:72A-12.8 Issuance of bonds, notes.

8. a. The authority shall from time to time issue bonds or notes, in accordance with the provisions of the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq., and in an amount sufficient to finance the loans provided under P.L.2000, c.56 (C.52:27D-198.7 et al.) and to finance the administrative costs associated with the approval process and the issuance of the bonds or notes, up to a total amount not to exceed \$90,000,000; except that all administrative costs associated with the approval process and the issuance of bonds, notes or other obligations shall not be included within the total aggregate principal amount of the bonds, notes or other obligations issued; the term of any bond so issued shall not exceed 15 years. In computing the foregoing limitation as to amount, there shall be excluded all bonds which shall be issued for refunding purposes, provided that the refunding shall be determined by the authority to result in a debt service savings. The authority shall issue the bonds or notes in such manner as it shall determine in accordance with the provisions of P.L.1993, c.375, (C.18A:72A-49 et al.) and the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq., provided that no bonds or notes shall be issued pursuant to this section without the prior written consent of the State Treasurer.

b. Bonds or notes issued pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof, but all bonds or notes, unless funded or refunded by the bonds or notes of the authority, shall be payable solely from revenues of funds pledged

or available for their payment as authorized by P.L.2000, c.56 (C.52:27D-198.7 et al.). Each bond shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof, redemption premium, if any, or the interest thereon only from revenue or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay the principal thereof, redemption premium, if any, or interest thereon and that neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of, redemption premium, if any, or the interest on the bonds.

c. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to the authorization hereunder that the State shall not limit or alter the rights or powers hereby vested in the authority to perform and fulfill the terms of any agreement made with the holders of the bonds or notes, or to fix, establish, charge and collect such rents, fees, rates, payments, or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and to fulfill the terms of any agreement made with the holders of the bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, until the bonds and notes, together with interest thereon, are fully met and discharged or provided for.

d. The State Treasurer is hereby authorized to enter into a contract with the authority pursuant to which the State Treasurer, subject to available appropriations, shall pay the amount necessary to pay the principal and interest on bonds, notes and other obligations of the authority issued pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) plus any amounts payable in connection with an agreement authorized under subsection (g) of N.J.S.18A:72A-8.

e. To assure the continued operation and solvency of the dormitory safety trust fund program, the authority shall require that if a school or institution of higher education fails or is unable to pay to the authority in full, when due, any obligation of the institution to the authority, an amount sufficient to satisfy the deficiency shall be retained by the State Treasurer from State aid or an appropriation payable to the institution. As used in this section, "obligation of the school or institution" means any amount payable by the school or institution for dormitory safety facilities pursuant to an agreement with the authority.

The amount retained by the State Treasurer shall be deducted from the corresponding appropriation or apportionment of State aid payable to the school or institution of higher education and shall not obligate the State to make, or entitle the school or institution to receive, any additional appropriation or apportionment.

C.52:27D-198.12 Standby fees waived.

9. A municipal authority or water utility shall not impose standby fees for any new fire protection system required to be installed pursuant to the provisions of section 3 of P.L.2000, c.56 (C.52:27D-198.9).

10. N.J.S.18A:72A-3 is amended to read as follows:

Definitions.

18A:72A-3. As used in this act, the following words and terms shall have the following meanings, unless the context indicates or requires another or different meaning or intent:

"Authority" means the New Jersey Educational Facilities Authority created by this chapter or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the authority by this chapter shall be given by law;

"Bond" means bonds or notes of the authority issued pursuant to this chapter;

"County college capital project" means any capital project of a county college certified pursuant to section 2 of P.L.1971, c.12 (C.18A:64A-22.2) and approved by the State Treasurer for funding pursuant to the "County College Capital Projects Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

"Dormitory" means a housing unit with necessary and usual attendant and related facilities and equipment, and shall include a dormitory of a public or private school, or of a public or

private institution of higher education;

"Educational facility" means a structure suitable for use as a dormitory, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, teaching hospital, and parking maintenance storage or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education, and public libraries, and the necessary and usual attendant and related facilities and equipment, but shall not include any facility used or to be used for sectarian instruction or as a place for religious worship;

"Emerging needs program" means a program at one or more public or private institutions of higher education directed to meeting new and advanced technology needs or to supporting new academic programs in science and technology;

"Higher education equipment" means any property consisting of, or relating to, scientific, engineering, technical, computer, communications or instructional equipment;

"Participating college" means a public institution of higher education or private college which, pursuant to the provisions of this chapter, participates with the authority in undertaking the financing and construction or acquisition of a project;

"Project" means a dormitory or an educational facility or any combination thereof, or a county college capital project;

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

"Private institution of higher education" means independent colleges or universities incorporated and located in New Jersey, which by virtue of law or character or license, are nonprofit educational institutions authorized to grant academic degrees and which provide a level of education which is equivalent to the education provided by the State's public institutions of higher education as attested by the receipt of and continuation of regional accreditation by the Middle States Association of Colleges and Schools, and which are eligible to receive State aid;

"Public institution of higher education" means Rutgers, The State University, the State colleges, the New Jersey Institute of Technology, the University of Medicine and Dentistry of New Jersey, the county colleges and any other public university or college now or hereafter established or authorized by law;

"School" means a secondary school, military school, or boarding school;

"University" means Rutgers, The State University.

11. N.J.S.18A:72A-5 is amended to read as follows:

Authority's powers.

18A:72A-5. The authority shall have power:

- (a) To adopt bylaws for the regulation of its affairs and the conduct of its business;
- (b) To adopt and have an official common seal and alter the same at pleasure;
- (c) To maintain an office at such place or places within the State as it may designate;
- (d) To sue and be sued in its own name, and plead and be impleaded;
- (e) To borrow money and to issue bonds and notes and other obligations of the authority and to provide for the rights of the holders thereof as provided in this chapter;
- (f) To acquire, lease as lessee, hold and dispose of real and personal property or any interest therein, in the exercise of its powers and the performance of its duties under this chapter;
- (g) To acquire in the name of the authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of eminent domain, any land or interest therein and other property which it may determine is reasonably necessary for any project, including any lands held by any county, municipality or other governmental subdivision of the State; and to hold and use the same and to sell, convey, lease or otherwise dispose of property so acquired, no longer necessary for the authority's purposes;
- (h) To receive and accept, from any federal or other public agency or governmental entity,

grants or loans for or in aid of the acquisition or construction of any project, and to receive and accept aid or contributions from any other source, of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants, loans and contributions may be made;

(i) To prepare or cause to be prepared plans, specifications, designs and estimates of costs for the construction and equipment of projects for participating colleges under the provisions of this chapter, and from time to time to modify such plans, specifications, designs or estimates;

(j) By contract or contracts or by its own employees to construct, acquire, reconstruct, rehabilitate and improve, and furnish and equip, projects for participating colleges; however, in any contract or contracts undertaken by the authority for the construction, reconstruction, rehabilitation or improvement of any public college project where the cost of such work will exceed \$25,000, the contracting agent shall advertise for and receive in the manner provided by law:

(1) separate bids for the following categories of work;

(a) the plumbing and gas fitting work;

(b) the heating and ventilating systems and equipment;

(c) the electrical work, including any electrical power plants;

(d) the structural steel and ornamental iron work;

(e) all other work and materials required for the completion of the project, or

(2) bids for all work and materials required to complete the entire project if awarded as a single contract; or

(3) both (1) and (2) above.

All bids submitted shall set forth the names and license numbers of, and evidence of performance security from, all subcontractors to whom the bidder will subcontract the work described in the foregoing categories (1)(a) through (1)(e).

Contracts shall be awarded to the lowest responsible bidder whose bid, conforming to the invitation for bids, will be the most advantageous to the authority;

(k) To determine the location and character of any project to be undertaken pursuant to the provisions of this chapter, and to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same; to enter into contracts for any or all such purposes; to enter into contracts for the management and operation of a project, and to designate a participating college as its agent to determine the location and character of a project undertaken by such participating college under the provisions of this chapter and, as the agent of the authority, to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same, and, as agent of the authority, to enter into contracts for any and all such purposes including contracts for the management and operation of such project;

(l) To establish rules and regulations for the use of a project or any portion thereof and to designate a participating college as its agent to establish rules and regulations for the use of a project undertaken by such participating college;

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

(n) To enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the authority or to carry out any power expressly given in this chapter;

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

(p) To enter into any lease relating to higher education equipment with a public or private institution of higher education pursuant to the provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

(q) To enter into loan agreements with any county, to hold bonds or notes of the county evidencing those loans, and to issue bonds or notes of the authority to finance county college capital projects pursuant to the provisions of the "County College Capital Projects Fund

Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

(r) To issue bonds and notes and other obligations of the authority under the direction of law for the purpose of providing financial assistance for the installation of fire prevention and safety systems in dormitories.

12. Section 22 of PL. 1983, c. 383 (C.52:27D-213) is amended to read as follows:

C.52:27D-213 Applicability of act; inspection of government owned buildings.

22. a. This act shall not be construed as authorizing the adoption of a regulation or the enactment of an ordinance requiring that a building conforming in all respects to the requirements of the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) be made to conform to more restrictive standards.

b. Buildings, structures and premises owned or operated by the State, its agencies, departments, or instrumentalities or an interstate agency shall be inspected exclusively by the Department of Community Affairs, and shall conform to this act in the same manner as all other buildings, structures and premises of similar construction and use classification. The department may establish fees and issue penalties against the State, its agency, department or instrumentality, or an interstate agency to obtain compliance with P.L.1983, c.383 (C.52:27D-192 et seq.). For purposes of this section, a unit of local government, whether county, inter-local or municipal, or a local, county, regional or consolidated school district, shall not be deemed to be an instrumentality of the State.

c. Buildings, structures and premises subject to inspection for fire safety by an agency of the State shall be inspected by the agency in accordance with the standards established pursuant to this act. Any State fire safety standard for buildings, structures or premises established by or pursuant to any statute other than this act shall continue in effect until such time as that standard is superseded by appropriate regulations promulgated under this act. An agency of the State that enforced fire standards prior to the effective date of this act shall be entitled to petition the commissioner to establish a regulation establishing the standards it considers to be necessary and appropriate for buildings, structures and premises subject to its inspection.

13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to read as follows:

C.55:14K-13 Life safety improvement loans.

13. a. In order to encourage the construction, acquisition and rendering of life safety improvements at or to boarding houses, the agency is hereby authorized to finance by life safety improvement loans the construction, acquisition and rendering of life safety improvements at or to boarding houses and residences utilized by fraternities or sororities which are recognized by a public or private institution of higher education. For the purposes of this section, "boarding house" shall include reference to residences utilized by fraternities or sororities which are recognized by a public or private institution of higher education.

b. To carry out the purposes of this section, the agency may accept from boarding house owners applications for life safety improvement loans and enter into agreements with boarding house owners with respect thereto. In considering applications for life safety improvement loans, the agency shall give consideration to:

(1) the degree of need for the life safety improvement at the boarding house with respect to which the application is made;

(2) factors affecting the tax-exempt status of interest on the bonds issued by the agency to raise the money necessary to make the life safety improvement loan, including the location and ownership of boarding houses with respect to which applications have been and are being made;

(3) the extent of the benefit which, in the agency's opinion, can be expected to be achieved from the life safety improvement intended to be financed with the life safety improvement loan for which the application is made, giving effect to, among other things, the cost of such life safety improvement;

(4) the applicant's ability to obtain alternate financing; and

(5) the extent of the applicant's compliance with the "Rooming and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et seq.), if that act is applicable. This determination shall be accomplished through an inspection of the boarding house by either the New Jersey Department of Community Affairs or the New Jersey Department of Health and Senior Services. Deficiencies which are to be corrected through life safety improvement loans are not to be used as a basis for disapproving a loan under this section.

c. Life safety improvement loans made by the agency shall not be subject to the terms and conditions set forth in sections 6 through 10 of this act but shall be subject to the following terms and conditions:

(1) the amount of the loan shall not exceed 100% of the cost of the life safety improvement to be constructed, acquired or rendered, as determined by the agency.

(2) the interest rate on the loan shall be established by the agency at the lowest level consistent with the agency's cost of operation but not lower than the effective cost of the agency of the obligations of the agency sold to raise the money used to make the loan.

(3) the loan shall be evidenced by a promissory note which shall contain terms and provisions and be in a form approved by the agency . Except for loans made to owners of residences that are utilized as fraternities or sororities, but are not otherwise rooming and boarding houses, the terms and provisions shall include, but not be limited to, agency requirements that: (a) the boarding house owner remit to the agency the entire unpaid balance of all life safety improvement loans made by the agency to the boarding house owner as of the time when the facility ceases to be a boarding house, and the money shall be used for making new boarding house life safety improvement loans or any other lawful purpose; (b) the boarding house owner remit to the agency, for payment to the Department of Community Affairs for deposit in the "Boarding House Rental Assistance Fund," established under section 14 of this act, an amount equal to the rental assistance payments made to or on behalf of the residents of a boarding house, pursuant to this section, prior to the point in time when the facility ceases to be a boarding house, but the inclusion of this second requirement in the promissory note and the remittance of that amount shall be required if and to the extent that the agency determines it to be feasible and practicable; and (c) in the event of any sale which occurs during the period when the life safety improvement loan is being repaid to a purchaser who will maintain the facility as a boarding house, the boarding house owner shall either remit the entire unpaid balance of all life safety improvement loans made by the agency to the boarding house owner or require the purchaser to assume the loan.

(4) as a condition of the loan, the agency shall have the power at all times during the construction, acquisition or rendering of a life safety improvement at or to a boarding house and for a reasonable period of time subsequent thereto to enter without prior notice the boarding house with respect to which the loan is made in order to inspect the construction, acquisition or rendering of the life safety improvement being financed with the loan.

14. This act shall take effect immediately.

Approved July 5, 2000.

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NEWS RELEASE

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RELEASE: July 5, 2000

**Governor Signs Legislation Mandating Automatic Sprinklers in Dorm Rooms
Statewide
Responding to January's Tragic Dormitory Fire at Seton Hall University**

Governor Christie Whitman today signed a bill into law at Seton Hall University in South Orange to require the installation of automatic sprinkler systems in all dormitory rooms in public and private colleges, universities and boarding schools statewide.

Remembering the January 19th fire that took the lives of three Seton Hall freshmen, while injuring another 58 students and four public safety officers, Gov. Whitman said, "Today, we try in our own way, to bring some meaning to this tragedy, to ensure that some good can come out of this terrible event. By making sure that something like this can never happen again, we honor the memory of those who died and the suffering of those who were injured."

"I know that for the families and friends of the victims, nothing we can do can heal the pain or fill the empty hole in their hearts," continued the Governor. "But I hope that knowing that their loss will help prevent a similar loss will give those who knew and loved Frank, John and Aaron a measure of comfort and peace."

The bill, S-891, is called the Dormitory Safety Trust Fund Act; it specifically creates a requirement for the owners of buildings used as dormitories for students at public or private schools or at public and private institutions of higher education to install automatic fire suppression systems. The law defines dormitories as buildings with rooms used as residences or overnight sleeping for individuals or groups, and includes fraternity or sorority houses - whether or not the buildings are owned by an educational institution.

"The effectiveness of automatic sprinkler systems has been demonstrated for more than 100 years," said Gov. Whitman. "By requiring their installation in all residential buildings on every New Jersey campus, we are ensuring that our students will have a safe place in which to live, study and learn."

Gov. Whitman also thanked the Legislature and the leadership of New Jersey's higher education community for working together to provide this protection for the state's residential students. The Governor acknowledged that while this measure was a big undertaking, it is more than worth it for the good it will do and the lives it will save.

The bill's Senate sponsors were Senators Kosco (R-Bergen), Girgenti (D-Passaic), Matheussen (R-Camden/ Gloucester), Cafiero (R-Cape May/Atlantic/Cumberland) and Martin (R-Essex/ Morris/Passaic). The bill's Assembly sponsors were Assembly Members Kelly (R-Bergen/Essex/Passaic), Wisniewski (D-Middlesex), Crecco (R-Essex/Passaic), Augustine (R-Middlesex/ Morris/Somerset/Union), Stanley (D-Essex), O'Toole (R-Essex/Union), Corodemus (R-Monmouth), Asselta (R-Cape May/Atlantic/Cumberland), Green (D-Middlesex/Somerset/Union) and Russo (R-Bergen/Passaic).

Each entity, which owns a dormitory, is required to file within 120 days (of enactment) a sprinkler installation plan, including costs and projected completion dates, with the Division of Fire Safety in the Department of Community Affairs. The plan must also stipulate that installation be completed in four years.

Also, the legislation says that sprinkler installation projects, which were begun up to 12 months before the bill's effective date, are eligible to be included in the plan; the cost of the installation is eligible to be included in any loan request.

Under the law, the Commissioner of Community Affairs may extend timeframes for installation, if the timeframe would pose an unreasonable hardship or the installation is impossible for reasons outside of the entity's control.

The bill establishes the Dormitory Safety Trust Fund within the educational facilities authority (EFA), which will be used to provide loans to the schools to install the sprinkler systems: no-interest loans to public or private institutions of higher education and two percent loans to secondary schools, military and boarding schools, or other such places. The State Treasurer is required to establish a program to provide the loans.

Lastly, the bill amends a section of the Uniform Fire Safety Act to provide that the DCA may establish fees and issue penalties against the State, its agency, department or instrumentality, or an interstate agency to obtain compliance with the act. As a result, DCA can issue fees against public colleges and universities.