

55:19-1 to 19

LEGISLATIVE HISTORY CHECKLIST

NJSA: 55:19-1 to 55:19-19

"New Jersey Urban
Development Corporation
Act"

LAWS OF: 1985

CHAPTER: 227

Bill No: A1515

Sponsor(s): Schwartz and others

Date Introduced: February 23, 1984

Committee: **Assembly:** Revenue, Finance and Appropriations

Senate: County and Municipal Government

Amended during passage: Yes
according to Governor's recommendations

Amendments denoted by asterisks

Date of Passage: **Assembly:** September 13, 1984 Re-enacted 1-8-85

Senate: December 17, 1984 Re-enacted 6-27-85

Date of Approval: July 8, 1985

Following statements are attached if available:

Sponsor statement: Yes (Below) Attached: Senate
amendments, adopted 12-
12-84 (with statement)

Committee statement: **Assembly** Yes 5-7-84 and 6-28-84

Senate Yes

Fiscal Note: No

Veto Message: Yes

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

Sponsors' statement:

The purpose and effect of this bill are expressed in the legislative findings and
declarations set forth in section 2.

227

85

7-8-85

[FOURTH OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1515

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1984

By Assemblymen SCHWARTZ, CIARLES, Assemblywoman PERUN, Assemblymen WATSON, OTLOWSKI, NAPLES, Assemblywoman GARVIN, Assemblymen THOMPSON, RANIERI, BROWN, DORIA, CUPROWSKI, VAINIERI, LARROCCA, M. ADUBATO and Assemblywoman COOPER

AN ACT to establish the New Jersey Urban Development Corporation, and prescribing the powers, duties and functions thereof*, providing certain tax credits and exemptions to further the purposes and projects of the corporation, and making appropriations for the organizing and sustaining of its operations*.

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

1 1. This act shall be known and may be cited as the "New Jersey
2 Urban Development Corporation Act."

1 2. The Legislature finds and declares:

2 a. For several years past economic decline has persisted in the
3 urban centers of the State, despite programs created by both
4 State and federal ****government**** to aid local governments in
5 stemming the decline and stimulating redevelopment.

6 b. The economic decline of these areas is linked to obsolescence
7 and decay of capital assets, both public and private, and insuffi-
8 ciency of new capital investment for public facilities and amenities,
9 productive industrial plant, and adequate housing.

10 c. In establishing the Urban Development Corporation, with the
11 powers and functions prescribed in this act, it is the intention of
12 the Legislature to create an instrument for utilizing the widest

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

Matter printed in italics *thus* is new matter.

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

*—Assembly committee amendments adopted May 7, 1984.

**—Assembly committee amendments adopted June 28, 1984.

***—Senate committee amendments adopted November 19, 1984.

****—Senate committee amendments adopted December 6, 1984.

*****—Senate amendments adopted December 13, 1984.

*****—Assembly amendments adopted in accordance with Governor's recommendations January 3, 1985.

13 possible range of financing techniques to coordinate available pri-
 14 vate and public resources for the revitalization of our urban
 15 communities.

16 **d. The corporation is intended to complement and supplement*
 17 *private-sector financing and development activities, and should not*
 18 *unnecessarily compete with or supplant responsible private-sector*
 19 *interest in the implementation of its projects.**

1 3. As used in this act, except as otherwise clearly required by the
 2 context:

3 ***[a.** “Base valuation” means the total taxable valuation of real
 4 property in any qualified municipality as of the date when it enters
 5 into an agreement pursuant to section 12 of this act. **]****

6 ***[b.]* *a.*** “Board” or “Board of Directors” means the directors
 7 of the corporation appointed pursuant to section 4 of this act.

8 ***[c.]* *b.*** “Corporation” means the New Jersey Urban Develop-
 9 ment Corporation established pursuant to section 4 of this act.

10 ***[d.]* *c.*** “Department” means the New Jersey Department of
 11 Commerce and Economic Development.

12 ***[e.]* *d.*** “Director” means a director of the corporation.

13 ***[f.]* *e.*** “Project” means a specific work or improvement in-
 14 cluding lands, buildings, improvements, real and personal property
 15 or any interest therein (including lands under water, riparian
 16 rights, space rights and air rights), acquired, owned, constructed,
 17 reconstructed, rehabilitated or improved by the corporation or a
 18 subsidiary, or by any other person, firm or corporation under
 19 agreement with the corporation or subsidiary pursuant to the
 20 provisions of this act in a qualified municipality; and which falls
 21 within any of the following classifications:

22 ***[(1)** “Residential project”—a project designated and intended
 23 to provide housing for persons and families of low and moderate
 24 income as the same are defined in section 4 of the “New Jersey
 25 Housing and Mortgage Finance Agency Law of 1983” (P. L. 1983,
 26 c. 530; 55:14K-4). **]****

27 ***[(2)]* *(1)*** “Industrial project”— a project designed and in-
 28 tended to provide facilities for manufacturing, industrial, com-
 29 mercial, wholesale, retail, warehousing, or research and develop-
 30 ment purposes, including but not limited to machinery and equip-
 31 ment deemed necessary for the operation thereof*, *when the board*
 31A *finds that there is a compelling public need to undertake such*
 31B *project and insufficient responsible interest by the private financial*
 31C *or development community to undertake the project without the*
 31D *corporation’s assistance or involvement*.*

32 *[(3)]* *(2)* “Land-use improvement project”— a project for
 33 the clearance, replanning, reconstruction, rehabilitation, renewal,
 34 redevelopment, conservation, restoration or improvement of an
 35 area, in cooperation or under agreement with a qualified municipi-
 36 pality which has designated the area blighted or in need of re-
 36A habilitation.

37 *[(4)]* *(3)* “Civic project”— a project designed and intended
 38 to provide facilities for educational, cultural, health, recreational,
 39 community or other civic purposes.

39A *** (4) ****[Utility project]**** ****“Utility project”****—a*
 39B *project designed and intended to provide facilities for provision of*
 39C *water, sewer, solid-waste disposal, transportation, utility or other*
 39D *public services necessary for the accommodation of a project of*
 39E *another classification undertaken pursuant to this act; but accom-*
 39F *modation of needs greater than those of the other project may be*
 39G *encompassed.***

40 *[(5)]* *** [(4)]*** *(5)* “Multi-purpose project”—a pro-
 41 ject combining the purposes of two or more of the foregoing classi-
 41A fications.

42 *[(g.)]* **f.** “Qualified municipality” means any municipality
 43 which at the time of the initiation of a project was eligible to receive
 44 State aid under ****[P. L. 1978, c. 14 (C. 52:27D-178 et seq.)*
 44A ***or]*** P. L. 1977, c. 260 (C. 52:27D-162 et seq.)** ***; or any*
 44B *municipality which in any year subsequent to the enactment of*
 44C *P. L. 1978, c. 14 (C. 52:27D-178 et seq.) was eligible to receive State*
 44D *aid pursuant to that act; or any municipality which has (1) a popu-*
 44E *lation of 15,000 or less, according to the most recent federal decen-*
 44F *ennial census; (2) a population density of 5,000 or more per square*
 44G *mile; (3) 100 or more children enrolled in the Aid to Families with*
 44H *Dependent Children Program, according to the data available to*
 44I *and utilized by the Director of the Division of Local Government*
 44J *Services in the Department of Community Affairs to determine*
 44K *eligibility for State aid under the provisions of P. L. 1978, c. 14*
 44L *(C. 52:27D-178 et seq.); (4) an equalized tax rate which exceeds*
 44M *the State equalized tax rate; and (5) an equalized valuation per*
 44N *capita which is less than the State equalized valuation per*
 44o *capita***.*

45 *[(h.)]* **g.** “Subsidiary” means a subsidiary corporation formed
 46 by the corporation pursuant to section 7 of this act.

47 *[(i.)]* “Tax increment” means that amount of property-tax revenue
 48 realized in any one year by application of the general tax rate in
 49 the municipality for that year to the total taxable valuations in a
 50 district described and delimited by an agreement entered into by

51 the municipality pursuant to section 12 of this act, in excess of
 52 the amount that would have been raised by application of the said
 53 rate to the base valuation only.

54 j. "Tax increment bonds" means bonds on which the payment of
 55 principal and interest is secured by a pledge of future property-
 56 tax revenues resulting from an increase in taxable value of prop-
 57 erty comprising a particular project or group of projects to be
 58 financed in whole or part from the proceeds of the bonds.]*

1 4. a. There is established *[*in the Executive Office of the Gover-
 2 nor]* the New Jersey Urban Development Corporation. *[*The
 3 Governor is authorized to act, by executive order, at any time after
 4 two years from the effective date of this act, to reestablish the
 5 corporation in, but not if, the New Jersey Department of Commerce
 6 and Economic Development.]* **For the purpose of complying
 6A with the provisions of Article V, Section IV, paragraph 1 of the
 6B Constitution, this corporation is allocated to the Department of
 6C Commerce and Economic Development; but, notwithstanding that
 6D allocation, the corporation shall be independent of any supervision
 6E or control by the Department or by any other board or officer
 6F thereof.**

7 b. The corporation shall constitute a body corporate and politic
 8 and an instrumentality exercising public and essential govern-
 9 mental functions, and the exercise by the corporation of the powers
 10 conferred by this act shall be deemed and held to be an essential
 11 governmental function of the State.

12 c. The directors of the corporation shall be: (1) the ****[*commis-
 13 sioner]***** *****Commissioner***** of the Department of Com-
 14 merce and Economic Development *[*and]* *,* the ****[*commis-
 15 sioner]***** *****Commissioner***** of the Department of Com-
 16 munity Affairs, **the** ****[*commissioner]***** *****Commissioner*****
 17 ***** of the Department of ****[*Transportation, the commis-
 18 sioner of the Department of Environmental Protection,]***** *****La-
 18A bor**** and the State Treasurer* ex officio; and (2) **[*seven]**
 18B **[*four**]***** *****[*five**]***** *****[*six**]*****
 19 *****five***** citizens and residents of the State appointed by
 20 the Governor ****[*,*]**** *****in the following manner:
 20A two****]*****, ****** with the advice and consent of the
 20B *Senate****[*]; two upon recommendations of the Senate
 20C President; and two upon the recommendation of the Speaker of
 20D the General Assembly, of whom no more than one of each group
 20E of two shall be of the same political party****]*****, for terms
 20F of four years, except that ****[*of]**** *****of***** the first
 21 ***[*seven]*** ***[*four**]** *****[*five**]***** *****[*******

22 *****six***** person]***** five persons***** so appointed
 22A **two** **one** *****two*****
 22B ***** shall serve for *****[a term of one year, **two**
 22C **one**]*****[*****terms as hereinafter provided: (a)
 22D one of the persons appointed by the Governor with the advice and
 22E consent of the Senate, one of the persons appointed by the Governor
 22F upon the recommendation of the Senate President, and one of the
 22G persons appointed by the Governor upon the recommendation
 23 of the Speaker of the General Assembly shall serve*****]
 23A *****a term of one year, one***** for a term of two years
 23B *****[,]***** **two** *****one** for a term of three years
 23C and one]*****[*****and one (b) one of the persons ap-
 23D pointed by the Governor with the advice and consent of the Senate,
 24 one of the persons appointed by the Governor upon the recommenda-
 25 tion of the Senate President, and one of the persons appointed by
 25A the Governor upon the recommendation of the Speaker of the Gen-
 25B eral Assembly shall serve*****]
 25C three years and one***** for a term of **one year** **four
 26 years**. Each director shall hold office for the term of his
 26A appointment and until his successor has been appointed and quali-
 26B fied. A director shall be eligible for reappointment. In nominating
 26C members the Governor shall have regard to providing an adequate
 26D depth and diversity of knowledge and experience in the financial,
 26E physical and social aspects of urban development, and of other
 26F relevant expertise in urban matters.

27 d. Each ex officio director may designate an officer or employee
 28 of his department to represent him at meetings of the directors,
 29 and each designee may lawfully vote and otherwise act on behalf
 30 of the director so designating him. The designation shall be in
 31 writing, delivered into the hands of the secretary of the corpo-
 32 ration, and shall continue in effect until revoked or amended in
 33 the same manner.

34 e. Each director may be removed from office by the Governor,
 35 for cause, after a public hearing and may be suspended by the
 36 Governor pending the completion of the hearing. Each director
 37 before entering upon his duties shall take and subscribe an oath
 38 to perform the duties of the office faithfully, impartially and justly
 39 to the best of his ability. A record of these oaths shall be filed in
 40 the office of the Secretary of State.

41 f. Any vacancies in the membership of the board of directors
 42 occurring otherwise than by expiration of term shall be filled in
 43 the same manner as the original appointment, but for the unexpired
 44 term only.

45 g. The ~~Commissioner of the Department of Commerce and~~
 46 ~~Economic Development shall~~ ~~the Governor shall designate~~
 47 ~~one of the members to~~ ~~be~~ ~~members shall elect from among~~
 48 ~~the citizens appointed by the Governor a~~ chairman of the board
 49 of directors ~~and~~ ~~the~~ ~~members shall elect one~~
 50 of their number to be ~~a~~ vice chairman. The board shall
 51 elect a secretary and a treasurer, who need not be members of the
 52 board; the same person may be elected to serve both as secretary
 53 and treasurer. The powers of the corporation shall be vested in the
 54 members of the board of directors thereof in office from time to
 55 time, and ~~five~~ ~~six~~ ~~five~~
 56 ~~members~~, when including ~~the~~ ~~at least~~ two ex
 57 officio directors, shall constitute a quorum at any meeting of the
 58 board of directors. ~~Actions~~ ~~Except as~~
 59 ~~otherwise provided in subsection b. of section 15 of this act, ac-~~
 59A ~~tions~~ ~~Actions~~ may be taken and motions
 59B and resolutions adopted by the board at any meeting thereof by
 59C the affirmative vote of at least ~~five~~ ~~six~~
 59D ~~members~~, including ~~the~~ ~~at~~
 59E ~~least~~ two ex officio members. No vacancy in the membership of
 59F the board shall impair the right of a quorum to exercise all the
 59G powers and perform all the duties of the agency.

60 h. A true copy of the minutes of every meeting of the board
 61 shall be forthwith delivered by and under the certification of the
 62 secretary thereof to the Governor. No action taken at a meeting
 63 shall have force or effect until 10 days, Saturdays, Sundays and
 64 public holidays excepted, after a copy of the minutes shall have
 65 been so delivered, unless within that period the Governor shall
 66 approve the same, in which case such action shall become effective
 67 upon his approval. If, within the 10-day period, the Governor re-
 68 turns the copy of the minutes with his veto of any action taken
 69 by the board or any member thereof at the meeting, that action
 70 shall be null and void and of no effect. The Governor may approve
 71 all or part of the action taken at such meeting prior to the expira-
 72 tion of the 10-day period.

73 i. Directors shall serve without compensation, but the corpora-
 74 tion shall reimburse them for actual expenses necessarily incurred
 75 in the discharge of their duties.

76 j. Notwithstanding the provisions of any other law, no officer
 77 or employee of the State shall be deemed to have forfeited or
 78 shall forfeit his office or employment or any benefits or emoluments
 79 thereof by reason of acceptance of the office of director or his
 80 services in that office.

81 k. The corporation may be dissolved by act of the Legislature
 82 if it has no debts or obligations outstanding, or if adequate pro-
 83 vision has been made for the payment or retirement of any out-
 84 standing debts or obligations. Upon dissolution of the corporation
 85 all property, funds and assets thereof shall be vested in the State.

1 *5. a. *In planning for the development and execution of projects*
 2 *authorized by this act, or for the exercise of any of the other powers*
 3 *conferred upon the corporation or its subsidiaries, the board shall*
 4 *consult with the heads of the principal departments of State govern-*
 5 *ment having responsibilities or conducting programs relevant to*
 6 *the power to be exercised or the locality in which it is to be exer-*
 7 *cised, so that the projects of the corporation and its subsidiaries*
 8 *may be coordinated with parallel or complementary programs of*
 9 *other State agencies, to their mutual support and common benefit.*

10 **b. *For the purpose of assuring regular and effective liaison*
 11 *between the corporation and other public agencies and officers hav-*
 12 *ing responsibilities in areas related to the operations of the corpo-*
 13 *ration, the Governor shall establish an advisory council to the board*
 14 *of directors and shall***,*** from time to time ***and with the*
 14A *advice and consent of the Senate,*** designate to serve upon the*
 15 *council such persons, and in such number, as he deems necessary or*
 16 *expedient to furthering this purpose, from among ***[(1) principal*
 17 *executive officers of the State government; (2) members of the*
 18 *Legislature who by reason of leadership responsibilities or com-*
 19 *mittee assignments have particular interest in or knowledge of con-*
 20 *ditions relevant to the corporation's operations; and (3)]*** repre-*
 21 *sentative members of county and municipal governments, State,*
 22 *local and regional authorities, boards and commissions, and other*
 23 *public bodies, whose activities may affect, or be affected by, the*
 24 *operations of the corporation.***

25 **[b.]** **c.** *In planning and carrying out projects pursuant*
 26 *to this act the corporation and its subsidiaries shall endeavor to*
 27 *enlist the cooperation and assistance, on a volunteer basis, of pri-*
 28 *vate business firms and individual business executives whose ex-*
 29 *perience and training qualify them to advise on the design and*
 30 *coordination of aid and development programs for the revitaliza-*
 31 *tion of urban centers, and upon the most efficient and businesslike*
 32 *manner of managing and directing such programs.**

1 *5.]* *6.* Except as otherwise limited in this act, the corpora-
 2 tion shall have power:

- 3 a. to sue and be sued;
- 4 b. to have a seal and alter the same at pleasure;
- 5 c. to make and execute contracts and all other instruments neces-

6 sary or convenient for the exercise of its powers and functions
7 under this act;

8 d. to make and alter bylaws for its organization and internal
9 management and, subject to agreements with noteholders or bond-
10 holders, to make rules and regulations with respect to its projects,
11 operations, properties and facilities;

12 e. to acquire, hold and dispose of real or personal property for
13 its corporate purposes;

14 f. to appoint officers, agents and employees, prescribe their duties
15 and fix their compensation;

16 g. to acquire or contract to acquire from any individual, partner-
17 ship, trust, association or corporation, or any public agency, by
18 grant, purchase or otherwise, real or personal property or any
19 interest therein; to own, hold, clear, improve and rehabilitate, and
20 to sell, assign, exchange, transfer, convey, lease, mortgage or other-
21 wise dispose of or encumber the same;

22 h. to create subsidiary corporations as provided in section 7
23 of this act;

24 i. to acquire, construct, reconstruct, rehabilitate, improve,
25 alter or repair or provide for construction, reconstruction, reha-
26 bilitation, improvement, alteration or repair of any project;

27 j. to arrange or contract with a municipality for the planning,
28 replanning, opening, grading or closing of streets, roads, roadways,
29 alleys or other places, or for the furnishing of facilities or for
30 the acquisition by a municipality of property or property rights
31 or for the furnishing of property or services, in connection with
32 a project.

33 k. to sell, lease, assign, transfer, convey, exchange, mortgage,
34 or otherwise dispose of or encumber any project, and in the case
35 of the sale of any project, to accept a purchase money mortgage
36 in connection therewith; and to lease, repurchase or otherwise
37 acquire and hold any project which the corporation has thereto-
38 fore sold, leased or otherwise conveyed, transferred or disposed of;

39 l. to grant options to purchase any project or to renew any
40 leases entered into by it in connection with any of its projects,
41 on such terms and conditions as it may deem advisable;

42 m. to prepare or cause to be prepared plans, specifications,
43 designs and estimates of costs for the construction, reconstruction,
44 rehabilitation, improvement, alteration or repair of any project,
45 and from time to time to modify such plans, specifications, designs
46 or estimates;

47 n. to manage any project, whether then owned or leased by the
48 corporation, and to enter into agreements with any individual,

49 partnership, trust, association or corporation, or with any public
50 agency, for the purpose of causing any project to be managed;
51 o. to provide advisory, consultative, training and educational
52 services, technical assistance and advice to any individual, partner-
53 ship, trust, association or corporation, or to any public agency,
54 in order to carry out the purposes of this act;
55 p. to purchase, sell or pledge the shares, *****[bonds,]*****
56 or other obligations or securities of any subsidiary corporation, on
57 such terms and conditions as the corporation may deem advisable;
58 q. subject to the provisions of any contract with noteholders
59 *****[or bondholders]*****, to consent to the modification, with
60 respect to rate of interest, time of payment or any installment of
61 principal or interest, security, or any other terms, of any loan,
62 mortgage, commitment, contract or agreement of any kind to which
63 the corporation is a party;
64 r. in connection with any property on which it has made a
65 mortgage loan, to foreclose on the property or commence any
66 action to protect or enforce any right conferred upon it by any
67 law, mortgage, contract or other agreement, and to bid for or
68 purchase the property at any foreclosure or at any other sale,
69 or acquire or take possession of the property; and in such event
70 the corporation may complete, administer, pay the principal of and
71 interest on any obligations incurred in connection with the prop-
72 erty, dispose of and otherwise deal with the property, in such
73 manner as may be necessary or desirable to protect the interests
74 of the corporation therein;
75 s. to invest any funds held in reserve or sinking funds, or any
76 moneys not required for immediate use and disbursement, at the
77 discretion of the corporation, in obligations of this State or of the
78 United States, or obligations the principal and interest of which
79 are guaranteed by this State or the United States***[.]*** ***,***
80 t. to procure insurance against any loss in connection with its
81 property and other assets and operations, in such amounts and
82 from such insurers as it deems desirable;
83 u. to engage the services of consultants on a contract basis for
84 rendering professional and technical assistance and advice;
85 v. to contract for and to accept any gifts or grants or loans
86 of funds or property or financial or other aid in any form from
87 the federal government or any agency or instrumentality thereof,
88 or from the State or a municipality or any agency or instrumen-
89 tality thereof, or from any other source, and, subject to the pro-
90 visions of this act and any other applicable law, to comply with the
91 terms and conditions thereof; ***[and,]***

92 ***w. to establish, levy and collect, in connection with any civic
 93 project or utilities project managed or operated by the corpora-
 94 tion, whether then owned or leased by the corporation, user fees
 95 and facility charges; and,***

96 ***[w.]*** ***x.*** to do any and all things necessary or con-
 97 venient to carry out its purposes and exercise the powers given
 98 and granted in this act.

1 7. a. The corporation shall have the right to exercise and perform
 2 its powers and functions through one or more subsidiaries. The
 3 corporation by resolution may direct any of its directors, officers
 4 or employees to organize a subsidiary pursuant to the corporation
 5 laws of this State. The resolution shall prescribe the purposes
 6 for which the subsidiary corporation is to be formed.

7 b. Such corporation shall be deemed a subsidiary whenever and
 8 so long as (1) more than half of the outstanding voting shares
 9 ****[or]**** ****of**** such corporation are owned by the corpo-
 10 ration, or (2) the corporation has the power to designate, and has
 11 so designated, a majority of the directors of such corporation.

12 c. The corporation may transfer to any subsidiary any money,
 13 real or personal or mixed property, or any project, in order to
 14 carry out the purposes of this act. Each subsidiary shall have
 15 all the powers, privileges, immunities, tax exemptions and other
 16 exemptions of the corporation to the extent the same are not
 17 inconsistent with the statute or statutes pursuant to which such
 18 subsidiary was incorporated.

19 d. No officer or director of the corporation shall receive any
 20 additional compensation, either direct or indirect, other than re-
 21 imbursement for actual expenses necessarily incurred in the per-
 22 formance of his duties, by reason of his serving as an officer or
 23 director of any subsidiary.

1 8. The corporation, or any subsidiary, may enter into agreements
 2 with any individual, partnership, trust, association or corporation,
 3 or any public agency, under which the corporation or subsidiary
 4 and such other entity or entities shall undertake a project as a
 5 joint venture, with the corporation or subsidiary providing such
 6 financial assistance, through loans, grants or the acquisition of
 7 an ownership interest in the project, and such technical or mana-
 8 gerial assistance or advice, as the agreement may provide.

1 9. The corporation, or any subsidiary, may make loans to any
 2 individual, partnership, trust, association or corporation for the
 3 purpose of enabling such entity to undertake any work, improve-
 4 ment of other activity in a qualified municipality which, if under-
 5 taken by the corporation or a subsidiary, would be a "project"

6 within the meaning of section 3 of this act. The corporation, or
7 any subsidiary, may also pledge its credit for the repayment of
8 any such loan made for like purposes by any financial institution
9 in the State.

1 *~~10.~~ The corporation, or any subsidiary, may provide, cause to be
2 provided, or by loans, grants or other forms of assistance encour-
3 age the provision of, programs of instruction, apprenticeship pro-
4 grams, and other programs designed to enhance vocational skills
5 and provide training and education necessary to improve the
6 employability of young and disadvantaged workers within qualified
7 municipalities. Such programs shall, where possible, be coordinated
8 with vocational-education programs available through educational
9 institutions in a qualified municipality; but provision shall also be
10 made to provide such programs for younger persons past school
11 age who have been unable to secure regular long-term employment
12 through lack of relevant skills or knowledge.]*

1 *~~11. a.~~ The corporation shall have the power, and is authorized,
2 from time to time to issue its bonds in such principal amounts as
3 in the opinion of the board of directors shall be necessary to pro-
4 vide sufficient funds for achieving any of its corporate purposes,
5 including the payment, funding or refunding of the principal of,
6 or interest or redemption premiums on, any bonds issued by it,
7 whether the bonds or interest to be funded or refunded have
8 or have not become due, the establishment or increase of reserves
9 to secure or to pay such bonds or interest thereon, and all other
10 costs or expenses of the agency incident to and necessary or con-
11 venient to carry out its corporate purposes and powers.

12 b. Except as may be otherwise expressly provided herein or
13 by the corporation, every issue of bonds shall be general obligations
14 payable out of any moneys or revenues of the corporation, subject
15 only to any agreements with the holders of particular bonds pledg-
16 ing any particular moneys or revenues. The corporation may issue
17 such types of bonds as it may determine, including but not limited
18 to bonds on which the principal and interest are payable (1)
19 exclusively from the income and revenues of certain designated
20 projects whether or not they are financed in whole or in part with
21 the proceeds of such bonds; (2) exclusively from the revenues of
22 the corporation or any of its subsidiaries derived from loans made
23 pursuant to the terms of this act; or (3) from its revenues gen-
24 erally. Bonds may be additionally secured by a pledge of any
25 grant or contribution received, or to be received, pursuant to
26 subsection v. of section 5 of this act.

27 c. Any provision of any law to the contrary notwithstanding,

28 any bonds issued pursuant to this act shall be fully negotiable
29 within the meaning and for all purposes of Title 12A of the New
30 Jersey Statutes, and each holder or owner of such a bond, or of
31 any coupon appurtenant thereto, by accepting the bond or coupon
32 shall be conclusively deemed to have agreed that the bond or
33 coupon is and shall be fully negotiable within the meaning and for
34 all purposes of Title 12A of the New Jersey Statutes.

35 d. Bonds of the corporation shall be authorized by or in accor-
36 dance with a resolution of the board of directors and may be issued
37 in one or more series and shall bear such date or dates, mature
38 at such time or times not exceeding 50 years from the date thereof,
39 bear interest at such rate or rates or bear interest at such variable
40 or formula rate or rates not to exceed such maximum rate or
41 rates, be in such denomination or denominations, be in such form,
42 either coupon or registered, carry such rank or priority, be
43 executed in such manner, be payable from such sources in such
44 medium of payment at such place or places within or without the
45 State, and be subject to such terms of redemption (with or without
46 premium) as such resolution or resolutions may provide.

47 e. Bonds of the corporation may be sold at public or private
48 sale at such price or prices as the board of directors determines.

49 f. Bonds may be issued under the provisions of this act without
50 obtaining the consent of any department, division, commission,
51 board, bureau or agency of the State, and without any other
52 proceeding or the happening of any other conditions or other
53 things than those proceedings, conditions or things which are
54 specifically required by this act.

55 g. Bonds of the corporation issued under the provisions of this
56 act shall not in any way be a debt or liability of the State or of
57 any political subdivision thereof other than the corporation and
58 shall not create or constitute any indebtedness, liability or obliga-
59 tion of the State or of any such political subdivision or be or con-
60 stitute a pledge of the faith and credit of the State of any such
61 political subdivision; but all such bonds, unless funded or refunded
62 by bonds, shall be payable solely from revenues or funds pledged
63 or available for their payment as authorized in this act. Each
64 bond shall contain on its face a statement to the effect that the
65 corporation is obligated to pay the principal thereof or the interest
66 thereon only from revenues or funds of the corporation and that
67 neither the State nor any political subdivision thereof is obligated
68 to pay such principal or interest and that neither the faith and
69 credit nor the taxing power of the State or any political subdivision
70 thereof is pledged to the payment of the principal of or the
71 interest on such bonds.

72 h. All expenses incurred in carrying out the provisions of this
 73 act shall be payable solely from revenues or funds provided or
 74 to be provided under the provisions of this act, and nothing in
 75 this act shall be construed to authorize the corporation to incur
 76 any indebtedness or liability on behalf of or payable by the State
 77 or any political subdivision thereof.]*

1 ***[12.** Tax-increment bonds may be issued by the corporation only
 2 pursuant to a contractual agreement with the governing body or
 3 governing bodies of the municipality or municipalities involved,
 4 which agreement shall:

5 (1) specify the project or projects to be financed with the pro-
 6 ceeds of the bonds;

7 (2) describe and delimit the geographical area in which the
 8 project or projects are to be undertaken and from which the tax-
 9 increment revenue is to be derived, which area shall not comprise,
 10 in any one municipality, more than 5% of its total taxable valua-
 11 tions as of the date of the agreement;

12 (3) prescribe the manner in which the base valuation is to be
 13 determined;

14 (4) determine either (a) that the entire tax increment shall be
 15 pledged to the payment of principal and interest of the bonds until
 16 entirely paid, or until such time as repayment is satisfactorily
 17 guaranteed from another source, or (b) what proportion of such
 18 increment shall be allocated to any purpose or purposes normally
 19 financed by property-tax revenues levied in a municipality or mu-
 20 nicipalities that are parties to the agreement.]*

1 ***[13.** The corporation may consent, at or prior to the time of
 2 issuance of any of its bonds, to the inclusion of interest on such
 3 bonds in the gross income of holders of such bonds under the
 4 federal Internal Revenue Code of 1954, as amended, or any sub-
 5 sequent federal law, to the same extent and in the same manner
 6 as the interest on bills, notes, bonds and other obligations of the
 7 United States is includible in the gross income of holders thereof
 8 under the federal Internal Revenue Code of 1954, as amended, or
 9 any subsequent federal law. Nothing contained in this act shall
 10 be construed to waive or to authorize the corporation to waive
 11 any other exemption, privilege or immunity of the State or to con-
 12 sent or to authorize the corporation to consent to the application
 13 of any other provision of any other laws, federal, State, to the
 14 corporation or its bonds, which would not otherwise be so ap-
 15 plicable.]*

1 ***[14.]** *10.* ****[The corporation, or any]**** ***Any*** subsidiary
 2 upon authorization by the corporation, may issue its stock and

3 employ the proceeds of such sales for capital investment in, or other
 4 expenses in connection with, the projects of the ****[corporation**
 5 **or]**** subsidiary.

1 *******10A. a.** *No director, officer, agent or employee of the cor-*
 2 *poration or of any of the corporation's subsidiaries shall take any*
 3 *official action on any matter in which he has a direct or indirect*
 4 *financial interest except that the ownership of, or tenancy in, one's*
 5 *own private residence shall not be considered a financial interest*
 6 *for the purposes of this section.*

7 *b. Any action taken or approval granted by the corporation or*
 8 *any of its subsidiaries in violation of this subsection is voidable.*

9 *c. Any person who knowingly violates any provision of this sec-*
 10 *tion shall forfeit his office or employment and is guilty of a crime*
 11 *of the fourth degree.******

1 ***[15.** If the bonds, or any of them, issued or to be issued by the
 2 corporation under authority of this act shall fall within a category
 3 subject to limitation under federal law, under which the total
 4 amount of bonds in that category which may be issued by public
 5 agencies in the State is restricted, either by amount annually issued
 6 or cumulatively outstanding, then at least 35% of the amount to
 7 which this State is entitled shall be reserved for use of the corpo-
 8 ration and its subsidiaries.]*

1 ***[16.]* *11.*** Any public or private agency, organization, corpo-
 2 ration, or association which is not legally barred from investing in
 3 the bonds or stock of the New Jersey Housing and Mortgage
 4 Finance Agency or any of its subsidiary corporations may lawfully
 5 invest in the corresponding securities of the corporation and its
 6 subsidiaries.

1 ***[17.]* **[*12.* a. *Any]*** *The title to any* real property
 2 owned by the State, and lying within a qualified municipality, which
 3 shall have been determined pursuant to law to be unneeded for the
 4 public purposes and recommended for disposal shall, unless the
 5 Legislature direct otherwise, be ***[conveyed]*** *transferred* to the
 6 corporation, which may employ such property in a project or may
 7 sell, lease, mortgage or otherwise encumber it, and may use any
 8 revenues derived therefrom for any of the lawful purposes of the
 9 corporation.]***

1 ***[18.]* **[*13.* a.** For a period of ***[five]*** *two* years from
 2 the effective date of this act, purchases of goods and services by the
 3 corporation or any of its subsidiaries, or by any public or private
 4 agency for the purpose of a project in which that agency is a
 5 co-venturer, shall be exempt from the "Sales and Use Tax Act"
 6 (P. L. 1966, c. 30; C. 54:32B-1 et seq.).

7 b. The provisions of any law to the contrary notwithstanding,
 8 ***[**for a period of five years from the effective date of this act the
 9 State shall levy no tax upon the revenues or profits of any person,
 10 firm or corporation derived from a project in which it is a co-
 11 venturer with the corporation or one of its subsidiaries, for so long
 12 as the corporation or subsidiary retains an interest in the project
 13 amounting to at least one-third of the value thereof.]* *receipts
 14 of retail sales, except retail sales of motor vehicles and of manu-
 15 facturing machinery, equipment or apparatus, made by a certified
 16 vendor from a place of business owned or leased and regularly
 17 operated by the vendor for the purpose of making retail sales, and
 18 located within a project as defined in this act, shall be exempt to
 19 the extent of 50% of the tax imposed under the "Sales and Use Tax
 20 Act," P. L. 1966, c. 30 (C. 54:32B-1 et seq.) for a period of two
 21 years from the date upon which an agreement for the undertaking
 22 of the project was entered into pursuant to section 8 or 9 of this
 23 act. At any time during that two-year period a vendor may apply
 24 to the Director of the Division of Taxation for certification pur-
 25 suant to this section, and such certification, if granted, shall apply
 26 to the calendar year next following the year in which granted, and
 27 may be renewed for a second calendar year upon reapplication.
 28 The director may at any time revoke a certification granted pur-
 29 suant to this subsection if he determines that the vendor no longer
 30 complies with the provisions of this subsection. All sales and use
 31 tax revenue derived from transactions partially exempted there-
 32 from by this subsection shall be deposited by the State Treasurer
 33 in the Urban Development Investment Fund established pursuant
 34 to section 17 of this act.]***

35 ****[c.]** **12.** Any person, firm or corporation actively engaged
 36 in the conduct of business at a location within a project, as defined
 37 in this act, which is subject to the provisions of the "Corporation
 38 Business Tax Act (1945)," P. L. 1945, c. 162 (C. 54:10A-1 et seq.),
 39 and the business of which at that location consists primarily of
 40 manufacturing or other business that is not retail sales or ware-
 41 housing oriented, shall, for a period of two years from the date upon
 42 which an agreement for the undertaking of the project was entered
 43 into pursuant to section 8 or 9 of this act, be entitled to an annual
 44 credit against the amount of tax imposed under that act of (1)
 45 \$1,500.00 for each new employee employed at that location who is a
 46 resident of the qualified municipality and who immediately prior to
 47 such employment was unemployed at least 90 days or was dependent
 48 upon public assistance as the primary source of income****[**, and (2)
 49 \$500.00 for each new employee who is a resident of the qualified**

50 *municipality, who was not so unemployed or dependent upon public*
 51 *assistance, and who was not employed at a location within the quali-*
 52 *fied municipality immediately prior to such employment]**. A*
 53 *credit for which an employer taxpayer qualifies under this*
 54 ******[subsection]***** *****section***** shall be allowed in*
 55 *the tax year next following the tax year of qualification, and may be*
 56 *continued into a second tax year if such qualification continues,*
 57 *but it shall be allowed only for those new employees who were em-*
 58 *ployed for at least six consecutive months by the employer tax-*
 59 *payer in the year of qualification.**

1 **[19.]* **[*14.]*** **13.** a. Neither the corporation nor any
 2 of its subsidiaries is authorized to acquire property by right of
 2A eminent domain.*

3 b. Neither the corporation nor any of its subsidiaries shall under-
 4 take, or provide financial or other assistance for the undertaking
 5 of, a project involving any construction, demolition, improvement,
 6 alteration in the use or character of any tract of land, or alteration
 7 in the size, density *****[of]**** *****or***** uses of structures
 8 thereon, contrary to the applicable land-use regulations of the
 9 municipality in which the project is located, unless it shall first
 10 obtain, by variance, amending ordinance, or other lawful procedure,
 11 the consent of the municipality.

1 ***[*15.]* **14.** Any builder, contractor or subcontractor en-*
 2 *gaged upon a project within the meaning of this act, and any per-*
 3 *son, firm or corporation managing or operating such a project, in-*
 4 *cluding the corporation and its subsidiaries, shall pay the workmen*
 5 *employed in the construction, reconstruction, demolition, or reha-*
 6 *bilitation thereof not less than the prevailing wage rate. The pre-*
 7 *vailing wage rate shall be determined by the Commissioner of the*
 8 *New Jersey Department of Labor in all cases, except that the pre-*
 9 *vailing wage rate shall be determined by the Secretary of the United*
 10 *States Department of Labor in accordance with the Davis-Bacon Act*
 11 *as amended (40 U. S. C. 276a to 276a-5) when the loan or other*
 12 *assistance given by the corporation in connection with the work, or*
 13 *the funds of the corporation or subsidiary thereof expended for the*
 14 *work, are the subject of direct or indirect federal assistance other*
 15 *than federal tax exemption of the interest paid on obligations of the*
 16 *corporation or a subsidiary thereof.**

1 **[20.]* **[*16.]*** **15.** a. On or before the last day of March
 2 in each year, the board of directors of the corporation shall make
 3 an annual report of its activities for the preceding calendar year to
 4 the Governor and the Legislature. The report shall set forth a com-
 5 plete operating and financial statement covering its operations dur-*

6 ing the year. The board shall cause an audit of its books and
 7 accounts to be made at least once in each year by certified public
 8 accountants, and the cost thereof shall be considered an expense of
 9 the corporation, and a copy thereof shall be filed with the State
 10 Treasurer.

11 b. With its first annual report, and every second year thereafter,
 12 the board shall submit an Urban Development Strategy document,
 13 setting forth its assessment of the current needs for ****[residen-**
 14 **tial,]**** industrial, land-use improvement, civic**, *utility*** and
 15 multi-purpose projects in qualified municipalities of the State; its
 16 estimate of the resources available, under the provisions of this
 17 act, from public and private sources for the undertaking of such
 18 projects; and its anticipated participation in or assistance of such
 19 projects during the two years next succeeding the date of submis-
 20 sion. The document shall set forth the goals and priorities govern-
 21 ing the selection of the projects it anticipates participating in or
 22 assisting; and the board shall annually review and evaluate the
 23 projects actually undertaken in light of the goals and priorities
 24 established therefor by the Urban Development Strategy document.
 25 ***In selecting projects for its participation, and in evaluating those*
 26 *projects in which it has participated, the board shall devise and*
 27 *employ techniques for forecasting and measuring relevant indices*
 28 *of accomplishment of its goals of economic revitalization, including*
 29 *specifically (1) the number of jobs created, or to be created, by, or*
 30 *as a result of, the project; (2) the cost, or estimated cost, to the*
 31 *State, involved in the creation of those jobs; *****[and]***** (3) the*
 32 *amount of private capital investment in, or stimulated by, a project,*
 33 *in proportion to the public funds invested therein** ***; and*
 33A *(4) in the case of an industrial project or a multi-purpose proj-*
 33B *ect*****[.]****** which has, as one of its elements, a project classified*
 33C *as an industrial project, a determination****, based upon written*
 33D *findings,**** that the project would not be undertaken but for the*
 33E *participation of the corporation***.*

33F *******[********The selection of an industrial project or a multi-*
 33G *purpose project which has, as one of its elements, a project classified*
 33H *as an industrial project pursuant to paragraph (4) of this subsection*
 33I *shall be by resolution adopted by the affirmative vote of at least*
 33J *seven members of the board, including at least four citizen mem-*
 33K *bers. A true copy of this resolution, as adopted, along with the*
 33L *written findings upon which the board's determination that the*
 33M *project would not be undertaken but for the participation of the*
 33N *corporation was based shall be forthwith delivered by and under*
 33O *the certification of the secretary of the board to the President of*

33P *the Senate and the Speaker of the General Assembly. No resolu-*
 33Q *tion adopted pursuant to this paragraph shall have force or effect*
 33R *until 60 days, Saturdays, Sundays, and public holidays included,*
 33S *after the copy of the resolution and findings have been so delivered.*
 33T *If, within the 60-day period, the Legislature shall, by the adoption*
 33U *of a concurrent resolution, determine that the project does not*
 33V *effectively fulfill the goals and priorities set forth in the Urban*
 33W *Development Strategy document, the resolution shall be void and*
 33X *have no effect.*****】******

34 **c. In its first annual report, upon assessing and estimating*
 35 *needs, available resources and desirable projects, as provided in*
 36 *subsection b. of this section, the corporation shall determine and*
 37 *shall recommend** : (1)** whether or not it is expedient that the*
 38 *corporation should be granted, in addition to the revenues provided*
 39 *for by or pursuant to this act and any other grants or assets which*
 40 *the Legislature may from time to time provide, the power to issue*
 41 *bonds for the financing of its projects; and it shall make such*
 42 *recommendations as it deems proper with respect to the type of*
 43 *bonds, if any, and the manner and terms of their issuance**; and*
 44 *(2) whether or not it is expedient that any exemptions from or*
 45 *abatements of taxation, including those provided for under section*
 46 *12 of this act, be made available in connection with and in further-*
 47 *ance of projects undertaken pursuant to this act; and if so, in what*
 48 *form, to what extent and under what conditions and restrictions**.*

1 ***【17.】** **16.** a. There is hereby created the Urban Devel-*
 2 *opment Investment Fund, into which shall be paid:*

3 ***【(1) Sales and use tax revenues pursuant to subsection b. of*
 4 *section 13 of this act;】***

5 ***【(2)】** *(1)** Funds appropriated by section **【18】***
 6 ***17** of this act;*

7 ***【(3)】** *(2)** Repayments of loans or other payments re-*
 8 *ceived by the corporation pursuant to agreements made under au-*
 9 *thority of section 6, 7, 8 or 9 of this act;*

10 ***【(4)】** *(3)** Any income derived from investment pur-*
 11 *suant to subsection b. of this section; ***【and】****

11A **** (4) moneys collected as user fees and facility charges in con-*
 11B *nection with any civic project or utilities project managed or oper-*
 11C *ated by the corporation as authorized by subsection w. of section 6*
 11D *of this act; and, ****

12 ***【(5)】** ***【*(4)**】*** *(5)** Such additional funds as*
 12A *the Legislature may from time to time appropriate for the purpose.*

13 *b. The fund shall be in the custody and control of the State*
 14 *Treasurer, who may invest and reinvest any portion thereof not*

15 immediately required for the purposes of the corporation in the
 16 manner provided by law for investment of funds in his custody,
 17 and shall make disbursements therefrom from time to time, upon
 18 certification of the corporation and warrant of the Comptroller,
 19 for the purpose of carrying out projects and agreements authorized
 20 by the provisions of this act.

1 **[18. There is appropriated to the Urban Development Invest-
 2 ment Fund the sum of \$30,000,000.00, being the proceeds of bonds
 3 sold or to be sold, pursuant to subsection b. of section 5 of the "Com-
 4 munity Development Bond Act of 1982", (P. L. 1981, c. 486); pro-
 5 vided, however, that (1) the sum so appropriated and any increase
 6 derived from its investment shall be separately accounted for
 7 within the fund, and (2) no disbursement of, or including, the
 8 moneys thus separately accounted for shall be warranted or made
 9 except upon certification of the board of directors of the corpora-
 10 tion that the purpose of that disbursement complies with applicable
 11 standards and requirements of the said "Community Development
 12 Bond Act".]**

1 **17. a. There is appropriated to the Urban Development In-
 2 vestment Fund from the Community Development Bond Fund
 3 created by the "Community Development Bond Act of 1982" (P. L.
 4 ****[1982]**** ****1981****, c. 486) the sum of \$30,000,000.00 for
 5 the purposes of this act, including so much thereof as may be
 6 necessary to meet any expense incurred by the issuing officials
 7 under P. L. ****[1982]**** ****1981****, c. 486 for advertising,
 8 engraving, printing, clerical, legal or other services necessary to
 9 carry out the duties imposed upon them by the provisions of that
 9A act.

10 b. It is the purpose of this act that the funds from which this
 11 appropriation shall be met shall be those funds which shall be de-
 12 rived from the sale of the Community Development Bonds the is-
 13 suance of which is provided for by subsection b. of section 5 of
 14 P. L. ****[1982]**** ****1981****, c. 486, which act was submitted
 15 to and approved by the people at the general election held on
 15A November 2, 1982.

16 c. The Director of the Division of Budget and Accounting in the
 17 Department of the Treasury is authorized and directed to make
 18 such correction of the title or text, or both, of any item in this act
 19 necessary to make an appropriation available for the purpose of
 20 its intention. The correction shall be by a written ruling reciting
 21 in appropriate detail the facts thereof and the reasons therefor,
 22 attested by the signature of the director and filed by him in his
 23 office as an official record, and any action thereunder, including dis-

24 *bursements, and the audit thereof, shall be legally binding, and of*
 25 *full force.*

26 *d. In order that all costs, whether direct or indirect of implement-*
 27 *ing the "Community Development Bond Act of 1982," P. L.*
 28 *****[1982]**** ****1981****, c. 486 shall be paid from the fund*
 29 *established in section 14 thereof, the Director of the Division of*
 30 *Budget and Accounting, where appropriate and practicable, shall*
 31 *charge the fund and credit to the General State Fund or expendi-*
 32 *ture source such sums as may have been expended from other State*
 33 *appropriations for direct or indirect costs related to the programs*
 33A *herein authorized.*

34 *e. At any time prior to the issuance and sale of bonds under*
 35 *P. L. ****[1982]**** ****1981****, c. 486, the State Treasurer is*
 36 *authorized to transfer from available money in any fund of the*
 37 *Treasury of the State to credit of the Community Development*
 38 *Bond Fund, a sum as he may deem necessary. The sum so trans-*
 39 *ferred shall be returned to the same fund of the Treasury by the*
 40 *State Treasurer from the proceeds of the sale of the bonds.*

41 *f. The State Treasurer or the Director of the Division of Budget*
 42 *and Accounting shall approve expenditures from the Community*
 43 *Development Bond Fund for administrative costs.*

44 *g. Any funds made available to the Urban Development Invest-*
 45 *ment Fund pursuant to subsection b. of section 5 of P. L.*
 46 *****[1982]**** ****1981****, c. 486 shall be in the form of loans*
 47 *with principal and interest to be paid to the General Fund as reim-*
 48 *bursement for principal and interest payments on the Community*
 49 *Development Bonds in accordance with the terms of a written loan*
 50 *agreement. The form and the terms of the loan agreement shall be*
 51 *specified by the board of directors of the Urban Development*
 52 *Corporation and shall be approved by the State Treasurer. Loan*
 53 *agreements shall be executed after the Urban Development*
 54 *Corporation has been awarded the loan and prior to the disburse-*
 54A *ment of funds.*

55 *h. Loan rates and maturities shall be established by the State*
 56 *Treasurer taking into consideration rates available in capital mar-*
 57 *kets for comparable maturities and comparable credit quality.*
 58 *Local governments may secure interim financing under this act to*
 59 *enable a project to be undertaken before permanent financing is*
 60 *secured or may secure permanent financing under this act with a*
 61 *final maturity related to the expected useful life of the project*
 62 *being so financed.*

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

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

1 ***[21.]*** ****[19.]**** **18.** * ****[a.** Notwithstanding the provi-
 2 sions of section 4 of this act, the original organization of the cor-
 3 poration shall be carried out by the Governor, who shall proceed by
 4 executive order to establish the corporation and initiate its activi-
 5 ties, and for that purpose shall exercise all the authority of the
 6 board of directors of the corporation for a period of 24 months
 7 next following the effective date of this act unless he shall sooner,
 8 by executive order, relinquish that authority to the duly appointed
 9 board of directors.

10 b. The organization of the corporation shall be completed,
 11 and]*** ****[the]**** ****The**** first projects under this act
 12 ****shall be**** initiated*****[,]***** not later than one year from the
 13 *****[effective]***** date *****[of this act]***** ****on which, following*
 14 *the appointment of its citizen members pursuant to the provisions*
 15 *of section 4 of this act, the board of directors shall organize the*
 16 *corporation***.*

1 ****[20.]**** **19.** *There is appropriated to the *******[Office of the***
 2 *Chief Executive]***** *Department of Commerce and Economic*
 3 *Development***** the sum of \$75,000.00 **from the General Fund***
 4 *for the purpose of enabling the *******[Governor]******* *****Corpora-*
 5 *tion***** to carry out *******[his]******* *****its***** duties and respon-*
 6 *sibilities under *******[section]******* ****[19]**** *******[18**** of]******
 7 *this act.***

1 ***[22.]*** ****[21.** *This]** **20. Sections 1 through 6, *****10A,
 2 ***** 11 through 15, and 18 through 20 of this** act shall take effect
 3 immediately**; sections 7 through 10, 16 and 17 shall take effect
 4 one year after the date of enactment**.*

6 corporation for a period of 24 months next following the effective
7 date of this act unless he shall sooner, by executive order, relinquish
8 that authority to the duly appointed board of directors.

9 b. The organization of the corporation shall be completed, and
10 the first projects under this act initiated, not later than one year
11 from the effective date of this act.

1 22. This act shall take effect immediately.

STATEMENT

The purpose and effect of this bill are expressed in the legis-
lative findings and declarations set forth in section 2.

ASSEMBLY HOUSING AND URBAN POLICY
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1515
with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MAY 7, 1984

This bill would create an Urban Development Corporation as an instrument for "utilizing the widest possible range of financing techniques to coordinate available private and public resources for the revitalization of our urban communities."

It establishes the New Jersey Urban Development Corporation (UDC), under direction of a board of directors composed of (1) the State Treasurer, the commissioners of the Departments of Community Affairs, Commerce and Economic Development, Transportation, and Environmental Protection, and (2) 7 citizens of the State to be appointed by the Governor with the advice and consent of the Senate. The Governor is given a further measure of control by being empowered to veto the minutes of the board.

The function of the UDC is to undertake "projects" in "qualified municipalities"; and in furtherance of this purpose it is given broad powers to acquire, construct, improve, maintain, sell, lease and otherwise dispose of property. A "qualified municipality" within the meaning of the act is one that was eligible for "Urban Aid" (P. L. 1978, c. 14) at the time a project was initiated. A "project" may fall in any of four classifications: (1) "Industrial"—facilities for manufacturing or commercial activity; (2) "Civic"—facilities for educational, cultural, health, recreational, community or other civic purposes; (3) "Land use"—clearance and/or redevelopment or improvement pursuant to agreement with a qualified municipality regarding an area declared "blighted" or "in need of rehabilitation"; (4) "Multi-purpose"—a combination of two or more of the above.

In carrying out its purposes, the UDC is authorized to create "subsidiary corporations" to effectuate specific projects. The bill contemplates that these subsidiaries may be eventually spun off into privately managed enterprises; it provides that they remain "subsidiary" so long as the UDC retains more than half the voting stock or has the right to designate a majority of the board of directors.

In addition to carrying out "projects", the UDC and its subsidiaries are empowered to: (1) enter into joint-venture agreements with individuals and corporations for the undertaking of such projects; (2) make loans to individuals or corporations which undertake works which, if undertaken by the UDC or subsidiary, would be "projects" within the meaning of the bill.

The UDC and its subsidiaries are authorized to issue stock and use the proceeds of stock sales to finance their projects.

As an additional asset supporting the activities of the UDC, the bill provides for the transfer to it of any State-owned land within "qualified" municipalities which is determined to be unneeded for State purposes, and the disposal of which is not otherwise directed by the Legislature. The UDC may use this land, or revenues derived from its use or disposal, for its projects.

Further State assistance is provided in the form of tax exemption.

It is specifically provided that the UDC and its subsidiaries have no rights to exercise eminent domain or to override local zoning.

It is provided that the UDC make annual reports to the Governor and Legislature, as well as annual audits to be filed with the State Treasurer. The first annual report, and that of every second year thereafter, shall set forth the UDC's (1) assessment of needs for various types of projects, (2) estimate of resources available to meet those needs, and (3) forecast of the UDC's participation in meeting those needs.

For the purposes of organizing and initiating the activities of the UDC, the bill provides that the powers of the board of directors be exercised, for a maximum of 24 months, by the Governor, who shall proceed to "establish the corporation and initiate its activities." The Governor's authority under this section shall pass to the duly appointed board of directors upon the lapse of that time, or sooner if the Governor relinquishes it by executive order.

The committee has adopted amendments to this bill to the following effect:

(1) The terms of the UDC's allocation to the Department of Commerce and Economic Development have been revised for more adequate compliance with constitutional requirements.

(2) A new section (to be numbered 5) has been added, providing (1) that the UDC board consult with the heads of various State departments to assure coordination of UDC projects and activities with similar or complementary programs of other State agencies, and (2) that the UDC endeavor to enlist the voluntary cooperation of private

businesses and individual businessmen as consultants and advisors in the effectuation and management of its projects.

(3) All sections authorizing the UDC to issue bonds, of any type, are deleted, together with related provisions, including some definitions in section 3. In lieu thereof, the section relating to the UDC's annual reports is expanded to require that, in its first annual report, the UDC make a determination and present its recommendations as to whether bonding power, in addition to its other sources of revenue, is needed and should be provided.

(4) The tax incentives found in section 18 of the original bill have been altered so that (a) the term of tax exemptions and credits is limited to two years, (b) the exemption of "revenues or profits . . . derived from a project" is changed to a 50% exemption of sales by "certified vendors" within a project (this is patterned after a similar exemption in the "Urban Enterprise Zone" legislation), and (c) a provision is added granting credits against corporation business tax for the hiring of residents of the "qualified" municipality in which a project is located.

(5) The "Urban Development Investment Fund" to support the corporation's activities is created. Into this fund will be paid the 50% of the sales tax collected on those transactions that are 50% exempted, and also that portion of the proceeds of "Community Development Bond Act of 1982" (P. L. 1981, c. 486) which is earmarked for assistance to "projects which will aid in the revitalization of distressed urban areas in this State or in the promotion of the economic and social development of older central commercial districts in rural and developing communities . . ." (P. L. 1981, c. 486 § 5.b.).

In appropriating the Community Development bond moneys to the "Urban Development Investment Fund," the amendments require that they be separately accounted for within the fund, and that they shall not be used except for projects which meet the requirements of the "Community Development Bond Fund Act of 1982", as well as the requirements contained in the present bill.

Bond proceeds allocated by the earlier act, under subsection b. of section 5, for the purposes quoted above, amount to \$30,000,000.00.

(6) A new subsection is added to section 2 (legislative findings) emphasizing the corporation is intended to "complement and supplement" private-sector financing and development, and not to supplant or compete with them.

(7) The category of "residential project" is omitted from the categories to be undertaken by, or with assistance from, the corporation,

as listed in section 3; and language is added to the paragraph concerning "industrial projects" limiting corporation involvement to cases where there is "compelling public need" and "insufficient responsible interest" by the private sector.

(8) The State Treasurer and the Commissioner of Transportation and Environmental Protection are added to the corporation's board of directors.

(9) For the purpose of enabling the Governor to carry out his responsibilities for organizing and initiating the UDC's activities, an appropriation of \$75,000.00 to the Office of the Chief Executive is added.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1515

[OFFICIAL COPY REPRINT]

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 1984

Assembly Bill No. 1515 OCR, as amended, establishes the New Jersey Urban Development Corporation (UDC), allocated to the Department of Commerce and Economic Development but independent of any supervision or control by the department.

The board of directors shall be the commissioners of the following departments: Commerce and Economic Development; Community Affairs; Transportation; Environmental Protection; and the State Treasurer; additionally, there will be four public members appointed by the Governor, with the advice and consent of the Senate.

The UDC shall undertake projects in qualified municipalities which are those "urban aid" municipalities pursuant to P. L. 1978, c. 14 and depressed rural centers pursuant to P. L. 1977, c. 260. There are five types of projects: (1) industrial—manufacturing or commercial; (2) civic for educational, cultural, health, recreational or community purposes; (3) land use—the clearance and/or redevelopment or improvement pursuant to agreement with the qualified municipality regarding an area declared blighted or in need of rehabilitation; (4) multi-purpose—a combination of two or more; and (5) Utility—basic services for other projects.

The UDC can create subsidiary corporations. It may enter into joint-ventures and make loans for projects. An advisory council is established.

The powers of the board shall rest with the Governor for a maximum of two years, unless relinquished sooner.

Certain tax exemptions are applicable. For two years after the effective date of this act, the purchases of goods and services by the UDC, any of its subsidiaries or any public or private agency for the purpose of a project will be exempt from the Sales & Use Tax Act. Receipts of retail sales, except for motor vehicles and manufacturing machinery and equipment, made by a certified vendor, located within a project will be exempt for 50% of the Sales and Use Tax due for two years from the date of the agreement for undertaking of the project. This

partial sales tax shall be deposited in the Urban Development Investment Fund, newly created by this act.

A Corporate Business Tax credit, for a period of two years, is provided for hiring residents of the "qualified" municipality in which the project is located. Credit:

\$1,500.00 for each new employee (resident) that was unemployed at least 90 days or dependent on public assistance;

This bill appropriates \$30,000,000.00 from the bond sales pursuant to the Community Development Bond Act of 1982 (P. L. 1981, c. 486) and \$75,000.00 to the Governor's Office to initiate the program, establish the corporation and other duties for a maximum period of two years pursuant to the act.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1515

with Senate committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 19, 1984

Assembly Bill No. 1515 OCR Sca creates an Urban Development Corporation as an instrument for utilizing the widest possible range of financing techniques to coordinate available private and public resources for the revitalization of urban communities.

As received by the committee, the bill establishes the corporation in but not of the Department of Commerce and Economic Development under the direction of a board of directors composed of (1) the State Treasurer and the Commissioners of the Departments of Commerce and Economic Development, Community Affairs, Transportation and Environmental Protection, and (2) four citizens of the State, to be appointed by the Governor with the advice and consent of the Senate. The chairman of the corporation is designated by the Governor, who is given the authority to veto the board's minutes and to exercise the board's powers for the first two years, unless the Governor chooses to relinquish those powers to the board. To assure regular and effective liaison with other public agencies and officers with responsibilities in related areas, the bill directs the Governor to establish an advisory council composed of State and local officials and legislators.

The corporation's function is to undertake industrial, civic, land use improvement, utility and multi-purpose projects in qualified municipalities; in furtherance of this purpose, it is given broad powers to acquire, construct, improve, maintain, sell, lease and otherwise dispose of property. A qualified municipality within the meaning of the act is one that was eligible for State aid pursuant to P. L. 1978, c. 14 (C. 52:27D-178 et seq.) or P. L. 1977, c. 260 (C. 52:27D-162 et seq.). The corporation is authorized to create subsidiary corporations to effectuate specific projects, the legislative intent being that these subsidiaries may eventually evolve into privately managed enterprises. In addition to carrying out the projects named above, the corporation is empowered to enter into joint-venture agreements with individuals and corporations for the undertaking of such projects and to make loans to individuals and corporations which undertake works of that nature. Tax

incentives are included to attract joint venturers and other forms of participation, and an Urban Development Investment Fund to support the Corporation's activities is established, into which will be paid certain sales tax collections to be generated under the bill and \$30,000,000.00 from the Community Development Bond Fund created by the "Committee Development Bond Act of 1982," P. L. 1982, c. 486. The corporation is not given the power to bond; however, the corporation is directed to present in its first annual report its recommendation as to whether bonding power, in addition to its other sources of revenue, is needed.

The committee made the following amendments to the bill:

- (1) Revised the criteria for "qualified municipality" to increase the number of municipalities that would be eligible to participate;
 - (2) Revised the membership of the board of directors and the selection procedures for the chairman and vice-chairman of the board;
 - (3) Eliminated the Governor's authority to carry out the board's powers for the first two years, and modified the deadline for initiation by the board of its first projects;
 - (4) Subjected gubernatorial appointments to the advisory council to the advice and consent of the Senate, and removed from the council's membership State officials and legislators;
 - (5) Authorized the corporation to levy and collect user fees and facility charges for any civic project and utilities project it manages or operates; and
 - (6) Required, in the case of an industrial project or a multi-purpose project which has, as one of its elements, an industrial project, a determination by the board that the project would not be undertaken but for the participation of the corporation.
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SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1515

[SECOND OFFICIAL COPY REPRINT]

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1984

This bill would establish a New Jersey Urban Development Corporation to stimulate investment and economic growth in the State's urbanized communities. The corporation would exist in, but not of, the Department of Commerce and Economic Development under the direction of a board of directors composed of the State Treasurer, the Commissioners of the Departments of Commerce and Economic Development, Community Affairs and Labor, and five citizens of the State, to be appointed by the Governor with the advice and consent of the Senate. The chairman and vice-chairman of the board would be elected by the board from among the citizen members. To assure regular and effective liaison with other public agencies and officers with responsibilities in related areas, the bill would direct the Governor to establish an advisory council composed of State and local officials. The officials would be appointed to the council by the Governor with the advice and consent of the Senate.

The corporation's function would be to undertake industrial, civic, land use improvement, utility and multipurpose projects in qualified municipalities. A qualified municipality would be one (1) which was eligible for State aid pursuant to P. L. 1977, c. 260 (Depressed Rural Centers Aid Act), (2) which in any year subsequent to the enactment of P. L. 1978, c. 14 (Urban Aid Act) was eligible to receive State aid pursuant to that act, or (3) which has a population of 15,000 or less but meets certain criteria related to population density, AFDC case-loads, equalized tax rates and equalized valuation per capita.

The corporation would be granted broad powers to acquire, construct, improve, maintain, sell, lease and otherwise dispose of property but is prohibited, however, from exercising eminent domain or overriding local zoning ordinances. The corporation is authorized to create subsidiary corporations to effectuate specific projects, the legislative intent being that these subsidiaries may eventually evolve into privately managed enterprises. In addition to carrying out the projects named above,

the corporation would be empowered to enter into joint-venture agreements with individuals and corporations, and to utilize a variety of financing techniques designed to encourage private sector ownership and participation. The corporation would be authorized to levy and collect user fees and facility charges for any civic project or utilities project which it managed or operated.

The bill would capitalize on Urban Development Investment Fund to support the corporation's activities by appropriating \$30,000,000.00 from the Community Development Bond Fund created by the "Community Development Bond Act of 1982," P. L. 1981, c. 486. Other monies deposited in the fund would include repayments of loans or other payments received pursuant to agreements with the corporation, income from investment and any additional funds that might be appropriated. The corporation would not be granted the power to bond; however, the corporation would be directed to present in its first annual report its recommendation as to whether bonding power, in addition to its other sources of revenue, was needed.

FISCAL IMPACT:

In addition to the \$30,000,000.00 appropriation of Community Development Bond monies to the corporation, the bill provides for a tax credit under the Corporate Business Tax for businesses that are located within a project area and that employ residents of the qualified municipality in which the project is located. The credit is \$1,500.00 for each new resident employee who has been unemployed for 90 days prior to hiring or who was previously dependent on public assistance as the primary source of income. The tax credit is available for two years.

COMMITTEE AMENDMENTS:

At the request of the sponsor, the committee transferred the \$75,000.00 appropriation for start-up expenses from the Governor's Office to the Department of Commerce and Economic Development. Earlier committee amendments had made unnecessary the need for such funding in the Governor's Office.

The committee also adopted technical and corrective amendments at the suggestion of Legislative Counsel.

OTHER LEGISLATION:

As amended, this bill is identical to Senate Bill No. 2467, also reported favorably by the committee.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

January 3, 1985

ASSEMBLY BILL NO. 1515 (3rd OCR)

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 1515 (3rd OCR) with my recommendations for reconsideration.

Assembly Bill No. 1515 (3rd OCR) establishes an Urban Development Corporation (Corporation) to provide financial, managerial and technical assistance to persons, firms or corporations who wish to undertake projects within qualified municipalities under the Act. A "project" is defined under the Act as a specific work or improvement undertaken for industrial, land-use improvement, civic or utility purposes. A qualifying project may also combine two or more of these purposes. A "qualified municipality" under the Act is a municipality eligible to receive State aid under P.L. 1977, c. 260 (N.J.S.A. 52:27D-162 et. seq.) or P.L. 1978, c. 14 (N.J.S.A. 52:27D-178 et. seq.). A "qualified municipality" is also a municipality with a population of 15,000 or less, a population density of 5,000 or more per square mile, 100 or more children enrolled in the Aid to Families with Dependent Children Program, an equalized tax rate that exceeds the State equalized tax rate and an equalized valuation per capita which is less than the State equalized valuation per capita.

The Corporation will be administered by a 10 member Board of Directors (Board) consisting of four ex-officio members and six public members. The ex-officio members will be the Commissioners of Commerce and Economic Development, Community Affairs, Labor and the State Treasurer. Of the six public members, two shall be appointed by the Governor with the advice and consent of the Senate, two shall be appointed by the Governor upon the recommendation of the Senate President and two shall be appointed by the Governor upon the recommendation of the Speaker of the General Assembly. Of the public members

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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recommended by the President and the Speaker, no more than two may be of the same political party. The Chairman and Vice-Chairman will be elected from among the public members of the Board.

Six members of the Board, including two ex-officio members, will constitute a quorum at any meeting of the Board. The Board may take action and, with the exception of the approval of an industrial project or a multi-purpose project containing an industrial project as one of its elements, adopt motions and resolutions upon the affirmative vote of six members of the Board including at least two ex-officio members. Seven members of the Board, including four public members, must approve, by resolution, an industrial project or a multi-purpose project containing an industrial project as one of its elements. The Board's resolution will be delivered to the President of the Senate and the Speaker of the General Assembly. The resolution will not take effect until 60 days after delivery. During this period, the Legislature, by way of concurrent resolution, may reject the resolution of the Board. If the Legislature so acts, the Board's resolution shall be void.

This bill will implement the recommendation that I made in my State of the State message for calendar year 1984 calling for the creation of an Urban Development Corporation. This corporation will be the focal point for the development and coordination of the State's programs to revitalize our urban areas. My administration has worked closely with the sponsor, Assemblyman David Schwartz, to develop this legislation, and I want to commend Assemblyman Schwartz for his cooperation and enthusiasm in this effort.

Unfortunately, a few amendments were made to the bill in the Legislative process that constitute an overzealous and unconstitutional intrusion upon the executive branch of State government.

I am concerned with the method in which the public members to the Board are selected. Assembly Bill No. 1515 (3rd OCR) currently provides that two public members will be appointed by the Governor with the advice and

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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consent of the Senate; two public members will be appointed by the Governor upon the recommendation of the Senate President; and two public members will be appointed by the Governor upon the recommendation of the Speaker of the General Assembly. This method of appointing the public members to the Board constitutes an unwarranted intrusion upon the prerogative of the Chief Executive. I recommend that Assembly Bill No. 1515 (3rd OCR) be amended to provide that all public members to the Board be appointed by the Governor with the advice and consent of the Senate.

I recommend that the portion of Section 15 allowing the Legislature to reject, by concurrent resolution, a resolution of the Board approving a person's, firm's or corporation's application to construct an industrial project or a multi-purpose project, containing an industrial project as one of its elements, be deleted. This provision is unconstitutional as it violates the doctrine of Separation of Powers. N.J. Const. Art. III, par. 1. Since the Urban Development Corporation will be situated within the Department of Commerce and Economic Development, the Legislature, by granting to itself the power to invalidate certain actions of the Board of Directors, is excessively interfering with the executive branch of State government. Section 15 violates the doctrine of Separation of Powers by impeding the executive in his constitutional mandate to faithfully execute the law. General Assembly of State of New Jersey v. Byrne 90 N.J. 376, 378 (1982). This section is also an unconstitutional mechanism for legislative policy making that is beyond the Governor's control. Id. at 379, 388.

In order to avoid a stalemate that would arise from an evenly divided Board, I recommend that the Corporation's Board of Directors be reduced from ten to 9 members. The number of ex-officio members should remain at four; the number of public members should be reduced from six to five. Consequently, I also recommend that the number of Board members necessary to constitute a quorum be reduced from six to five.

Finally, I recommend that technical amendments be made to Sections 6p and 6q to delete all reference to the Corporation's power to issue bonds. Assembly

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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Bill No. 1515 (3rd OCR) was amended in the Assembly Housing and Urban Policy Committee to remove the Corporation's power to issue bonds for at least the first year of its existence. I make this recommendation so that Assembly Bill No. 1515 (3rd OCR) will be internally consistent.

Accordingly, for the aforementioned reasons, I herewith return Assembly Bill No. 1515 (3rd OCR) and recommend that it be amended as follows:

Page 4, Section 4, Line 16:

After "Affairs, the" insert "Commissioner"

Page 4, Section 4, Line 20:

Delete "six" insert "five"

Page 4, Section 4, Lines 20A-20B:

Delete "in the following manner: two" insert ","

Page 4, Section 4, Lines 20C-20F:

Delete "; two upon the recommendation of the Senate President; and two upon the recommendation of the Speaker of the General Assembly, of whom no more than one of each group of two shall be of the same political party"

Page 4, Section 4, Line 21:

After "that" insert "of"

Page 4, Section 4, Line 22:

Delete "six person" insert "five persons"

Page 4, Section 4, Line 22:

After "appointed" insert "two"

Pages 4-5, Section 4, Lines 22B-23A:

Delete "terms as hereinafter provided: (a) one of the persons appointed by the Governor with the advice and consent of the Senate, one of the persons appointed by the Governor upon the recommendation of the Senate President, and one of the persons appointed by the Governor upon the recommendation of the Speaker of the General Assembly shall serve" insert "a term of one year, one"

Page 5, Section 4, Lines 23C-25B:

Delete "and (b) one of the persons appointed by the Governor with the advice

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EXECUTIVE DEPARTMENT

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and consent of the Senate, one of the persons appointed by the Governor upon the recommendation of the Senate President, and one of the persons appointed by the Governor upon the recommendation of the Speaker of the General Assembly shall serve" insert ", one for a term of three years and one"

Page 6, Section 4, Line 55:

Delete "six" insert "five"

Page 6, Section 4, Lines 58-59:

Delete "Except as otherwise provided in subsection b. of section 15 of this act, actions" insert "Actions"

Page 6, Section 4, Line 59B:

Delete "six" insert "five"

Page 9, Section 6, Line 55:

Delete "bonds,"

Page-9, Section 6, Line 59:

Delete "or bondholders"

Pages 17-18, Section 15, Lines 33F-33X:

Delete "The selection of an industrial project or a multi-purpose project which has, as one of its elements, a project classified as an industrial project pursuant to paragraph (4) of this subsection shall be by resolution adopted by the affirmative vote of at least seven members of the board, including at least four citizen members. A true copy of this resolution, as adopted, along with the written findings upon which the board's determination that the project would not be undertaken but for the participation of the corporation was based shall be forthwith delivered by and under the certification of the secretary of the board to the President of the Senate and the Speaker of the General Assembly. No resolution adopted pursuant to this paragraph shall have force or effect until 60 days, Saturdays, Sundays, and public holidays included, after the copy of the resolution and findings have been so delivered. If, within the 60-day period, the Legislature shall, by the adoption of a concurrent resolution, determine that the project does not effectively fulfill the goals and priorities

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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set forth in the Urban Development Strategy document, the resolution shall be void and have no effect."

/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:

/s/ W. Cary Edwards
Chief Counsel

to

ASSEMBLY Bill No. 1515 SR (2nd OCR)
 (Sponsored by Assemblyman Schwartz) with typed Senate Committee Amendments

Amend:

Page	Sec.	Line
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A true copy of the resolution, as adopted, along with the written findings upon which the board's determination that the project would not be undertaken but for the participation of the corporation was based shall be forthwith delivered by and under the certification of the secretary of the board to the President of the Senate and the Speaker of the General Assembly. No resolution adopted pursuant to this paragraph shall have force or effect until 60 days, Saturdays, Sundays, and public holidays included, after the copy of the resolution and findings have been so delivered. If, within the 60-day period, the Legislature shall, by the adoption of a concurrent resolution, determine that the project does not effectively fulfill the goals and priorities set forth in the Urban ^{Development} Strategy document, the resolution shall be ~~null and~~ void and have no effect."

20	20	1
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After "6," insert "10A,"

STATEMENT

The purposes of these Senate Amendments are fivefold:

- (1) Add an additional citizen member to the board of directors of the corporation (an increase from five to six);

SENATE Amendments

to

ASSEMBLY Bill No. 1515 SR (2nd OCR)
(Sponsored by Assemblyman Schwartz) with typed Senate
Committee Amendments

Amend:

Page	Sec.	Line
		(2) Clarify the Governor's appointive powers in regard to the board (as amended, the Governor would appoint two members with the advice and consent of the Senate, two members upon the recommendation of the Senate President, and two members upon the recommendation of the Speaker of the General Assembly);
		(3) Specifically prohibit the directors, officers, employees or agents of the corporation, or any of its subsidiaries, from taking any official action in any matter in which that individual has a financial interest;
		(4) Require that the board, in making a determination to select an industrial project or a multi-purpose project which has, as one of its elements, a project classified as an industrial project, base its determination and selection upon written findings; and,
		(5) Require that the selection of an industrial project or a multi-purpose project which has, as one of its elements, a project classified as an industrial project be by resolution adopted by seven members of the board, including at least four citizen members. The resolution does not take effect, however, until 60 days following adoption. During that 60 day period, the Legislature may, by the adoption of a concurrent resolution, determine that the project selected does not effectively fulfill the goals and priorities set forth by the corporation in its Urban Development Strategy document. In such a case, the resolution becomes null and void and has no effect.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: CARL GOLDEN
609-292-8956

TRENTON, N.J. 08625

Release: MONDAY, JULY 8, 1985

122 W. State Street
Trenton, N. J.

Governor Thomas H. Kean today signed legislation creating an Urban Development Corporation (UDC) to coordinate redevelopment activities and projects in the State's urban centers.

Kean signed the bill, A-1515, at a public ceremony in New Brunswick City Hall. The legislation was sponsored by Assemblyman David Schwartz, D-Middlesex.

"My signature on this bill is a fulfillment of a recommendation I made in my State of the State message to the Legislature in 1984," Kean said. "The Urban Development Corporation will complement our other urban revitalization efforts, such as the Urban Enterprise Zone program and the Local Development Financing Fund."

"There is but one goal for all these programs --- the resurgence of our urban areas into the thriving commercial, business and social centers they once were," Kean said. "The newly formed UDC will be a major and invaluable component in those efforts."

The UDC will be funded by a \$30 million appropriation from the Community Development Bond Act of 1982. The funds will be utilized by a nine-member UDC Board of Directors to provide financial assistance in the form of loans, to firms or persons who wish to launch redevelopment projects in qualifying communities.

-more-

A-1515 SIGNED

PAGE TWO

MONDAY, JULY 8, 1985

It is estimated that 65 communities in the State will be eligible for consideration under the UDC program. These municipalities include those now receiving assistance under the Urban Aid program or the Depressed Rural Centers Act.

Under the terms of the legislation, anyone who receives aid from the UDC will receive a reduction in its corporate business tax obligation of \$1,500 for each new employee who is a resident of the municipality, who had been unemployed for at least 90 days, and who was dependent upon public assistance.

"Obviously, our goal will be to employ individuals living in a recipient community to the greatest extent possible," the Governor said. "Additionally, those unemployed now on public welfare rolls will be given priority treatment in hiring to the extent feasible," he said.

The Board of Directors will consist of five public members nominated by the Governor and confirmed by the Senate and four ex-officio members --- the Commissioners of Commerce and Economic Development, Community Affairs and Labor and the State Treasurer.

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