

13:18A-30 to 13:18A-49 ✓

LEGISLATIVE HISTORY CHECKLIST

NJSA: 13:18A-30 to 13:18A-49

(Pinelands Development
Credit Bank)

LAWS OF: 1985

CHAPTER: 310

Bill No: S1945

Sponsor(s): Lesniak, Dalton and Costa

Date Introduced: June 25, 1985

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

Senate: Revenue, Finance and Appropriations; Energy and
Environment

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

Date of Passage: **Assembly:** May 6, 1985

Senate: January 24, 1985

Date of Approval: August 28, 1985

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: **Assembly** Yes

Senate Yes 9-13-84 and 11-13-84

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

See newspaper clippings--attached:

(OVER)

"Senate oks Pinelands plan to compensate landowners," 1-25-85
Asbury Park Press.

"Assembly clears bill on Pines credits bank," 8-29-85 Asbury Park Press.

"Kean signs bill for Pineland Credits Bank," 8-29-85 Asbury Park Press.

cannot find

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SENATE, No. 1945

STATE OF NEW JERSEY

INTRODUCED JUNE 25, 1984

By Senators LESNIAK, DALTON and COSTA

Referred to Committee on Energy and Environment

A SUPPLEMENT to the "Pinelands Protection Act," approved June 28, 1979 (P. L. 1979, c. 111; C. 13:18A-1 et seq.), and making an appropriation.

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 "Pinelands
2 Development Credit Bank Act."

1 2. The Legislature finds and declares that, pursuant to the
2 provisions of P. L. 1979, c. 111 (C. 13:18A-1 et seq.), the compre-
3 hensive management plan for the pinelands area has been adopted
4 and is now being implemented; that this plan includes a program
5 for the allocation and transfer of pinelands development credits;
6 and that the intent of the pinelands development credit program
7 is to provide a mechanism to facilitate both the preservation of the
8 resources of this area and the accommodation of regional growth
9 influences in an orderly fashion.

10 The Legislature further finds and declares that the concept of
11 transferable development credits is innovative and, as yet, un-
12 precedented on a regional scale; that in order to realize the full
13 measure of the benefits of such a program, steps must be taken
14 to assure the marketability of these credits; and that the best means
15 of providing this assurance is through the establishment of a Pine-
16 lands Development Credit Bank empowered to purchase and sell
17 pinelands development credits and to guarantee loans secured
18 thereby, all as hereinafter provided.

1 3. As used in this act:

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

Matter printed in italics *thus* is new matter.

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

*—Senate committee amendments adopted September 13, 1984.

**—Assembly committee amendments adopted February 28, 1985.

- 2 a. "Applicant" means a person applying for, or in receipt of, a
3 loan secured pursuant to the provisions of this act;
- 4 b. "Bank" means the Pinelands Development Credit Bank estab-
5 lished pursuant to section 4 of this act;
- 6 c. "Board" ***[**or "State board"]* means the Board of Directors
7 of the Pinelands Development Credit Bank;
- 8 d. "County bank" means a public body established pursuant to
9 section 14 of this act;
- 10 e. "County board" means the board of directors of the county
11 development credit bank;
- 12 f. "Lender" means any bank or trust company, savings bank,
13 national banking association, savings and loan association, or build-
14 ing and loan association maintaining an office in the State, or any
15 insurance company authorized to transact business in the State;
- 16 g. "Pinelands development credit guarantee" means a guarantee
17 extended pursuant to section 9 of this act;
- 18 h. "Pinelands development credit" means a transferable develop-
19 ment right created pursuant to the comprehensive management
20 plan.

1 4. a. There is established in the Executive Branch of the State
2 Government a public body corporate and politic, with corporate
3 succession, to be known as the Pinelands Development Credit Bank.
4 For the purpose of complying with the provisions of Article V,
5 Section IV, paragraph 1 of the New Jersey Constitution, the bank
6 is allocated with the Department of Banking, but notwithstanding
7 that allocation, the bank shall be independent of any supervision
8 or control by the department or by an officer or employee thereof,
9 except as otherwise expressly provided in this act. The bank is
10 constituted as an instrumentality of the State exercising public
11 and essential governmental functions, and the exercise by the bank
12 of the powers conferred by this act shall be deemed and held to
13 be an essential governmental function of the State.

14 b. The bank shall be governed by a board of directors consisting
15 of five ex officio members, or the designees thereof, as follows: the
16 Commissioner of Banking, who shall serve as chairman; the Secre-
17 tary of Agriculture; the Attorney General; the Commissioner of
18 Environmental Protection; and the Chairman of the Pinelands
19 Commission; and four members ***[**to be appointed from the general
20 public]* *, *each of whom shall be a resident of counties in the pine-*
21 *lands area**, two to be appointed by ***the Governor upon the recom-*
22 *mendation of*** the President of the Senate***[**, one of whom shall be
23 a resident of the Pinelands area]*, and two to be appointed by
24 ***the Governor upon the recommendation of*** the Speaker of the

24A General Assembly***[**, one of whom shall be a resident of the Pine
24B lands area**]***

25 Designees of the five officio members shall have the power to
26 vote in the absence of members.

1 5. The board shall have the following powers:

2 a. To adopt and, from time to time, amend and repeal suitable
3 bylaws for the management of its affairs;

4 b. To adopt and use an official seal and alter the same at its
5 pleasure;

6 c. To apply for, receive, and accept, from any federal, State, or
7 other public or private source, grants or loans for, or in aid of,
8 the board's authorized purposes;

9 d. To enter into any agreement or contract, execute any instru-
10 ment, and perform any act or thing necessary, convenient, or
11 desirable for the purposes of the board or to carry out any power
12 expressly given in this act;

13 e. To adopt, pursuant to the "Administrative Procedure Act,"
14 P. L. 1968, c. 410 (C. 52:14B-1 et seq.), rules and regulations
15 necessary to implement the provisions of this act;

16 f. To call to its assistance and avail itself of the services of the
17 employees of any State, county or municipal department, board,
18 commission or agency as may be required and made available for
19 these purposes;

20 g. To purchase pinelands development credits **to further the*
21 *objectives of P. L. 1979, c. 111 (C. 13:18A-1 et seq.) or** when
22 necessary to alleviate hardship, as determined pursuant to rules
23 and regulations adopted by the board. The purchase price in these
24 cases shall be **no less than** \$10,000.00 per credit, or a fraction of
25 that amount which reflects that portion of a pinelands development
26 credit allocated to the applicant pursuant to the provisions of the
27 comprehensive management plan. **The board may periodically*
28 *increase the purchase price provided that its action does not sub-*
29 *stantially impair the private sale of pinelands development credits.*
30 *In no case shall the purchase price be greater than 80% of the*
31 *market value of pinelands development credits, as determined by*
32 *the board.**

1 6. The board shall, upon application of the appropriate land-
2 owner, and certification by the commission, issue Pinelands De-
3 velopment Credit Certificates for all pinelands development credits
4 allocated pursuant to the comprehensive management plan. These
5 certificates shall be issued to the current owner of record of the
6 land with marketable title, verified by a 60 year search, who is
7 legally empowered to restrict the use of the property in conform-

8 ance with the comprehensive management plan, as indicated in the
 9 index of deeds recorded in the office of the recording officer of the
 10 appropriate county, subsequent to the recording of deed restric-
 11 tions imposed on the use of that land pursuant to the compre-
 12 hensive management plan.

1 7. a. The board shall establish and maintain a Registry of
 2 Pinelands Development Credits, which shall include:

3 (1) The name and address of every owner to whom a pinelands
 4 development credit certificate is issued pursuant to section 6 of this
 5 act, ~~*[and]*~~ the date of its issuance*, *the municipal tax lot and*
 5A *block identification of the parcels of land to which the pinelands*
 5B *development credit has been assigned, the number of pinelands*
 5C *development credits or fraction thereof assigned to each parcel,*
 5D *the total number of pinelands development credits assigned, and*
 5E *the total acreage to which pinelands development credits have been*
 5F *assigned**;

6 (2) The name and address of every person to whom a pinelands
 7 development credit is sold or otherwise conveyed, the date of the
 8 conveyance, and the consideration, if any, received therefor;

9 (3) The name and address of any person who has pledged a
 10 pinelands development credit as security on any loan or other obli-
 11 gation, the name and address of the lender, and the date, amount
 12 and term of the loan or obligation;

13 (4) The name and address of any person who has redeemed a
 14 pinelands development credit, the location of the land to which the
 15 credit was transferred, and the date this redemption was
 16 made*~~[.]~~* *; and,*

17 **(5) An annual enumeration of the total number of pinelands*
 18 *development credits purchased and transferred, listing the munici-*
 19 *pality in which the land for which each pinelands development*
 20 *credit was issued is located, and the municipality to which the pine-*
 21 *lands development credit was transferred.**

22 b. No person shall purchase or otherwise acquire, encumber, or
 23 redeem any pinelands development credit without recording that
 24 fact, within 10 business days thereof, with the bank.

25 c. The board shall make available **in the form of an annual*
 26 *report** the information included in the registry to each county
 27 and municipality located in whole or in part in the pinelands area,
 28 and, upon request, pertinent information to any other person.
 29 **The first annual report shall be submitted to the Governor and*
 30 *Legislature and shall be made available to the public on the first*
 31 *anniversary of the effective date of this act.**

1 8. Any person desiring to secure a loan using a pinelands develop-

2 ment credit as collateral may apply to the board for determination
3 of eligibility for a pinelands development credit guarantee. The
4 board shall notify the applicant of its decision within 30 days of its
5 receipt of the application.

1 9. a. The board may extend a pinelands development credit
2 guarantee with respect to any loan secured pursuant to the pro-
3 visions of this act if:

4 (1) Adequate funds are available in reserve to fulfill the guar-
5 antee in the event of a default; and

6 (2) The applicant can demonstrate that he holds marketable
7 title to the property and that the property has been certified by
8 the commission as eligible for issuance of pinelands development
9 credit certificates pursuant to the provisions of this act, that the
10 owner is legally empowered to restrict the use of the property
11 conformance with the comprehensive management plan that this
12 credit has not been otherwise encumbered, transferred or redeemed,
13 and that the credit shall be pledged as security for the guarantee.

14 b. If the applicant is denied, the board shall return it to the
15 applicant with a written statement of the reasons for denial.

16 c. If the application is approved, the board shall retain the
17 original and transmit copies of the application to the applicant
18 and the lender. The applicant and the lender may then complete
19 the transaction for the loan. Nothing herein contained shall be
20 construed to require a lender to approve or deny any loan applied
21 for pursuant to this act, regardless of the approval or disapproval
22 by the board of any application for a pinelands development credit
23 guarantee.

1 10. The bank is authorized to guarantee the value of a pinelands
2 development credit in ***[the]*** **an** amount ***[of]*** **no less than**
3 \$10,000.00, or a fraction of that amount which reflects that portion
4 of a pinelands development credit allocated to the applicant pur-
5 suant to the provisions of **the comprehensive management plan,*
6 *provided that the value upon which the guarantee is made may be*
7 *adjusted in accordance with the provisions of section 5 of** this
8 act. Nothing herein contained shall be construed to establish or
9 limit fair market value of any pinelands development credit or to
10 preclude the extension of a pinelands development credit guarantee
11 for any loan of less than \$10,000.00.

1 11. a. Following the 31st day of a default on any loan secured, in
2 whole or in part, by a pinelands development credit guarantee, the
3 lender shall send notice by certified mail to the applicant and the
4 board, stating the consequences of his default. The applicant and
5 the lender may, within 90 days of the initial default, agree to take

6 any reasonable steps to assure the fulfillment of the loan obligation.

7 b. In the event the applicant and the lender have not made
8 arrangements for the continuation of the loan obligation within 90
9 days of the initial default, the lender shall file a claim with the
10 board, identifying the loan and the nature of the default and shall:
11 (1) assign the security interest in the pinelands development credit
12 to the board in exchange for payment according to the terms of
13 pinelands development credit guarantee; or, (2) retain the security
14 interest in the pinelands development credit and waive any claim to
15 payment pursuant to the terms of the pinelands development credit
16 guarantee.

1 12. In the event a default occurs on any loan secured, in whole or
2 in part, by a pinelands development credit guarantee and the
3 lender has assigned the security interest in the pinelands develop-
4 ment credit to the board, the board shall authorize payment to the
5 lender up to the limits of the pinelands development credit guar-
6 antee, and shall notify the defaulting party. The board shall, in
7 these cases, take all appropriate action to secure its interest in the
8 pinelands development credit.

1 13. **a.** The board may sell, exchange, or otherwise convey **or*
2 *retire** any pinelands development credit which is purchased or
3 otherwise acquired pursuant to the provisions of this act. All sales
4 **[or]* **, *exchanges** conveyances **or retirements** shall be made
5 prior to the expiration of this act. The provisions of any other law
6 to the contrary notwithstanding, no such sale, exchange **[or]* **,
7 conveyance **or retirement** shall be subject to approval of the
8 State House Commission.

9 **b. When the board sells, exchanges, or otherwise conveys or*
10 *retires a pinelands development credit, it shall do so in a manner*
11 *which shall not substantially impair the private sale of pinelands*
12 *development credits. The board may convey a pinelands develop-*
13 *ment credit without remuneration for use in projects that satisfy*
14 *a compelling public purpose only by an affirmative vote of two-*
15 *thirds of its members.**

1 14. a. The governing body of any county located in whole or in
2 part within the pinelands area may, by resolution duly adopted,
3 create a public body to carry out the functions of the bank created
4 herein within the jurisdiction of the county with all or any signifi-
5 cant part of the name of the county inserted. The county bank shall
6 be governed by a board of directors consisting of five members,
7 appointed by the board of chosen freeholders, or, in the counties
8 operating under the county executive plan or county supervisor
9 plan pursuant to the provisions of the "Optional County Charter

10 Law," P. L. 1972, c. 154 (C. 40:41A-1 et seq.), by the county
 11 executive or the county supervisor, as the case may be, with the
 12 advice and consent of the board of chosen freeholders.

13 b. The members of the county board shall be appointed from
 14 among residents of the county with substantive experience in
 15 agriculture, banking and finance, land use regulation, and the law.
 16 Nothing contained herein shall be construed to preempt a county
 17 from carrying out functions substantially similar to those described
 18 and authorized herein exclusive of any State assistance.

1 15. The board may delegate any authority granted it by this act
 2 to any county which creates a county board pursuant to the pro-
 3 visions of this act if:

4 a. The commission has approved the master plan for the county;

5 b. The governing body of the county has requested that this
 6 delegation be made; and

7 c. The governing body of the county can demonstrate that it has
 8 the financial resources necessary to meet the obligations of this
 9 delegation.

1 16. If the board has delegated its authority pursuant to the
 2 provisions of section 15 of this act, it may provide, upon application
 3 therefor and approval thereof, matching grants to the county bank
 4 for the purpose of meeting the obligation of this delegation. **These*
 5 *grants may be applied retroactively to January 14, 1981.**

1 17. The county board shall exercise the authority delegated to
 2 it by the board in a manner prescribed by rules and regulations
 3 adopted by the board.

1 18. a. There is appropriated to the bank, from the General Fund,
 2 the sum of \$5,000,000.00. This sum shall be used for the purchase
 3 of pinelands development credits and to extend pinelands develop-
 4 ment credit guarantees, as herein provided.

5 b. **[The appropriations made pursuant to this section shall be*
 6 *repaid by the bank to the General Fund, in whole or in part, as*
 7 *revenues from the proceeds of the sale of pinelands development*
 8 *credits pursuant to section 13 of this act are received]*. *The*
 9 *proceeds from the sale of pinelands development credits by the*
 10 *board or a county board shall remain available to the board or*
 11 *county board for the purposes of this act. No more than five days*
 12 *after the 15th anniversary of the effective date of this act the board*
 13 *shall transfer to the General Fund all funds remaining on deposit*
 14 *in the bank. The board may transfer part or all of the funds on*
 15 *deposit in the bank to the General Fund prior to this date upon the*
 16 *affirmative vote of two-thirds of the members of the board.**

17 **c. On the 15th anniversary of the effective date of this act a*

18 *county board shall transfer to the board that percentage of the*
19 *funds remaining on deposit in the county bank which reflects the*
20 *percentage of the matching grant made by the board to the county*
21 *board pursuant to section 16 of this act.**

1 19. Notwithstanding any other provisions of this act:

2 a. No pinelands development credit guarantee shall be extended
3 for a period of time in excess of five years;

4 b. No pinelands development credit guarantee shall be extended
5 after December 31 in the fifth year next following enactment of
6 this act;

7 c. No pinelands development credit shall be purchased by the
8 bank after December 31 in the fifth year next following enactment
9 of this act.

10 If the ***[State]*** board has delegated its authority pursuant to
11 section 15 of this act, the time period shall begin on the date of that
12 delegation.

1 20. Nothing in this act shall be construed to prohibit or in any
2 other way interfere with any county carrying out functions sub-
3 stantially similar to those described and authorized herein, exclu-
4 sive of State financial assistance.

1 21. This act shall take effect immediately.

7 revenues from the proceeds of the sale of pinelands development
8 credits pursuant to section 13 of this act are received.

1 19. Notwithstanding any other provisions of this act:

2 a. No pinelands development credit guarantee shall be extended
3 for a period of time in excess of five years;

4 b. No pinelands development credit guarantee shall be extended
5 after December 31 in the fifth year next following enactment of
6 this act;

7 c. No pinelands development credit shall be purchased by the
8 bank after December 31 in the fifth year next following enactment
9 of this act.

10 If the State board has delegated its authority pursuant to sec-
11 tion 15 of this act, the time period shall begin on the date of that
12 delegation.

1 20. Nothing in this act shall be construed to prohibit or in any
2 other way interfere with any county carrying out functions sub-
3 stantially similar to those described and authorized herein, exclu-
4 sive of State financial assistance.

1 21. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to guarantee the value of development credits allocated by the Pinelands Commission pursuant to the comprehensive management plan. To this end, the bill establishes the Pinelands Development Credit Bank, governed by a board of directors consisting of the following members: the Commissioner of Banking, who shall serve as chairman; the Secretary of Agriculture; the State Attorney General; the Commissioner of Environmental Protection; and the chairman of the Pinelands Commission, and four members to be appointed from the general public, two to be appointed by the President of the Senate and two to be appointed by the Speaker of the General Assembly. One member each appointed by the President of the Senate and Speaker of the General Assembly shall be residents of the Pinelands area. The board is authorized to guarantee \$10,000.00 of the value of a pinelands development credit used to secure a loan for any purpose. The board is further authorized to act as a buyer of last resort in the event of economic hardship, as determined by rules and regulations to be adopted by the board.

If there is a default on a loan guaranteed pursuant to this act and the lender and the applicant do not make arrangements for the continuation of the loan within the prescribed time, the bank may either assign security interest in the credit to the board in

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exchange for payment, or retain security interest and waive claim to payment pursuant to the terms of the guarantee. If the bank makes this assignment, the board would then foreclose on the credit.

The bill provides for the establishment of County Development Credit Banks and for the delegation by the Pinelands Development Credit Bank of its authority to the county bank under certain conditions. The bill appropriates \$5,000,000.00 to the Pinelands Development Credit Bank, which sum shall be repaid, in whole or in part, from the proceeds of the sale of credits.

and the amount of the loan shall be determined by the board of directors of the bank. The board of directors of the bank shall have the authority to make such loans and to determine the terms and conditions of such loans. The board of directors of the bank shall also have the authority to make such loans and to determine the terms and conditions of such loans.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

SENATE, No. 1945

[OFFICIAL COPY REPRINT]

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 1985

PROVISIONS:

Senate Bill No. 1945 (OCR), as amended, establishes the Pinelands Development Credit Bank, governed by a board of directors consisting of the following members; the Commissioner of Banking, who shall serve as chairman; the Secretary of Agriculture, the Attorney General; the Commissioner of Environmental Protection; the chairman of the Pinelands Commission; and four residents of the pinelands area counties. The board is authorized to guarantee no less than \$10,000.00 of the value of a pinelands development credit used to secure a loan for any purpose. The board is further authorized to act as a last resort buyer of development credits in the event of economic hardship or to further the purposes of the "Pinelands Protection Act," as determined by rules and regulations to be adopted by the board.

If there is a default on a loan guaranteed pursuant to this act and the lender and the applicant do not make arrangements for the continuation of the loan within the prescribed time, the bank may either assign security interest in the credit to the board in exchange for payment, or retain security interest and waive claim to payment pursuant to the terms of the guarantee. If the bank makes this assignment, the board would then take every action to secure its interest in the credit.

The bill provides for the establishment of County Development Credit Banks and for the delegation by the Pinelands Development Credit Bank of its authority to the county bank under certain conditions.

FISCAL IMPACT:

The bill appropriates \$5,000,000.00 from the General Fund to the Pinelands Development Credit Bank to capitalize the bank. After 15 years any remaining funds on deposit in the bank are to revert to the General Fund.

COMMITTEE AMENDMENTS :

The Committee amended the bill to allow the Governor to appoint the four pinelands area residents upon the recommendations of the Speaker of the General Assembly and President of the Senate.

OTHER LEGISLATION :

This bill is identical to Assembly Bill No. 2207 (OCR), as amended by this committee.

The committee favorably reports this bill, as amended.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
SENATE, No. 1945

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STATE OF NEW JERSEY

DATED: NOVEMBER 13, 1984

This bill would guarantee the value of development credits allocated by the Pinelands Commission pursuant to the comprehensive management plan adopted under P. L. 1979, c. 111, the "Pinelands Protection Act." The bill establishes the Pinelands Development Credit Bank, governed by a board of directors consisting of the following members: the Commissioner of Banking, who shall serve as chairman; the Secretary of Agriculture, the Attorney General; the Commissioner of Environmental Protection; the chairman of the Pinelands Commission; and four residents of the pinelands area counties. The board is authorized to guarantee no less than \$10,000.00 of the value of a pinelands development credit used to secure a loan for any purpose. The board is further authorized to act as a last resort buyer of development credits in the event of economic hardship or to further the purposes of the "Pinelands Protection Act," as determined by rules and regulations to be adopted by the board.

If there is a default on a loan guaranteed pursuant to this act and the lender and the applicant do not make arrangements for the continuation of the loan within the prescribed time, the bank may either assign security interest in the credit to the board in exchange for payment, or retain security interest and waive claim to payment pursuant to the terms of the guarantee. If the bank makes this assignment, the board would then take every action to secure its interest in the credit.

The bill provides for the establishment of County Development Credit Banks and for the delegation by the Pinelands Development Credit Bank of its authority to the county bank under certain conditions.

FISCAL IMPACT:

The bill appropriates \$5,000,000.00 from the General Fund to the Pinelands Development Credit Bank to capitalize the bank. After 15 years any remaining funds on deposit in the bank are to revert to the General Fund.

PRIOR LEGISLATION:

This bill is a revised version of Assembly Bill No. 1259 (OCR) of 1982 (Lesniak), which passed both Houses unanimously but was filed by the Governor without approval at the end of the 1983 legislative session. In his message the Governor sited two specific objections to the bill—that it provided no appropriation to capitalize the bank and that there was no requirement that at least some of the public members of the bank's board of directors be residents of the pinelands region. Both of these criticisms are addressed in Senate Bill No. 1945 (OCR).

SENATE ENERGY AND ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 1945

with Senate committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 1984

As amended by the Senate Energy and Environment Committee, this bill would guarantee the value of development credits allocated by the Pinelands Commission pursuant to the comprehensive management plan. The bill establishes the Pinelands Development Credit Bank, governed by a board of directors consisting of the following members: the Commissioner of Banking, who shall serve as chairman; the Secretary of Agriculture, the Attorney General; the Commissioner of Environmental Protection; the chairman of the Pinelands Commission; and four residents of the pinelands area counties. The board is authorized to guarantee no less than \$10,000.00 of the value of a pinelands development credit used to secure a loan for any purpose. The board is further authorized to act as a buyer of last resort in the event of economic hardship or to further the purposes of the "Pinelands Protection Act," P. L. 1979, c. 111 (C. 13:18A-1 et seq.), as determined by rules and regulations to be adopted by the board.

If there is a default on a loan guaranteed pursuant to this act and the lender and the applicant do not make arrangements for the continuation of the loan within the prescribed time, the bank may either assign security interest in the credit to the board in exchange for payment, or retain security interest and waive claim to payment pursuant to the terms of the guarantee. If the bank makes this assignment, the board would then take every action to secure its interest in the credit.

The bill provides for the establishment of County Development Credit Banks and for the delegation by the Pinelands Development Credit Bank of its authority to the county bank under certain conditions. The bill appropriates \$5,000,000.00 to the Pinelands Development Credit Bank, which sum shall be repaid, in whole or in part, from the proceeds of the sale of credits.

The committee amended the bill to: provide that all of the public members of the board would be appointed from pinelands area counties; permit the board to raise the purchase or loan guarantee price of a

pinelands development credit above the \$10,000.00 level but in no case greater than 80% of the market value above \$10,000.00; require an annual report detailing the operation of the pinelands development credit program; permit the board to retire credits; permit the conveyance of credits without remuneration by a two-thirds vote for use in projects to satisfy a compelling public interest; and to provide for the repayment of that portion of the \$5,000,000.00 appropriation remaining at the end of 15 years.

The committee reported the bill favorably.



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OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: CARL GOLDEN
292-8956

TRENTON, N.J. 08625

Release: WED., AUGUST 28, 1985

Governor Thomas H. Kean today signed legislation requiring non-smoking areas to be provided indoor public places, such as theaters, gymnasiums, libraries, museums, concert halls and auditoriums.

The legislation, A-640, sponsored by Assemblyman Martin Herman, D-Gloucester, is the fifth signed by the Governor in a package of six bills aimed at prohibiting or controlling smoking in public places. The remaining bill was subjected to a conditional veto today.

The legislation signed by the Governor requires that non-smoking areas be defined and identified in public facilities and provides for a fine of \$25 for violators of the rule or for owners who fail to post the appropriate signs.

Facilities exempt from the law are rack tracks, casinos, boxing, wrestling, football and baseball sporting events, bowling alleys, dance halls, ice and roller skating rinks and other ambulatory recreational facilities.

The law becomes effective in six months.

Kean also signed S-1945, sponsored by Senator Raymond Lesniak, D-Union, to create a Pinelands Development Credit Bank which would be empowered to purchase development credits allocated by the Pinelands Commission under its Comprehensive Management Plan.

- more -

The credits were allocated originally to landowners in restricted areas of the Pinelands for purchase by landowners in growth areas in order to gain bonus residential densities.

The legislation signed today appropriates \$5 million to the Credit Bank to purchase credits at \$10,000 each when necessary to alleviate a hardship on a landowner in the restricted growth area.

The bank would be governed by a board of directors consisting of the Commissioners of Banking and Environmental Protection, the Secretary of Agriculture, the Attorney General, the Chairman of the Pinelands Commission, and four residents of the Pinelands area to be appointed by the Governor on the recommendation of the Speaker of the Assembly and the President of the Senate.

Other bills signed by Kean include:

S-2312, sponsored by Senator Gerald Stockman, D-Mercer, to prohibit as a disorderly persons offense purposely or knowingly offering, serving, or making available an alcoholic beverage to a person under the legal drinking age.

S-3158, sponsored by Senator Richard VanWagner, D-Monmouth, to establish a demonstration Personal Attendant Program in the Department of Human Services for persons with chronic physical disabilities and impairments.

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