

52:18A-78.2 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:18A-78.2 et al

(Building Authority--  
allows projects under  
horizontal property and  
condominium act)

LAWS OF: 1983

CHAPTER: 138

Bill No: S3075

Sponsor(s): Stockman and others

Date Introduced: January 27, 1983

Committee: Assembly: Revenue, Finance and Appropriations

Senate: -----

Amended during passage: Yes Substituted for A3110 (attached)

Date of Passage: Assembly: February 14, 1983

Senate: January 31, 1983

Date of Approval: April 14, 1983

Following statements are attached if available:

Sponsor statement: Yes Also attached: Senate amendments, adopted 1-31-83 (with statement)

Committee statement: Assembly No

Senate No

Fiscal Note: No

Veto Message: No

Message on Signing: ~~No~~ yes

Following were printed:

Reports: No

Hearings: No

4-14-83

[OFFICIAL COPY REPRINT]

SENATE, No. 3075

**STATE OF NEW JERSEY**

INTRODUCED JANUARY 27, 1983

By Senators STOCKMAN, McMANIMON, FORAN, BORNHEIMER,  
 ORECHIO, HIRKALA, FELDMAN, RAND, LIPMAN,  
 RODGERS, GRAVES, GREGORIO, DALTON, LYNCH, CAU-  
 FIELD, CODEY, SAXTON, COSTELLO, GORMLEY, O'CON-  
 NOR, LAROCCA, KENNEDY, CARDINALE, HURLEY,  
 DUMONT and BASSANO

(Without Reference)

AN ACT to amend and supplement the "New Jersey Building  
 Authority Act," approved April 16, 1981 (P. L. 1981, c. 120).

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

1 1. Section 2 of P. L. 1981, c. 120 (C. 52:18A-78.2) is amended to  
 2 read as follows:

3 2. As used in this act, unless the context clearly indicates  
 4 otherwise:

4A a. "Authority" means the New Jersey Building Authority  
 4B created under this act.

5 b. "Bonds" means bonds issued by the authority pursuant to  
 6 this act.

7 c. "Building" includes any portion thereof, such as an apartment  
 8 created under the "Horizontal Property Act," P. L. 1963, c. 168  
 9 (C. 46:8A-1 et seq.) or a unit created under the "Condominium  
 10 Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

11 **[c.]** d. "Local governmental agency" means any municipality,  
 12 county, school district, or any agency, department or instru-  
 13 mentality of any of the foregoing, or any other public body having  
 14 local or regional jurisdiction or powers and not constituting a  
 15 State agency.

**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 amendments adopted January 31, 1983.

16 [d.] e. "Notes" means notes issued by the authority pursuant to  
17 to this act.

18 [e.] f. "Project" means any building or buildings primarily for  
19 the use of State agencies and suitable for office space and related  
20 facilities necessary for the conduct of official business, for storage  
21 and warehouse facilities, for motor vehicle inspection stations, for  
22 testing and research laboratories, and for public television opera-  
23 tions, including related structures, parking facilities, improve-  
24 ments, real and personal property or any interest therein, includ-  
25 ing lands under water, space rights and air rights, and other  
26 appurtenances and facilities necessary or convenient to the use or  
27 operation of the building or buildings, acquired, owned, constructed,  
28 reconstructed, extended, rehabilitated or improved by the  
29 authority.

30-31 [f.] g. "State agency" means the Executive, Legislative or Judi-  
32 cial branch of the State Government or any officer, department,  
33 board, commission, bureau, division, public authority or corpora-  
34 ration, agency or instrumentality of the State.

1 2. Section 3 of P. L. 1981, c. 120 (C. 52:18A-78.3) is amended to  
2 read as follows:

3 3. The Legislature finds and declares the following:

4 a. That for many years the functions of the State Government  
5 have grown and that during this period of rapid expansion no  
6 definite program has been adopted for the housing and carrying  
7 out of the operations of the many State agencies.

8 b. That many State agencies have their offices in privately owned  
9 or inadequate State owned buildings and that these buildings are  
10 inadequate to meet the needs of these State agencies and the needs  
11 of the people of the State.

12 c. That it is to the economic benefit and general welfare of the  
13 citizens of the State to provide sufficient office space and related  
14 facilities for these State agencies and thus provided for a more  
15 efficient and economic operation of State Government.

16 d. That in order to provide for office space and related facilities  
17 at a cost that these State agencies can afford, it is necessary to  
18 create and establish a building authority for the purposes of con-  
19 structing [and], operating, *selling and leasing* office buildings and  
20 related facilities to meet the needs of State agencies.

21 e. It is necessary and in the public interest that this building  
22 authority have the necessary funds to provide for predevelopment  
23 cost, temporary financing, land development expenses, construction  
24 and operation of office buildings and related facilities for the use  
25 of, and sale or rental to, State agencies.

26 f. For these purposes, there should be created a corporate  
27 governmental agency to be known as the "New Jersey Building  
28 Authority" which, through issuance of bonds and notes to the  
29 private, investing public may provide or obtain the capital  
30 resources necessary to acquire, construct, reconstruct, rehabilitate  
31 or improve these office buildings and related facilities necessary or  
32 convenient to the operation of any State agency.

33 g. That the acquisition, construction, reconstruction, rehabilita-  
34 tion or improvement of these office buildings and related facilities  
35 necessary or convenient to the operation of any State agency are  
36 public uses and public purposes for which public money may be  
37 loaned and private property may be acquired and tax exemptions  
38 granted, and that the powers and duties of the New Jersey Building  
39 Authority as set forth in this act are necessary and proper for the  
40 purpose of achieving the ends here recited.

41 h. That the construction, reconstruction, rehabilitation and  
42 improvement activities of the authority will provide a much needed  
43 stimulus for the construction industry, and related industries and  
44 professions, particularly in urban areas.

1 3. Section 4 of P. L. 1981, c. 120 (C. 52:18A-78.4) is amended to  
2 read as follows:

3 4. a. There is established in the Department of the Treasury a  
4 public body corporate and politic, with corporate succession, to be  
5 known as the "New Jersey Building Authority." The authority is  
6 constituted an instrumentality of the State exercising public and  
7 essential governmental functions, and the exercise by the authority  
8 thereof of the powers conferred by this act shall be deemed and  
9 held to be an essential governmental function of the State.

10 b. The membership of the authority shall consist of 12 directors  
11 as follows: the State Treasurer, the Comptroller of the Treasury,  
12 the Chairman of the Commission on Capital Budgeting and Plan-  
13 ning who shall be members ex officio; two persons appointed by  
14 the Governor upon the recommendation of the President of the  
15 Senate and two persons appointed by the Governor upon the  
16 recommendation of the Speaker of the General Assembly, of whom  
17 no more than one of each group of two shall be of the same political  
18 party, and who shall serve during the two-year legislative term in  
19 which they are appointed and until their successors shall have been  
20 appointed and qualified; and five directors appointed by the  
21 Governor with the advice and consent of the Senate for terms of  
22 four years no more than three of whom shall be of the same  
23 political party. The directors of the authority first appointed by  
24 the Governor shall serve for terms of one year, two years, three  
25 years and two for four years, respectively, and thereafter directors

26 shall be appointed by the Governor for terms of four years. Each  
27 such director shall hold office for the term of his appointment and  
28 until his successor shall have been appointed and qualified. A  
29 director shall be eligible for reappointment. Any vacancy on the  
30 board of directors occurring other than by expiration of term shall  
31 be filed in the same manner as the original appointment but for  
32 the unexpired term only.

33 c. Each director appointed by the Governor, except those ap-  
34 pointed upon recommendation of the President of the Senate and  
35 Speaker of the General Assembly, may be removed from office by  
36 the Governor for cause, after a public hearing, and may be sus-  
37 pended by the Governor pending the completion of the hearing.  
38 Each director before entering upon his duties shall take and  
39 subscribe an oath to perform the duties of his office faithfully,  
40 impartially and justly to the best of his ability. A record of the  
41 oaths shall be filed in the office of the Secretary of State.

42 d. The authority shall not be deemed to be constituted and  
43 shall not take action or adopt motions or resolutions until all  
44 original authorized members shall have been appointed and quali-  
45 fied in the manner provided in this section. A chairman shall be  
46 appointed by the Governor with the advice and consent of the  
47 Senate from the directors of the authority other than the ex officio  
48 directors, and the directors of the authority shall annually elect  
49 one of their number as vice chairman thereof. The directors shall  
50 elect a secretary and a treasurer who need not be directors, and  
51 the same person may be elected to serve both as secretary and  
52 treasurer. The powers of the authority shall be vested in the  
53 directors thereof in office from time to time and seven directors  
54 of the authority shall constitute a quorum at any meeting thereof.  
55 Action may be taken and motions and resolutions adopted by the  
56 authority at any meeting thereof by the affirmative vote of at  
57 least seven directors of the authority. No vacancy on the board of  
58 directors of the authority shall impair the right of a quorum of  
59 the directors to exercise all the powers and perform all the duties  
60 of the authority.

61 e. Each director and the treasurer of the authority shall execute  
62 a bond to be conditioned upon the faithful performance of the  
63 duties of the director or treasurer, as the case may be, in such  
64 form and amount as may be prescribed by the Comptroller of the  
65 Treasury. Bonds shall be filed in the office of the Secretary of  
66 State. At all times thereafter, the directors and treasurer of the  
67 authority shall maintain these bonds in full effect. All costs of  
68 the bonds shall be borne by the authority.

69 f. The directors of the authority shall serve without compensa-  
70 tion, but the authority shall reimburse its directors for actual  
71 expenses necessarily incurred in the discharge of their duties.  
72 Notwithstanding the provisions of any other law, no officer or em-  
73 ployee of the State shall be deemed to have forfeited or shall for-  
74 feit his office or employment or any benefits or emoluments thereof  
75 by reason of his acceptance of the office of ex officio director of the  
76 authority or his services therein.

77 g. The State Treasurer and the Comptroller of the Treasury of  
78 the State, as ex officio directors of the authority, may each desig-  
79 nate an officer or employee of the Department of the Treasury to  
80 represent him at meetings of the authority, and the Chairman of  
81 the Commission on Capital Budgeting and Planning, as ex officio  
82 director of the authority, may designate a member or the executive  
83 director of the Commission on Capital Budgeting and Planning to  
84 represent him at meetings of the authority. Each designee may  
85 lawfully vote and otherwise act on behalf of the director for  
86 whom he constitutes the designee. The designation shall be in  
87 writing delivered to the authority and shall continue in effect until  
88 revoked or amended in writing delivered to the authority.

89 h. The authority may be dissolved by act of the Legislature on  
90 condition that the authority has no debts or obligations outstanding  
91 or that provision has been made for the payment or retirement of  
92 these debts or obligations. Upon any dissolution of the authority  
93 all property, funds and assets thereof shall be vested in the State.  
94 In addition, *subject to any property rights of a person, firm,*  
95 *partnership or corporation resulting from the sale or leasing of a*  
96 *project by the authority to the person, firm, partnership or*  
97 *corporation,* any project shall be vested in the State upon the  
98 payment or retirement of all debts or obligations for the project  
99 or upon the assumption by the State of liability for any outstand-  
100 ing debts or obligations for the project.

101 i. A true copy of the minutes of every meeting of the authority  
102 shall be forthwith delivered by and under the certification of the  
103 secretary thereof to the Governor and the presiding officers of  
104 both houses of the Legislature. No action taken at any meeting  
105 by the authority shall have effect until 15 days after a copy of the  
106 minutes has been so delivered unless during the 15-day period the  
107 Governor shall approve the same in which case the action shall  
108 become effective upon the approval. If, in the 15-day period, the  
109 Governor returns the copy of the minutes with veto of any action  
110 taken by the authority or any member thereof at that meeting, the  
111 action shall be of no effect. The powers conferred in this sub-  
112 section upon the Governor shall be exercised with due regard for

113 the rights of the holders of bonds and notes of the authority at any  
114 time outstanding; and nothing in, or done pursuant to, this subsec-  
115 tion shall in any way limit, restrict or alter the obligation or powers  
116 of the authority or any representative or officer of the authority to  
117 carry out and perform in every detail each and every covenant,  
118 agreement or contract at any time made or entered into by or on  
119 behalf of the authority with respect to its bonds or notes or for the  
120 benefit, protection or security of the holders thereof.

1 4. Section 5 of P. L. 1981, c. 120 (C. 52:18A-78.5) is amended to  
2 read as follows:

3 5. Except as otherwise limited by this act, the authority shall  
4 have power:

5 a. To make and alter bylaws for its organization and internal  
6 management and, subject to agreements with noteholders and  
7 bondholders, to make rules and regulations with respect to its  
8 projects, operations, properties and facilities.

9 b. To adopt an official seal and alter the same at pleasure.

10 c. To sue and be sued.

11 d. To make and enter into all contracts and agreements necessary  
12 or incidental to the performance of its duties and the exercise of  
13 its powers under this act.

14 e. To enter into agreements or other transactions with and accept  
15 grants and the cooperation of the United States or any agency  
16 thereof or any State agency in furtherance of the purposes of this  
17 act, including but not limited to the development, maintenance,  
18 operation and financing of any project and to do any and all things  
19 necessary in order to avail itself of this aid and cooperation.

20 f. To receive and accept aid or contributions from any source of  
21 money, property, labor or other things of value, to be held, used  
22 and applied to carry out the purposes of this act subject to such  
23 conditions upon which this aid and these contributions may be  
24 made, including but not limited to, gifts or grants from any depart-  
25 ment or agency of the United States or any State agency for any  
26 purpose consistent with this act.

27 g. To acquire, own, hold, sell, assign, exchange, lease, mortgage  
28 or otherwise dispose of real and personal property or any interest  
29 therein in the exercise of its powers and the performance of its  
30 duties under this act.

31 h. To appoint an executive director and such other officers,  
32 employees and agents as it may require for the performance of its  
33 duties, and to fix their compensation, promote and discharge them,  
34 all without regard to the provisions of Title 11 of the Revised  
35 Statutes.

36 i. To acquire, construct, reconstruct, rehabilitate, improve, alter  
37 or repair or provide for the construction, reconstruction, improve-  
38 ment, alteration or repair of any project and let, award and enter  
39 into construction contracts, purchase orders and other contracts  
40 with respect thereto in such manner as the authority shall  
41 determine.

42 j. To arrange or contract with a county or municipality for the  
43 planning, replanning, opening, grading or closing of streets, roads,  
44 roadways, alleys or other places, or for the furnishing of facilities  
45 or for the acquisition by a county or municipality of property or  
46 property rights or for the furnishing of property or services, in  
47 connection with a project.

48 k. To sell, lease, assign, transfer, convey, exchange, mortgage or  
49 otherwise dispose of or encumber any project or other property  
50 no longer needed to carry out the public purposes of the authority  
51 and, in the case of the sale of any project or property, to accept  
52 a purchase money mortgage in connection therewith; and to lease,  
53 repurchase or otherwise acquire and hold any project or property  
54 which the authority has theretofore sold, leased or otherwise con-  
55 veyed, transferred or disposed of.

56 l. To grant options to purchase any project or to renew any  
57 leases entered into by it in connection with any of its projects,  
58 on such terms and conditions as it deems advisable.

59 m. To acquire by purchase, lease or otherwise, on such terms  
60 and conditions and in such manner as it may deem proper, or by  
61 the exercise of the power of eminent domain, except with respect  
62 to lands owned by the State or any public lands reserved for  
63 recreation and conservation purposes, any land and other property,  
64 including railroad lands and land under water, which it may  
65 determine is reasonably necessary for any of its projects or for  
66 the relocation or reconstruction of any highway by the authority  
67 and any and all rights, title and interest in that land and other  
68 property, including public lands, highways or parkways, owned  
69 by or in which a State agency or local governmental agency has  
70 any right, title or interest, or parts thereof or rights therein and  
71 any fee simple absolute or any lesser interest in private property,  
72 and any fee simple absolute in, easements upon or the benefit of  
73 restrictions upon, abutting property to preserve and protect any  
74 project.

75 n. To prepare or cause to be prepared plans, specifications,  
76 designs and estimates of costs for the construction, reconstruction,  
77 rehabilitation, improvement, alteration or repair of any project,  
78 and from time to time to modify these plans, specifications, designs  
79 or estimates.



80 o. To sell, lease, rent, sublease or otherwise dispose of any  
81 project or any space embraced in any project to any State agency  
82 or to any person, firm, partnership or corporation for sale, leasing,  
83 rental or subleasing to any State agency, and, where applicable, to  
84 establish and revise the purchase price, rents or other charges  
85 therefor; provided, however, that the incurrence of any liabilities  
86 by a State agency under any agreement entered into with the au-  
87 thority pursuant to the aforesaid authorization, including, without  
88 limitation, the payment of any and all rentals or other amounts  
89 required to be paid by the agency thereunder, shall be subject to  
90 and dependent upon appropriations being made from time to time  
91 by the Legislature for that purpose and approval by the presiding  
92 officers, or such other officers as may be provided by law, of both  
93 houses of any such lease.

94 p. To sell, lease, rent, sublease or otherwise dispose of, to any  
95 person, firm, partnership or corporation, any surplus space in any  
96 project over and above that sold, leased, rented, subleased or other-  
97 wise disposed of to State agencies and to establish and revise the  
98 purchase price, rents or charges therefor.

99 q. To manage or operate any project or real or personal prop-  
100 erty related thereto whether owned or leased by the authority or  
101 any State agency or any person, firm, partnership or corporation,  
102 and to enter into agreements with any State agency, or any local  
103 governmental agency, or with any person, firm, association, partner-  
104 ship or corporation, either public or private, for the purpose of  
105 causing any project or related property to be managed.

106 r. To provide advisory, consultative, training and educational  
107 services, technical assistance and advice to any person, firm, asso-  
108 ciation, partnership or corporation, either public or private, in  
109 order to carry out the purposes of this act.

110 s. Subject to the provisions of any contract with noteholders or  
111 bondholders to consent to any modification, amendment or revision  
112 of any kind of any contract, lease or agreement of any kind to  
113 which the authority is a party.

114 t. To determine after holding a public hearing in the munici-  
115 pality in which the project is to be located, *except as otherwise*  
116 *provided in section 6 of this act*, the location, type and character of  
116A the project or any part thereof and all other matters in connection  
117 with all or any part of the project, notwithstanding any land use  
118 plan, zoning regulation, building code or similar regulation hereto-  
119 fore or hereafter adopted by any municipality, county, public body  
120 corporate and politic, or any other political subdivision of the State.

121 u. To borrow money and to issue its bonds and notes and to

122 secure the same and provide for the rights of the holders thereof  
123 as provided in this act.

124 v. Subject to any agreement with bondholders or noteholders,  
125 to invest moneys of the authority not required for immediate use,  
126 including proceeds from the sale of any bonds or notes, in these  
127 obligations, securities and other investments as the authority shall  
128 deem prudent.

129 w. To procure insurance against any loss in connection with its  
130 property and other assets and operations in such amounts and from  
131 such insurers as it deems desirable.

132 x. To engage the services of architects, engineers, attorneys,  
133 accountants, building contractors, urban planners, landscape  
134 architects and financial experts and such other advisors, consultants  
135 and agents as may be necessary in its judgment and to fix their  
136 compensation.

137 y. To do any act necessary or convenient to the exercise of the  
138 foregoing powers or reasonably implied therefrom.

1 5. Section 6 of P. L. 1981, c. 120 (C. 52:18A-78.6) is amended  
2 to read as follows:

3 6. Prior to the acquisition or construction of any project, or  
4 any reconstruction, rehabilitation, repair or improvement of a  
5 project, the cost of which undertaking is estimated to exceed  
6 \$100,000.00 the authority shall:

7 a. Prepare a project report which shall describe the nature and  
8 scope of the project, including but not limited to its location, size,  
9 cost, and purpose, a list of all entities [entering lease agreements  
10 for the use of] *which will occupy* the project and the amount of  
11 space each will occupy, the anticipated annual State appropria-  
12 tion for lease agreements, the total State appropriations neces-  
13 sary in each year until the total indebtedness attributable to the  
14 project is paid or retired and a statement of anticipated annual  
15 receipts and expenditures for the project;

16 b. Submit the project report to the Commission on Capital  
17 Budget and Planning for its review and its findings as to  
18 whether the project is necessary and convenient to meet the needs  
19 of the State agencies which are to utilize the project, whether the  
20 project is consistent with the State Capital Improvement Plan,  
21 and whether it meets the criteria otherwise established by the  
22 Commission for its approval of State Capital projects;

23 c. Conduct a public hearing in the municipality in which the  
24 project is to be located as provided in section 7 of this act, and  
25 make all responses required by that section; except that this  
26 requirement shall not apply in the case of the reconstruction,

27 rehabilitation, repair or improvement of an existing building or  
 28 facility owned by the State and which will continue to be used for  
 29 substantially the same purpose after completion of the project,  
 30 *nor shall it apply to a project which qualifies as a State investment*  
 31 *project under section 4 of P. L. . . . ., c. . . . (C. . . . .) (now*  
 32 *pending before the Legislature as Senate Bill No. 3076 or Assem-*  
 33 *Bill No. 3109 of 1983);*

34 d. Submit to the Legislature the project report, the findings of  
 35 the Commission on Capital Budgeting and Planning, the tran-  
 36 script of the public hearing, and all responses required by section 7  
 37 of this act;

38 e. Submit to the Legislature documentation that:

39 (1) Plans and specifications for the project assure, or will assure  
 40 adequate light, air, sanitation, and fire protection;

41 (2) There is a feasible method for the relocation of families and  
 42 individuals displaced from the project area into decent safe and  
 43 sanitary dwellings in accordance with the provisions of the  
 44 "Relocation Assistance Act of 1967," P. L. 1967, c. 79 (C. 52:31B-1  
 45 et seq.) and the "Relocation Assistance Act," P. L. 1971, c. 362  
 46 (C. 20:4-1 et seq.), whichever is applicable;

47 (3) Plans and specifications for the project assure that the  
 48 project will comply with all applicable standards and requirements  
 49 prescribed by State and federal law which promote the public  
 50 health, protect the environment or promote the conservation of  
 51 energy, and that, where practicable and appropriate, consideration  
 52 shall be given to the generation or cogeneration of electrical power  
 53 on the project site or in conjunction with other facilities;

54 (4) Plans and specifications for the project assure that it will  
 55 comply with the requirements of the "State Uniform Construction  
 56 Code Act," P. L. 1975, c. 217 (C. 52:27D-119 et seq.);

57 (5) The location of the project is consistent with the State's  
 58 urban policy of concentrating public investments in distressed  
 59 urban centers and assisting in the revitalization of the older mu-  
 60 nicipalities, except for a project intended to serve a region which  
 61 contains no such urban center.

62 For the purposes of this section "cost" means, in addition to the  
 63 usual connotations thereof, the cost of acquisition, construction,  
 64 reconstruction, rehabilitation, repair, improvement and operation  
 65 of all or any part of a project, and includes, but is not limited to,  
 66 the cost or fair market value of construction, machinery and equip-  
 67 ment, property rights, easements, privileges, agreements, fran-  
 68 chises, utility extensions, disposal facilities, access roads and site  
 69 development deemed by the authority to be necessary or useful and

70 convenient therewith, discount on bonds, cost of issuance of bonds,  
71 engineering and inspection costs and legal expenses, cost of finan-  
72 cial, professional and other estimates and advice, organization,  
73 administrative, insurance, operating and other expenses of the  
74 authority or any person prior to and during any acquisition or  
75 construction, reconstruction, rehabilitation, repair or improvement,  
76 and all other expenses as may be necessary or incident to the financ-  
77 ing, acquisition, construction, rehabilitation, repair or improvement  
78 and completion of the project or part thereof, and also provision  
79 for reserves for payment or security of principal of, or interest  
80 on, the bonds during any such undertaking.

1 6. Section 10 of P. L. 1981, c. 120 (C. 52:18A-78.10 is amended to  
2 read as follows:

3 10. a. No municipality shall modify or change the drawings,  
4 plans or specifications for the construction, reconstruction, re-  
5 habilitation, alteration or improvement of any project of the  
6 authority, or the construction, plumbing, heating, lighting or other  
7 mechanical branch of work necessary to complete the work in  
8 question, nor to require that any person, firm or corporation em-  
9 ployed on any such work shall perform the work in any other or  
10 different manner than that provided by the drawings, plans and  
11 specifications, nor to require that any person, firm or corporation  
12 obtain any other or additional authority, approval permit or  
13 certificate from the municipality in relation to the work being done,  
14 and the doing of the work by any person, firm or corporation in  
15 accordance with the terms of the drawings, plans, specifications or  
16 contracts shall not subject the person, firm or corporation to any  
17 liability or penalty, civil or criminal, other than as may be stated in  
18 the contracts or incidental to the proper enforcement thereof; nor  
19 shall any municipality require the authority or any State agency  
20 which leases or purchases the project, *or any person, firm, partner-*  
21 *ship or corporation which leases or purchases the project for lease*  
22 *or purchase to a State agency*, to obtain any other or additional  
23 authority, approval, permit, certificate or certificate of occupancy  
24 from the municipality as a condition of owning, using, maintaining,  
25 operating or occupying any project acquired, constructed, recon-  
26 structed, rehabilitated, altered or improved by the authority or by  
27 any subsidiary thereof. The foregoing provisions shall not pre-  
28 clude any municipality from exercising the right of inspection for  
29 the purpose of requiring compliance by any project with local re-  
30 quirements for operation and maintenance, affecting the health,  
31 safety and welfare of the occupants thereof, provided that the com-  
32 pliance does not require changes, modifications or additions to the  
33 original construction of the project.

34 b. Each municipality in which any project of the authority is  
35 located shall provide for the project, whether then owned by the  
36 authority, any subsidiary, **[or]** any State agency *or any person,*  
37 *firm, partnership or corporation,* police, fire, sanitation, health pro-  
38 tection and other municipal services of the same character and to  
39 the same extent as those provided for other residents of the munici-  
40 pality.

41 c. In carrying out any project, the authority may enter into  
42 contractual agreements with local governmental agencies with re-  
43 spect to the furnishing of any community, municipal or public facili-  
44 ties or services necessary or desirable for the project, and any local  
45 governmental agency may enter into these contractual agreements  
46 with the authority and do all things necessary to carry out its  
47 obligations under the same.

1 \*7. Section 11 of P. L. 1981, c. 120 (C. 52:18A-78.11) is amended  
2 to read as follows:

3 11. a. The authority, in the exercise of its authority to make and  
4 enter into contracts and agreements necessary or incidental to the  
5 performance of its duties and the execution of its powers, shall  
6 adopt standing rules and procedures providing that no contract on  
7 behalf of the authority shall be entered into for the doing of any  
8 work, or for the hiring of equipment or vehicles, where the sum to  
9 be expended exceed the sum of \$7,500.00 unless the authority shall  
10 first publicly advertise for bids therefor, and shall award the  
11 contract to the lowest responsible bidder. Advertising shall not be  
12 required where the contract to be entered into is one for the  
13 furnishing or performing of services of a professional nature or  
14 for the supplying of any product or the rendering of any service by  
15 a public utility subject to the jurisdiction of the Board of Public  
16 Utilities and tariffs and schedules of the charges made, charged, or  
17 exacted by the public utility for any products to be supplied or  
18 services to be rendered are filed with the board. This section shall  
19 not prevent the authority from having any work done by its own  
20 employees, nor shall it apply to repairs, or to the furnishing of  
21 materials, supplies or labor, or the hiring of equipment or vehicles,  
22 when the safety or protection of its or other public property or  
23 the public convenience require, or the exigency of the accomplish-  
24 ment of the projects will not allow advertisement. In that case, the  
25 board of directors of the authority shall, by resolution, declare the  
26 exigency or emergency to exist, and set forth in the resolution the  
27 nature thereof and the approximate amount to be so expended.

28 b. In undertaking any project where the cost of construction,  
29 reconstruction, rehabilitation or improvement will exceed

30 \$25,000.00, the authority shall be subject to the rules and regula-  
31 tions of the Division of Building and Construction concerning  
32 procedural requirements for the making, negotiating or awarding  
33 of purchases, contracts or agreements; and the authority, with the  
34 assistance of the division, shall prepare, or cause to be prepared,  
35 separate plans and specifications for:

36 (1) The plumbing and gas fitting and all work and materials  
37 kindred thereto,

38 (2) The steam and hot water heating and ventilating apparatus,  
39 steam power plants and all work and materials kindred thereto,

40 (3) The electrical work,

41 (4) Structural steel and ornamental iron work and materials and

42 (5) All other work and materials required to complete the  
43 building; and the authority shall receive (a) separate bids for each  
44 of these branches of the work and (b) bids for all the work and  
45 materials required to complete the project to be included in a  
46 single overall contract, in which case there shall be set forth in the  
47 bid the name or names of all subcontractors to whom the bidder  
48 will subcontract for the furnishing of any of the work and  
49 materials specified in (a) above.

50 If the sum total of the amounts bid by the lowest responsible  
51 bidder for each branch is less than the amount bid by the lowest  
52 responsible bidder for all of the work and materials, the authority  
53 shall award separate contracts for each of branches to the lowest  
54 responsible bidder therefor, but if the sum total of the amount bid  
55 by the lowest responsible bidder for each branch is not less than  
56 the amount bid by the lowest responsible bidder for all the work  
57 and materials, the authority shall award a single over-all contract  
58 to the lowest responsible bidder for all of the work and materials.

59 Whenever a contract is awarded under (b) above, all payments  
60 required to be made by the authority under the contract for work  
61 and materials supplied by a subcontractor shall, upon the certifica-  
62 tion of the contractor of the amount due to the subcontractor, be  
63 paid directly to the subcontractor.

64 All construction, reconstruction, rehabilitation or improvement  
65 undertaken by the authority pursuant to this act shall be subject  
66 during such undertaking to the supervision of the Division of  
67 Building and Construction to the same extent as any project  
68 undertaken by the State.

69 *c. With respect to the lease or sale of any project or portion*  
70 *thereof to any person, firm, partnership or corporation, for subse-*  
71 *quent lease or purchase to a State agency, no agreement for that*  
72 *lease or sale shall be entered into, unless the authority shall first*  
73 *publicly advertise for bids therefor.\**

1     \*~~7.~~\* \*8.\* Section 14 of P. L. 1981, c. 120 (C. 52:18A-78.14) is  
2 amended to read as follows:

3     14. a. The authority may from time to time issue its bonds or  
4 notes in such principal amounts as in the opinion of the authority  
5 shall be necessary to provide sufficient funds for any of its corpo-  
6 rate purposes, including the payment, funding or refunding of the  
7 principal of, or interest or redemption premiums on, any bonds or  
8 notes issued by it whether the bonds or notes or interest to be  
9 funded or refunded have or have not become due, the establishment  
10 or increase of such reserves to secure or to pay the bonds or notes  
11 or interest thereon and all other costs or expenses of the authority  
12 incident to and necessary to carry out its corporate purposes and  
13 powers; provided, however, that the aggregate principal amount  
14 of bonds and notes of the authority outstanding at any time may  
15 not exceed \$250,000,000.00. In computing the principal amount of  
16 bonds and notes outstanding for purposes of the foregoing limita-  
17 tion there shall not be included any bonds or notes, the principal  
18 of and interest on which have been paid or the payment of which  
19 has been provided for by the issuance of refunding bonds or other-  
20 wise. In addition, if the authority has issued bonds or notes to  
21 finance the total cost of a project based on estimates prepared by  
22 an independent consultant and it shall later be determined by the  
23 consultant that the costs of the project as initially approved have  
24 increased, the authority shall be authorized to issue the additional  
25 bonds or notes required to finance the increased costs, even if the  
26 aforementioned \$250,000,000.00 limitation is exceeded by the  
27 issuance.

28     b. Whether or not the bonds and notes are of such form and  
29 character as to be negotiable instruments under the terms of Title  
30 12A, Commercial Transactions, of the New Jersey Statutes, the  
31 bonds and notes are hereby made negotiable instruments within  
32 the meaning of and for all the purposes of Title 12A, subject only  
33 to the provisions of the bonds and notes for registration.

34     c. Bonds or notes of the authority shall be authorized by a reso-  
35 lution or resolutions of the authority and may be issued in one or  
36 more series and shall bear such date or dates, mature at such time  
37 or times, bear interest at such rate or rates of interest per annum,  
38 be in such denomination or denominations, be in such form, either  
39 coupon or registered, carry such conversion or registration priv-  
40 ileges, have such rank or priority, be executed in such manner, be  
41 payable from such sources in such medium of payment at such  
42 place or places within or without the State, and be subject to such

43 terms of redemption, with or without premium, as such resolution  
44 or resolutions may provide.

45 d. Bonds or notes of the authority may be sold at public or pri-  
46 vate sale at such price or prices and in such manner as the authority  
47 shall determine. Every bond shall mature and be paid not later  
48 than 35 years from the date thereof.

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

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

73 g. Each issue of bonds or notes of the authority may, if it is  
74 determined by the authority, be general obligations thereof pay-  
75 able out of any revenues, receipts or funds of the authority subject  
76 only to any agreements with the holders of particular bonds or  
77 notes pledging any particular revenues or funds, and shall be  
78 secured by one or more of the following:

79 (1) Pledge of rentals, receipts and other revenues to be derived  
80 from leases, sales agreements, service contracts or similar con-  
81 tractual arrangements with one or more State agencies, *or one or*  
82 *more persons, firms, partnerships or corporations*, whether or not  
83 the same relate to the project or part thereof financed with the  
84 bonds or notes, or a pledge or assignment of the leases, sales  
85 agreements, service contracts or instruments evidencing similar



86 arrangements and the rights and interests of the authority pro-  
 87 vided that such leases, sales agreements, service contracts or sim-  
 88 ilar contractual arrangements shall be in effect at the time of the  
 89 issuance of the bonds or notes;

90 (2) Pledge of grants, subsidies, contributions or other payments  
 91 to be received from the United States of America or any instru-  
 92 mentality thereof or from the State or any State agency;

93 (3) A first mortgage on all or any part of the property, real or  
 94 personal, of the authority then owned or thereafter to be acquired;  
 95 provided that the property so mortgaged as improved and de-  
 96 veloped by application of the proceeds of the bonds or notes shall  
 97 be appraised as at least equal to the amount of the bonds or notes;

98 (4) Pledge of the revenues and receipts estimated to be thereafter  
 99 derived from the ownership or operation of the project or part  
 100 thereof or from the lease or sale thereof, including any income from  
 101 investment of the funds and moneys held in connection therewith  
 102 and pledged to the payment of the bonds or notes and the interest  
 103 thereon or a pledge of any lease, sales agreement, service contract  
 104 or instrument evidencing similar arrangements to be entered into  
 105 subsequent to the issuance of the bonds or notes;

106 (5) Pledge of all moneys, funds, accounts, securities and other  
 107 funds, including the proceeds of the bonds or notes.

1 \***[8.]**\* \*9.\* Section 22 of P. L. 1981, c. 120 (C. 52:18A-78.22) is  
 2 amended to read as follows:

3 22. All State agencies may purchase, lease, rent, sublease or  
 4 otherwise acquire any project or any space embraced in any project  
 5 **[from the authority]** and pay **[to the authority]** such amount as  
 6 may be agreed upon between the State agency and the authority *or*  
 7 *a person, firm, partnership or corporation* as the purchase price,  
 8 rent or other charge therefor. Any agreement entered into by any  
 9 State agency with the authority *or a person, firm, partnership or*  
 10 *corporation* pursuant to the aforesaid authorization, shall ex-  
 11 pressly provide that the incurrence of any liabilities by the agency  
 12 under the agreement, including, without limitation, the payment  
 13 of any and all rentals or other amounts required to be paid by the  
 14 agency thereunder, shall be subject to and dependent upon appro-  
 15 priations being made from time to time by the Legislature for that  
 16 purpose and upon the approval of the lease agreement by the pre-  
 17 siding officers of both houses of the Legislature or by such other  
 18 officers of both houses as may be provided by law.

1 \***[9.]**\* \*10.\* Section 23 of P. L. 1981, c. 120 (C. 52:18A-78.23) is  
 2 amended to read as follows:

3 23. a. All projects and other property of the authority, *and*  
 4 *projects erected upon land owned by the authority if the projects*

5 *have been financed, in whole or in part, directly or indirectly, by*  
 6 *bonds or notes of the authority and the projects are used and*  
 7 *occupied by State agencies,* are declared to be public property  
 8 devoted to an essential public and governmental function and  
 9 purpose and shall be exempt from all taxes of the State or any  
 10 political subdivision thereof; provided that when all or any part of  
 11 a project is leased, subleased or licensed to, or otherwise used  
 12 under an arrangement providing for the acquisition thereof by any  
 13 person, firm, association, partnership or corporation, other than a  
 14 State agency, a local governmental agency or other public body the  
 15 interest created by the lease or other arrangement and the appur-  
 16 tenances thereto shall be listed as the property of the lessee or the  
 17 user under the other arrangement, or their respective assignees,  
 18 and be assessed and taxed as real estate, but this provision shall  
 19 not be deemed to modify or repeal in any respect any tax exemption  
 20 or tax abatement that the person, firm or corporation shall other-  
 21 wise be entitled to with respect to the property of the project or  
 22 part thereof. All bonds or notes issued pursuant to this act are  
 23 declared to be issued by a body corporate and politic of the State  
 24 and for an essential public and governmental purpose and these  
 25 bonds and notes, and the interest thereon and the income therefrom  
 26 and from the sale, exchange or other transfer thereof, and all funds,  
 27 revenues, income and other moneys received or to be received by  
 28 the authority shall at all times be exempt from taxation, except for  
 29 transfer, inheritance and estate taxes.

30 b. Projects and property of the authority, *and projects erected*  
 31 *upon land owned by the authority if the projects have been financed,*  
 32 *in whole or in part, directly or indirectly, by bonds or notes of the*  
 33 *authority and the projects are used and occupied by State agencies,*  
 34 shall be deemed to be "State property" under P. L. 1977, c. 272 (C.  
 35 54:4-2.2a et seq.) and shall be assessed and subject to an in lieu  
 36 tax payment provided in that act unless the interest created by a  
 37 lease, sublease or license or other arrangement is subject to tax as  
 38 real estate under this section.

1 \***[10.]**\* \*11.\* (New section) An apartment created under the  
 2 "Horizontal Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.),  
 3 together with its undivided interest. In the general common ele-  
 4 ments and limited common elements, or unit created under the  
 5 "Condominium Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.),  
 6 together with its undivided interest in the common elements and  
 7 limited elements, which is financed under the provisions of this act  
 8 shall constitute a parcel of real property for all purposes under  
 9 the laws of this State.

1 \***[11.]**\* \*12.\* This act shall take effect immediately.

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32 *in whole or in part, directly or indirectly, by bonds or notes of the*  
 33 *authority and the projects are used and occupied by State agencies,*  
 34 shall be deemed to be "State property" under P. L. 1977, c. 272 (C.  
 35 54:4-2.2a et seq.) and shall be assessed and subject to an in lieu  
 36 tax payment provided in that act unless the interest created by a  
 37 lease, sublease or license or other arrangement is subject to tax as  
 38 real estate under this section.

1 10. (New section) An apartment created under the "Horizontal  
 2 Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.), together  
 3 with its undivided interest in the general common elements and  
 4 limited common elements, or unit created under the "Condominium  
 5 Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.), together with its un-  
 6 divided interest in the common elements and limited elements,  
 7 which is financed under the provisions of this act shall constitute  
 8 a parcel of real property for all purposes under the laws of this  
 9 State.

1 11. This act shall take effect immediately.

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#### STATEMENT

The purpose of this bill is to authorize the New Jersey Building Authority to undertake projects which may consist of or be divided into portions of buildings including apartments under the "Horizontal Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.) and units under the "Condominium Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

The New Jersey Building Authority is further granted the authority to sell and lease, as well as construct and operate, any of its projects. These projects may be sold, leased, rented or subleased to any person, firm, partnership or corporation for subsequent sale, leasing, rental or subleasing to a State agency.

S 3075 (1983)

continued:

" If the sum total of the amounts bid by the lowest responsible bidder for each branch is less than the amount bid by the lowest responsible bidder for all of the work and materials, the authority shall award separate contracts for each of branches to the lowest responsible bidder therefor, but if the sum total of the amount bid by the lowest responsible bidder for each branch is not less than the amount bid by the lowest responsible bidder for all the work and materials, the authority shall award a single over-all contract to the lowest responsible bidder for all of the work and materials.

Whenever a contract is awarded under (b) above, all payments required to be made by the authority under the contract for work and materials supplied by a subcontractor shall, upon the certification of the contractor of the amount due to the subcontractor, be paid directly to the subcontractor.

All construction, reconstruction, rehabilitation or improvement undertaken by the authority pursuant to this act shall be subject during such undertaking to the supervision of the Division of Building and Construction to the same extent as any project undertaken by the State."

c. With respect to the lease or sale of any project or portion thereof to any person, firm, partnership or corporation, for subsequent lease or purchase to a State agency, no agreement for that lease or sale shall be entered into, unless the authority shall first publicly advertise for bids therefor.

10-13

7-11

1

Renumber sections 7 through 11 as 8 through 13

STATEMENT

These amendments require the building authority to publicly bid agreements with private investors in projects, or portions thereof, of the building authority.

[OFFICIAL COPY REPRINT]

ASSEMBLY, No. 3110

STATE OF NEW JERSEY

INTRODUCED JANUARY 27, 1983

By Assemblymen WATSON, NAPLES, BOCCHINI and PATERO

AN ACT to amend and supplement the "New Jersey Building Authority Act," approved April 16, 1981 (P. L. 1981, c. 120).

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

1 1. Section 2 of P. L. 1981, c. 120 (C. 52:18A-78.2) is amended  
2 to read as follows:

3 2. As used in this act, unless the context clearly indicates other-  
4 wise:

5 a. "Authority" means the New Jersey Building Authority  
6 created under this act.

7 b. "Bonds" means bonds issued by the authority pursuant to  
8 this act.

9 c. "*Building*" includes any portion thereof, such as an apartment  
10 created under the "*Horizontal Property Act*," P. L. 1963, c. 168  
11 (C. 46:8A-1 et seq.) or a unit created under the "*Condominium*  
12 *Act*," P. L. 1969, c. 257 (C. 46:8B-1 et seq.).

13 [c.] d. "Local governmental agency" means any municipality,  
14 county, school district, or any agency, department or instrumen-  
15 tality of any of the foregoing, or any other public body having  
16 local or regional jurisdiction or powers and not constituting a State  
17 agency.

18 [d.] e. "Notes" means notes issued by the authority pursuant  
19 to this act.

20 [e.] f. "Project" means any building or buildings primarily for  
21 the use of State agencies and suitable for office space and related

**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 amendments adopted February 14, 1983.

22 facilities necessary for the conduct of official business, for storage  
 23 and warehouse facilities, for motor vehicle inspection stations, for  
 24 testing and research laboratories, and for public television opera-  
 25 tions, including related structures, parking facilities, improvements,  
 26 real and personal property or any interest therein, including lands  
 27 under water, space rights and air rights, and other appurtenances  
 28 and facilities necessary or convenient to the use or operation of  
 29 the building or buildings, acquired, owned, constructed, recon-  
 30 structed, extended, rehabilitated or improved by the authority.

31 **[f.] g.** "State agency" means the Executive, Legislative or Ju-  
 32 dicial branch of the State Government or any officer, department,  
 33 board, commission, bureau, division, public authority or corpora-  
 34 tion, agency or instrumentality of the State.

1 2. Section 3 of P. L. 1981, c. 120 (C. 52:18A-78.3) is amended  
 2 to read as follows:

3 3. The Legislature finds and declares the following:

4 a. That for many years the functions of the State Government  
 5 have grown and that during this period of rapid expansion no  
 6 definite program has been adopted for the housing and carrying  
 7 out of the operations of the many State agencies.

8 b. That many State agencies have their offices in privately owned  
 9 or inadequate State owned buildings and that these buildings are  
 10 inadequate to meet the needs of these State agencies and the needs  
 11 of the people of the State.

12 c. That it is to the economic benefit and general welfare of the  
 13 citizens of the State to provide sufficient office space and related  
 14 facilities for these State agencies and thus provide for a more  
 15 efficient and economic operation of State Government.

16 d. That in order to provide for office space and related facilities  
 17 at a cost that these State agencies can afford, it is necessary to  
 18 create and establish a building authority for the purposes of con-  
 19 structing **[and]**, operating, *selling and leasing* office buildings and  
 20 related facilities to meet the needs of State agencies.

21 e. It is necessary and in the public interest that this building  
 22 authority have the necessary funds to provide for predevelopment  
 23 cost, temporary financing, land development expenses, construction  
 24 and operation of office buildings and related facilities for the use  
 25 of, and sale or rental to, State agencies.

26 f. For these purposes, there should be created a corporate  
 27 governmental agency to be known as the "New Jersey Building  
 28 Authority" which, through issuance of bonds and notes to the pri-  
 29 vate, investing public may provide or obtain the capital resources  
 30 necessary to acquire, construct, reconstruct, rehabilitate or improve

31 these office buildings and related facilities necessary or convenient  
32 to the operation of any State agency.

33 g. That the acquisition, construction, reconstruction, rehabilita-  
34 tion or improvement of these office buildings and related facilities  
35 necessary or convenient to the operation of any State agency are  
36 public uses and public purposes for which public money may be  
37 loaned and private property may be acquired and tax exemptions  
38 granted, and that the powers and duties of the New Jersey Building  
39 Authority as set forth in this act are necessary and proper for the  
40 purpose of achieving the ends here recited.

41 h. That the construction, reconstruction, rehabilitation and im-  
42 provement activities of the authority will provide a much needed  
43 stimulus for the construction industry, and related industries and  
44 professions, particularly in urban areas.

1 3. Section 4 of P. L. 1981, c. 120 (C. 52:18A-78.4) is amended  
2 to read as follows:

3 4. a. There is established in the Department of the Treasury a  
4 public body corporate and politic, with corporate succession, to be  
5 known as the "New Jersey Building Authority." The authority is  
6 constituted an instrumentality of the State exercising public and  
7 essential governmental functions, and the exercise by the authority  
8 thereof of the powers conferred by this act shall be deemed and  
9 held to be an essential governmental function of the State.

10 b. The membership of the authority shall consist of *12 directors*  
11 *as follows: the State Treasurer, the Comptroller of the Treasury,*  
12 *the Chairman of the Commission on Capital Budgeting and Plan-*  
13 *ning who shall be members ex officio; two persons appointed by*  
14 *the Governor upon the recommendation of the President of the*  
15 *Senate and two persons appointed by the Governor upon the rec-*  
16 *ommendation of the Speaker of the General Assembly, of whom*  
17 *no more than one of each group of two shall be of the same political*  
18 *party, and who shall serve during the two-year legislative term*  
19 *in which they are appointed and until their successors shall have*  
20 *been appointed and qualified; and five directors appointed by the*  
21 *Governor with the advice and consent of the Senate for terms of*  
22 *four years no more than three of whom shall be of the same po-*  
23 *litical party. The directors of the authority first appointed by the*  
24 *Governor shall serve for terms of one year, two years, three years*  
25 *and two for four years, respectively, and thereafter directors shall*  
26 *be appointed by the Governor for terms of four years. Each such*  
27 *director shall hold office for the term of his appointment and until*  
28 *his successor shall have been appointed and qualified. A director*  
29 *shall be eligible for reappointment. Any vacancy on the board of*

30 directors occurring other than by expiration of term shall be filled  
31 in the same manner as the original appointment but for the un-  
32 expired term only.

33 c. Each director appointed by the Governor, except those ap-  
34 pointed upon recommendation of the President of the Senate and  
35 Speaker of the General Assembly, may be removed from office by  
36 the Governor for cause, after a public hearing, and may be sus-  
37 pended by the Governor pending the completion of the hearing.  
38 Each director before entering upon his duties shall take and  
39 subscribe an oath to perform the duties of his office faithfully,  
40 impartially and justly to the best of his ability. A record of the  
41 oaths shall be filed in the office of the Secretary of State.

42 d. The authority shall not be deemed to be constituted and shall  
43 not take action or adopt motions or resolutions until all original  
44 authorized members shall have been appointed and qualified in  
45 the manner provided in this section. A chairman shall be appointed  
46 by the Governor with the advice and consent of the Senate from  
47 the directors of the authority other than the ex officio directors,  
48 and the directors of the authority shall annually elect one of their  
49 number as vice chairman thereof. The directors shall elect a sec-  
50 retary and a treasurer who need not be directors, and the same  
51 person may be elected to serve both as secretary and treasurer.  
52 The powers of the authority shall be vested in the directors thereof  
53 in office from time to time and seven directors of the authority  
54 shall constitute a quorum at any meeting thereof. Action may be  
55 taken and motions and resolutions adopted by the authority at any  
56 meeting thereof by the affirmative vote of at least seven directors  
57 of the authority. No vacancy on the board of directors of the au-  
58 thority shall impair the right of a quorum of the directors to exer-  
59 cise all the powers and perform all the duties of the authority.

60 e. Each director and the treasurer of the authority shall execute  
61 a bond to be conditioned upon the faithful performance of the duties  
62 of the director or treasurer, as the case may be, in such form and  
63 amount as may be prescribed by the Comptroller of the Treasury.  
64 Bonds shall be filed in the office of the Secretary of State. At all  
65 times thereafter, the directors and treasurer of the authority shall  
66 maintain these bonds in full effect. All costs of the bonds shall be  
67 borne by the authority.

68 f. The directors of the authority shall serve without compen-  
69 sation, but the authority shall reimburse its directors for actual  
70 expenses necessarily incurred in the discharge of their duties.  
71 Notwithstanding the provisions of any other law, no officer or em-  
72 ployee of the State shall be deemed to have forfeited or shall for-



73 feit his office or employment or any benefits or emoluments thereof  
74 by reason of his acceptance of the office of ex officio director of the  
75 authority or his services therein.

76 g. The State Treasurer and the Comptroller of the Treasury of  
77 the State, as ex officio directors of the authority, may each desig-  
78 nate an officer or employee of the Department of the Treasury to  
79 represent him at meetings of the authority, and the Chairman of  
80 the Commission on Capital Budgeting and Planning, as ex officio  
81 director of the authority, may designate a member or the executive  
82 director of the Commission on Capital Budgeting and Planning to  
83 represent him at meetings of the authority. Each designee may  
84 lawfully vote and otherwise act on behalf of the director for whom  
85 he constitutes the designee. The designation shall be in writing  
86 delivered to the authority and shall continue in effect until revoked  
87 or amended in writing delivered to the authority.

88 h. The authority may be dissolved by act of the Legislature on  
89 condition that the authority has no debts or obligations outstanding  
90 or that provision has been made for the payment or retirement of  
91 these debts or obligations. Upon any dissolution of the authority  
92 all property, funds and assets thereof shall be vested in the State.

93 In addition, *subject to any property rights of a person, firm,*  
94 *partnership or corporation resulting from the sale or leasing of*  
95 *a project by the authority to the person, firm, partnership or cor-*  
96 *poration,* any project shall be vested in the State upon the payment  
97 or retirement of all debts or obligations for the project or upon  
98 the assumption by the State of liability for any outstanding debts  
99 or obligations for the project.

100 i. A true copy of the minutes of every meeting of the authority  
101 shall be forthwith delivered by and under the certification of the  
102 secretary thereof to the Governor and the presiding officers of  
103 both Houses of the Legislature. No action taken at any meeting  
104 by the authority shall have effect until 15 days after a copy of the  
105 minutes has been so delivered unless during the 15-day period the  
106 Governor shall approve the same in which case the action shall  
107 become effective upon the approval. If, in the 15-day period, the  
108 Governor returns the copy of the minutes with veto of any action  
109 taken by the authority or any member thereof at that meeting, the  
110 action shall be of no effect. The powers conferred in this sub-  
111 section upon the Governor shall be exercised with due regard for  
112 the rights of the holders of bonds and notes of the authority at any  
113 time outstanding; and nothing in, or done pursuant to, this subsec-  
114 tion shall in any way limit, restrict or alter the obligation or powers  
115 of the authority or any representative or officer of the authority to

116 carry out and perform in every detail each and every covenant,  
117 agreement or contract at any time made or entered into by or on  
118 behalf of the authority with respect to its bonds or notes or for the  
119 benefit, protection or security of the holders thereof.

1 4. Section 5 of P. L. 1981, c. 120 (C. 52:18A-78.5) is amended to  
2 read as follows:

3 5. Except as otherwise limited by this act, the authority shall  
4 have power:

5 a To make and alter bylaws for its organization and internal  
6 management and, subject to agreements with noteholders and  
7 bondholders, to make rules and regulations with respect to its  
8 projects, operations, properties and facilities.

9 b. To adopt an official seal and alter the same at pleasure.

10 c. To sue and be sued.

11 d. To make and enter into all contracts and agreements neces-  
12 sary or incidental to the performance of its duties and the exercise  
13 of its powers under this act.

14 e. To enter into agreements or other transactions with and accept  
15 grants and the cooperation of the United States or any agency  
16 thereof or any State agency in furtherance of the purposes of this  
17 act, including but not limited to the development, maintenance,  
18 operation and financing of any project and to do any and all things  
19 necessary in order to avail itself of this aid and cooperation.

20 f. To receive and accept aid or contributions from any source of  
21 money, property, labor or other things of value, to be held, used  
22 and applied to carry out the purposes of this act subject to such  
23 conditions upon which this aid and these contributions may be  
24 made, including but not limited to, gifts or grants from any depart-  
25 ment or agency of the United States or any State agency for any  
26 purpose consistent with this act.

27 g. To acquire, own, hold, sell, assign, exchange, lease, mortgage  
28 or otherwise dispose of real and personal property or any interest  
29 therein in the exercise of its powers and the performance of its  
30 duties under this act.

31 h. To appoint an executive director and such other officers,  
32 employees and agents as it may require for the performance of its  
33 duties, and to fix their compensation, promote and discharge them,  
34 all without regard to the provisions of Title 11 of the Revised  
35 Statutes.

36 i. To acquire, construct, reconstruct, rehabilitate, improve, alter  
37 or repair or provide for the construction, reconstruction, improve-  
38 ment, alteration or repair of any project and let, award and enter  
39 into construction contracts, purchase orders and other contracts

40 with respect thereto in such manner as the authority shall  
41 determine.

42 j. To arrange or contract with a county or municipality for the  
43 planning, replanning, opening, grading or closing of streets, roads,  
44 roadways, alleys or other places, or for the furnishing of facilities  
45 or for the acquisition by a county or municipality of property or  
46 property rights or for the furnishing of property or services, in  
47 connection with a project.

48 k. To sell, lease, assign, transfer, convey, exchange, mortgage or  
49 otherwise dispose of or encumber any project or other property  
50 no longer needed to carry out the public purposes of the authority  
51 and, in the case of the sale of any project or property, to accept  
52 a purchase money mortgage in connection therewith; and to lease,  
53 repurchase or otherwise acquire and hold any project or property  
54 which the authority has theretofore sold, leased or otherwise con-  
55 veyed, transferred or disposed of.

56 l. To grant options to purchase any project or to renew any  
57 leases entered into by it in connection with any of its projects,  
58 on such terms and conditions as it deems advisable.

59 m. To acquire by purchase, lease or otherwise, on such terms  
60 and conditions and in such manner as it may deem proper, or by  
61 the exercise of the power of eminent domain, except with respect  
62 to lands owned by the State or any public lands reserved for  
63 recreation and conservation purposes, any land and other property,  
64 including railroad lands and land under water, which it may  
65 determine is reasonably necessary for any of its projects or for  
66 the relocation or reconstruction of any highway by the authority  
67 and any and all rights, title and interest in that land and other  
68 property, including public lands, highways or parkways, owned  
69 by or in which a State agency or local governmental agency has  
70 any right, title or interest, or parts thereof or rights therein and  
71 any fee simple absolute or any lesser interest in private property,  
72 and any fee simple absolute in, easements upon or the benefit of  
73 restrictions upon, abutting property to preserve and protect any  
74 project.

75 n. To prepare or cause to be prepared plans, specifications,  
76 designs and estimates of costs for the construction, reconstruction,  
77 rehabilitation, improvement, alteration or repair of any project,  
78 and from time to time to modify these plans, specifications, designs  
79 or estimates.

80 o. To sell, lease, rent, sublease or otherwise dispose of any  
81 project or any space embraced in any project to any State agency  
82 *or to any person, firm, partnership or corporation for sale, leasing,*

83 rental or subleasing to any State agency, and, where applicable,  
 84 to establish and revise the purchase price, rents or other charges  
 85 therefor; provided, however, that the incurrence of any liabilities  
 86 by a State agency under any agreement entered into with the  
 87 authority pursuant to the aforesaid authorization, including,  
 88 without limitation, the payment of any and all rentals or other  
 89 amounts required to be paid by the agency thereunder, shall be  
 90 subject to and dependent upon appropriations being made from  
 91 time to time by the Legislature for that purpose and approval by  
 92 the presiding officers, or such other officers as may be provided by  
 93 law, of both houses of any such lease.

94 p. To sell, lease, rent, sublease or otherwise dispose of, to any  
 95 person, firm, *partnership* or corporation, any surplus space in any  
 96 project over and above that sold, leased, rented, subleased or other-  
 97 wise disposed of to State agencies and to establish and revise  
 98 the purchase price, rents or charges therefor.

99 \*q. To approve of the selection of any tenant not a State agency  
 100 under a lease or sublease agreement for the use or occupation of  
 101 any portion of a building in which a project is located.\*

102 \***[q.]**\* \*r.\* To manage or operate any project or real or personal  
 103 property related thereto whether owned or leased by the authority  
 104 or any State agency or any person, firm, *partnership* or corporation,  
 105 and to enter into agreements with any State agency, or any local  
 106 governmental agency, or with any person, firm, association, part-  
 107 nership or corporation, either public or private, for the purpose of  
 108 causing any project or related property to be managed.

109 \***[r.]**\* \*s.\* To provide advisory, consultative, training and edu-  
 110 cational services, technical assistance and advice to any person,  
 111 firm, association, *partnership* or corporation, either public or  
 112 private, in order to carry out the purposes of this act.

113 \***[s.]**\* \*t.\* Subject to the provisions of any contract with note-  
 114 holders or bondholders to consent to any modification, amendment  
 115 or revision of any kind of any contract, lease or agreement of any  
 116 kind to which the authority is a party.

117 \***[t.]**\* \*u.\* To determine, after holding a public hearing in the  
 118 municipality in which the project is to be located, *except as other-*  
 119 *wise provided in section 6 of this act*, the location, type and char-  
 120 acter of the project or any part thereof and all other matters in  
 121 connection with all or any part of the project, notwithstanding any  
 122 land use plan, zoning regulation, building code or similar regula-  
 123 tion heretofore or hereafter adopted by any municipality, county,  
 124 public body corporate and politic, or any other political subdivision  
 125 of the State.

126 \***[u.]**\* *\*v.\** To borrow money and to issue its bonds and notes  
 127 and to secure the same and provide for the rights of the holders  
 128 thereof as provided in this act.

129 \***[v.]**\* *\*w.\** Subject to any agreement with bondholders or note-  
 130 holders, to invest moneys of the authority not required for im-  
 131 mediate use, including proceeds from the sale of any bonds or notes,  
 132 in these obligations, securities and other investments as the au-  
 133 thority shall deem prudent.

134 \***[w.]**\* *\*x.\** To procure insurance against any loss in connection  
 135 with its property and other assets and operations in such amounts  
 136 and from such insurers as it deems desirable.

137 \***[x.]**\* *\*y.\** To engage the services of architects, engineers, at-  
 138 torneys, accountants, building contractors, urban planners, land-  
 139 scape architects and financial experts and such other advisors,  
 140 consultants and agents as may be necessary in its judgment and  
 141 to fix their compensation.

142 \***[y.]**\* *\*z.\** To do any act necessary or convenient to the exercise  
 143 of the foregoing powers or reasonably implied therefrom.

1 5. Section 6 of P. L. 1981, c. 120 (C. 52:18A-78.6) is amended to  
 2 read as follows:

3 6. Prior to the acquisition or construction of any project, or  
 4 any reconstruction, rehabilitation, repair or improvement of a  
 5 project, the cost of which undertaking is estimated to exceed  
 6 \$100,000.00 the authority shall:

7 a. Prepare a project report which shall describe the nature and  
 8 scope of the project, including but not limited to its location, size,  
 9 cost, and purpose, a list of all entities **[entering lease agreements**  
 10 **for the use of]** *which will occupy* the project and the amount of  
 11 space each will occupy, the anticipated annual State appropriation  
 12 for lease agreements, the total State appropriations necessary in  
 13 each year until the total indebtedness attributable to the project  
 14 is paid or retired and a statement of anticipated annual receipts  
 15 and expenditures for the project;

16 b. Submit the project report to the Commission on Capital  
 17 Budgeting and Planning for its review and its findings as to  
 18 whether the project is necessary and convenient to meet the needs  
 19 of the State agencies which are to utilize the project, whether the  
 20 project is consistent with the State Capital Improvement Plan,  
 21 and whether its meets the criteria otherwise established by the  
 22 commission for its approval of State Capital projects;

23 c. Conduct a public hearing in the municipality in which the  
 24 project is to be located as provided in section 7 of this act, and  
 25 make all responses required by that section; except that this

26 requirement shall not apply in the case of the reconstruction,  
 27 rehabilitation, repair or improvement of an existing building or  
 28 facility owned by the State and which will continue to be used for  
 29 substantially the same purpose after completion of the project,  
 30 *nor shall it apply to a project which qualifies as a State investment*  
 31 *project under section 4 of P. L. . . . , c. . . . (C. . . . .) (now*  
 32 *pending before the Legislature as Senate Bill No. 3076 or Assembly*  
 33 *Bill No. 3109 of 1983);*

34 d. Submit to the Legislature the project report, the findings of  
 35 the Commission on Capital Budgeting and Planning, the transcript  
 36 of the public hearing, and all responses required by section 7 of  
 37 this act;

38 e. Submit to the Legislature documentation that:

39 (1) Plans and specifications for the project assure, or will assure  
 40 adequate light, air, sanitation, and fire protection;

41 (2) There is a feasible method for the relocation of families and  
 42 individuals displaced from the project area into decent safe and  
 43 sanitary dwellings in accordance with the provisions of the "Relo-  
 44 cation Assistance Act of 1967," P. L. 1967, c. 79 (C. 52:31B-1  
 45 et seq.) and the "Relocation Assistance Act," P. L. 1971, c. 362  
 46 (C. 20:4-1 et seq.), whichever is applicable;

47 (3) Plans and specifications for the project assure that the  
 48 project will comply with all applicable standards and requirements  
 49 prescribed by State and federal law which promote the public  
 50-51 health, protect the environment or promote the conservation of  
 52 energy, and that, where practicable and appropriate, consideration  
 53 shall be given to the generation or cogeneration of electrical power  
 54 on the project site or in conjunction with other facilities.

55 (4) Plans and specifications for the project assure that it will  
 56 comply with the requirements of the "State Uniform Construction  
 57 Code Act," P. L. 1975, c. 217 (C. 52:27D-119 et seq.).

58 (5) The location of the project is consistent with the State's  
 59 urban policy of concentrating public investments in distressed  
 60 urban centers and assisting in the revitalization of the older mu-  
 61 nicipalities, except for a project intended to serve a region which  
 62 contains no such urban center.

63 For the purposes of this section "cost" means, in addition to the  
 64 usual connotations thereof, the cost of acquisition, construction,  
 65 reconstruction, rehabilitation, repair, improvement and operation  
 66 of all or any part of a project, and includes, but is not limited to,  
 67 the cost or fair market value of construction, machinery and equip-  
 68 ment, property rights, easements, privileges, agreements, fran-  
 69 chises, utility extensions, disposal facilities, access roads and site

70 development deemed by the authority to be necessary or useful and  
 71 convenient therewith, discount on bonds, cost of issuance of bonds,  
 72 engineering and inspection costs and legal expenses, cost of finan-  
 73 cial, professional and other estimates and advice, organization,  
 74 administrative, insurance, operating and other expenses of the  
 75 authority or any person prior to and during any acquisition or  
 76 construction, reconstruction, rehabilitation, repair or improvement,  
 77 and all other expenses as may be necessary or incident to the financ-  
 78 ing, acquisition, construction, rehabilitation, repair or improvement  
 79 and completion of the project or part thereof, and also provision for  
 80 reserves for payment or security of principal of, or interest on,  
 81 the bonds during any such undertaking.

1 \*6. Section 9 of P. L. 1981, c. 120 (C. 52:18A-78.9) is amended  
 2 to read as follows:

3 9. a. No lease agreement entered into for space in any project  
 4 shall be executed without prior written approval of the presiding  
 5 officers, or such other officers as may be provided by law, of both  
 6 houses of the Legislature.

7 b. *The authority shall submit the following to the presiding*  
 8 *officers, or other officers as provided by law, where the lease agree-*  
 9 *ment is a part of a sale by the authority to a person, firm, partner-*  
 10 *ship or corporation for lease, rental or sublease to a State agency:*

11 (1) *A statement setting forth the terms and conditions of the*  
 12 *sale and lease, rental or sublease;*

13 (2) *A statement from the Attorney General that the obligations*  
 14 *of the State or authority in the lease, sublease or sale agreement*  
 15 *are not in conflict with any applicable State or federal law or regu-*  
 16 *lation; and*

17 (3) *A certification from the State Treasurer that on the basis of*  
 18 *a comparison of costs and an analysis of the financing, which shall*  
 19 *also be submitted, the sale and lease, rental or sublease is more*  
 20 *advantageous to the State than the ownership of a project by the*  
 21 *authority for lease, rental or sublease to State agencies, under the*  
 22 *conditions and assumptions prevailing at the time of certification.\**

1 \***[6.]**\* \*7.\* Section 10 of P. L. 1981, c. 120 (C. 52:18A-78.10) is  
 2 amended to read as follows:

3 10. a. No municipality shall modify or change the drawings,  
 4 plans or specifications for the construction, reconstruction, re-  
 5 habilitation, alteration or improvement of any project of the  
 6 authority, or the construction, plumbing, heating, lighting or other  
 7 mechanical branch of work necessary to complete the work in  
 8 question, nor to require that any person, firm or corporation em-  
 9 ployed on any such work shall perform the work in any other or

10 different manner than that provided by the drawings, plans and  
11 specifications, nor to require that any person, firm or corporation  
12 obtain any other or additional authority, approval permit or  
13 certificate from the municipality in relation to the work being done,  
14 and the doing of the work by any person, firm or corporation in  
15 accordance with the terms of the drawings, plans, specifications or  
16 contracts shall not subject the person, firm or corporation to any  
17 liability or penalty, civil or criminal, other than as may be stated  
18 in the contracts or incidental to the proper enforcement thereof;  
19 nor shall any municipality require the authority or any State  
20 agency which leases or purchases the project, *or any person, firm,*  
21 *partnership or corporation which leases or purchases the project*  
22 *for lease or purchase to a State agency,* to obtain any other or  
23 additional authority, approval, permit, certificate or certificate of  
24 occupancy from the municipality as a condition of owning, using,  
25 maintaining, operating or occupying any project acquired, con-  
26 structed, reconstructed, rehabilitated, altered or improved by the  
27 authority or by any subsidiary thereof. The foregoing provisions  
28 shall not preclude any municipality from exercising the right of  
29 inspection for the purpose of requiring compliance by any project  
30 with local requirements for operation and maintenance, affecting  
31 the health, safety and welfare of the occupants thereof, provided  
32 that the compliance does not require changes, modifications or addi-  
33 tions to the original construction of the project.

34 b. Each municipality in which any project of the authority is  
35 located shall provide for the project, whether then owned by the  
36 authority, any subsidiary, **[or]** any State agency *or any person,*  
37 *firm, partnership or corporation,* police, fire, sanitation, health  
38 protection and other municipal services of the same character and  
39 to the same extent as those provided for other residents of the  
40 municipality.

41 c. In carrying out any project, the authority may enter into  
42 contractual agreements with local governmental agencies with re-  
43 spect to the furnishing of any community, municipal or public facili-  
44 ties or services necessary or desirable for the project, and any local  
45 governmental agency may enter into these contractual agreements  
46 with the authority and do all things necessary to carry out its  
47 obligations under the same.

1 \*8. Section 11 of P. L. 1981, c. 120 (C. 52:18A-78.11) is amended  
2 to read as follows:

3 11. a. The authority, in the exercise of its authority to make  
4 and enter into contracts and agreements necessary or incidental  
5 to the performance of its duties and the execution of its powers,



6 shall adopt standing rules and procedures providing that no con-  
7 tract on behalf of the authority shall be entered into for the doing  
8 of any work, or for the hiring of equipment or vehicles, where the  
9 sum to be expended exceed the sum of \$7,500.00 unless the authority  
10 shall first publicly advertise for bids therefor, and shall award the  
11 contract to the lowest responsible bidder. Advertising shall not be  
12 required where the contract to be entered into is one for the furnish-  
13 ing or performing of services of a professional nature or for the  
14 supplying of any product or the rendering of any service by a public  
15 utility subject to the jurisdiction of the Board of Public Utilities  
16 and tariffs and schedules of the charges made, charged, or  
17 exacted by the public utility for any products to be supplied or  
18 services to be rendered are filed with the board. This section shall  
19 not prevent the authority from having any work done by its own  
20 employees, nor shall it apply to repairs, or to the furnishing of  
21 materials, supplies or labor, or the hiring of equipment or vehicles,  
22 when the safety or protection of its or other public property or  
23 the public convenience require, or the exigency of the accomplish-  
24 ment of the projects will not allow advertisement. In that case, the  
25 board of directors of the authority shall, by resolution, declare the  
26 exigency or emergency to exist, and set forth in the resolution the  
27 nature thereof and the approximate amount to be so expended.

28 b. In undertaking any project where the cost of construction, re-  
29 construction, rehabilitation or improvement will exceed \$25,000.00,  
30 the authority shall be subject to the rules and regulations of the  
31 Division of Building and Construction concerning procedural re-  
32 quirements for the making, negotiating or awarding of purchases,  
33 contracts or agreements; and the authority, with the assistance of  
34 the division, shall prepare, or cause to be prepared, separate plans  
35 and specification for:

36 (1) The plumbing and gas fitting and all work and materials  
37 kindred thereto,

38 (2) The steam and hot water heating and ventilating apparatus,  
39 steam power plants and all work and materials kindred thereto,

40 (3) The electrical work,

41 (4) Structural steel and ornamental iron work and materials and

42 (5) All other work and materials required to complete the  
43 building; and the authority shall receive (a) separate bids for each  
44 of these branches of the work and (b) bids for all the work and  
45 materials required to complete the project to be included in a  
46 single overall contract, in which case there shall be set forth in the  
47 bid the name or names of all subcontractors to whom the bidder  
48 will subcontract for the furnishing of any of the work and  
49 materials specified in (a) above.

50 If the sum total of the amounts bid by the lowest responsible  
 51 bidder for each branch is less than the amount bid by the lowest  
 52 responsible bidder for all of the work and materials, the authority  
 53 shall award separate contracts for each of branches to the lowest  
 54 responsible bidder therefor, but if the sum total of the amount bid  
 55 by the lowest responsible bidder for each branch is not less than  
 56 the amount bid by the lowest responsible bidder for all the work  
 57 and materials, the authority shall award a single over-all contract  
 58 to the lowest responsible bidder for all of the work and materials.

59 Whenever a contract is awarded under (b) above, all payments  
 60 required to be made by the authority under the contract for work  
 61 and materials supplied by a subcontractor shall, upon the certifica-  
 62 tion of the contractor of the amount due to the subcontractor, be  
 63 paid directly to the subcontractor.

64 All construction, reconstruction, rehabilitation or improvement  
 65 undertaken by the authority pursuant to this act shall be subject  
 66 during such undertaking to the supervision of the Division of  
 67 Building and Construction to the same extent as any project  
 68 undertaken by the State.

69 *c. With respect to the lease or sale of any project or portion*  
 70 *thereof to any person, firm, partnership or corporation, for sub-*  
 71 *sequent lease to or purchase by a State agency, no agreement for*  
 72 *that lease or sale shall be entered into, unless the authority shall*  
 73 *first publicly advertise for bids therefor. The authority shall employ*  
 74 *a person, firm, partnership or corporation, independent from any*  
 75 *other aspect or component of the financing of or any ownership*  
 76 *or leasehold interest in that project, to assist in the bid procedure*  
 77 *and evaluation.\**

1 \***[7.]**\* \*9.\* Section 14 of P. L. 1981, c. 120 (C. 52:18A-78.14) is  
 2 amended to read as follows:

3 14. a. The authority may from time to time issue its bonds or  
 4 notes in such principal amounts as in the opinion of the authority  
 5 shall be necessary to provide sufficient funds for any of its corporate  
 6 purposes, including the payment, funding or refunding of the  
 7 principal of, or interest or redemption premiums on, any bonds or  
 8 notes issued by it whether the bonds or notes or interest to be  
 9 funded or refunded have or have not become due, the establishment  
 10 or increase of such reserves to secure or to pay the bonds or notes  
 11 or interest thereon and all other costs or expenses of the authority  
 12 incident to and necessary to carry out its corporate purposes and  
 13 powers; provided, however, that the aggregate principal amount  
 14 of bonds and notes of the authority outstanding at any time may  
 15 not exceed \$250,000,000.00. In computing the principal amount of

16 bonds and notes outstanding for purposes of the foregoing limita-  
17 tion there shall not be included any bonds or notes, the principal  
18 of and interest on which have been paid or the payment of which  
19 has been provided for by the issuance of refunding bonds or other-  
20 wise. In addition, if the authority has issued bonds or notes to  
21 finance the total cost of a project based on estimates prepared by  
22 an independent consultant and it shall later be determined by the  
23 consultant that the costs of the project as initially approved have  
24 increased, the authority shall be authorized to issue the additional  
25 bonds or notes required to finance the increased costs, even if the  
26 aforementioned \$250,000,000.00 limitation is exceeded by the  
27 issuance.

28 b. Whether or not the bonds and notes are of such form and  
29 character as to be negotiable instruments under the terms of Title  
30 12A, Commercial Transactions, of the New Jersey Statutes, the  
31 bonds and notes are hereby made negotiable instruments within  
32 the meaning of and for all the purposes of Title 12A, subject only  
33 to the provisions of the bonds and notes for registration.

34 c. Bonds or notes of the authority shall be authorized by a reso-  
35 lution or resolutions of the authority and may be issued in one or  
36 more series and shall bear such date or dates, mature at such time  
37 or times, bear interest at such rate or rates of interest per annum,  
38 be in such denomination or denominations, be in such form, either  
39 coupon or registered, carry such conversion or registration priv-  
40 ileges, have such rank or priority, be executed in such manner, be  
41 payable from such sources in such medium of payment at such  
42 place or places within or without the State, and be subject to such  
43 terms of redemption, with or without premium, as such resolution  
44 or resolutions may provide.

45 d. Bonds or notes of the authority may be sold at public or pri-  
46 vate sale at such price or prices and in such manner as the authority  
47 shall determine. Every bond shall mature and be paid not later  
48 than 35 years from the date thereof.

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

55 f. Bonds or notes of the authority issued under the provisions  
56 of the act shall not be in any way a debt or liability of the State or  
57 of any political subdivision thereof other than the authority and  
58 shall not create or constitute any indebtedness, liability or obliga-

59 tion of the State or of any political subdivision or be or constitute  
60 a pledge of the faith and credit of the State or of any political sub-  
61 division but all such bonds and notes, unless funded or refunded  
62 by bonds or notes of the authority, shall be payable solely from  
63 revenues or funds pledged or available for their payment as au-  
64 thorized in this act. Each bond and note shall contain on its face  
65 a statement to the effect that the authority is obligated to pay the  
66 principal thereof or the interest thereon only from its revenues,  
67 receipts or funds pledged or available for their payment as au-  
68 thorized in this act and that neither the State nor any political  
69 subdivision thereof is obligated to pay the principal or interest  
70 and that neither the faith and credit nor the taxing power of the  
71 State or any political subdivision thereof is pledged to the payment  
72 of the principal of or the interest on the bonds or notes.

73 g. Each issue of bonds or notes of the authority may, if it is  
74 determined by the authority, be general obligations thereof pay-  
75 able out of any revenues, receipts or funds of the authority subject  
76 only to any agreements with the holders of particular bonds or  
77 notes pledging any particular revenues or funds, and shall be  
78 secured by one or more of the following:

79 (1) Pledge of rentals, receipts and other revenues to be derived  
80 from leases, sales agreements, service contracts or similar con-  
81 tractual arrangements with one or more State agencies, *or one or*  
82 *more persons, firms, partnerships or corporations*, whether or not  
83 the same relate to the project or part thereof financed with the  
84 bonds or notes, or a pledge or assignment of the leases, sales agree-  
85 ments, service contracts or instruments evidencing similar arrange-  
86 ments and the rights and interests of the authority provided that  
87 such leases, sales agreements, service contracts or similar con-  
88 tractual arrangements shall be in effect at the time of the issuance  
89 of the bonds or notes;

90 (2) Pledge of grants, subsidies, contributions or other payments  
91 to be received from the United States of America or any instru-  
92 mentality thereof or from the State or any State agency;

93 (3) A first mortgage on all or any part of the property, real or  
94 personal, of the authority then owned or thereafter to be acquired;  
95 provided that the property so mortgaged as improved and de-  
96 veloped by application of the proceeds of the bonds or notes shall  
97 be appraised as at least equal to the amount of the bonds or notes;

98 (4) Pledge of the revenues and receipts estimated to be there-  
99 after derived from the ownership or operation of the project or  
100 part thereof or from the lease or sale thereof, including any in-  
101 come from investment of the funds and moneys held in connection

102 therewith and pledged to the payment of the bonds or notes and  
 103 the interest thereon or a pledge of any lease, sales agreement,  
 104 service contract or instrument evidencing similar arrangements  
 105 to be entered into subsequent to the issuance of the bonds or notes ;  
 106 (5) Pledge of all moneys, funds, accounts, securities and other  
 107 funds, including the proceeds of the bonds or notes.

1 \***[8.]**\* \*10.\* Section 22 of P. L. 1981, c. 120 (C. 52:18A-78.22) is  
 2 amended to read as follows:

3 22. All State agencies may purchase, lease, rent, sublease or  
 4 otherwise acquire any project or any space embraced in any project  
 5 **[from the authority]** and pay **[to the authority]** such amount as  
 6 may be agreed upon between the State agency and the authority  
 7 *or a person, firm, partnership or corporation* as the purchase price,  
 8 rent or other charge therefor. Any agreement entered into by any  
 9 State agency with the authority *or a person, firm, partnership or*  
 10 *corporation* pursuant to the aforesaid authorization, shall ex-  
 11 pressly provide that the incurrence of any liabilities by the agency  
 12 under the agreement, including, without limitation, the payment  
 13 of any and all rentals or other amounts required to be paid by the  
 14 agency thereunder, shall be subject to and dependent upon appro-  
 15 priations being made from time to time by the legislature for that  
 16 purpose and upon the approval of the lease agreement by the pre-  
 17 siding officers of both houses of the Legislature or by such other  
 18 officers of both houses as may be provided by law.

1 \***[9.]**\* \*11.\* Section 23 of P. L. 1981, c. 120 (C. 52:18A-78.23) is  
 2 amended to read as follows:

3 23. a. All projects and other property of the authority, *and*  
 4 *projects erected upon land owned by the authority if the projects*  
 5 *have been financed, in whole or in part, directly or indirectly, by*  
 6 *bonds or notes of the authority and the projects are used and*  
 7 *occupied by State agencies*, are declared to be public property  
 8 devoted to an essential public and governmental function and  
 9 purpose and shall be exempt from all taxes of the State or any  
 10 political subdivision thereof; provided that when all or any part  
 11 of a project is leased, subleased or licensed to, or otherwise used  
 12 under an arrangement providing for the acquisition thereof by any  
 13 person, firm, association, partnership or corporation, other than a  
 14 State agency, a local governmental agency or other public body the  
 15 interest created by the lease or other arrangement and the appur-  
 16 tenances thereto shall be listed as the property of the lessee or the  
 17 user under the other arrangement, or their respective assignees,  
 18 and be assessed and taxed as real estate, but this provision shall  
 19 not be deemed to modify or repeal in any respect any tax exemption

20 or tax abatement that the person, firm or corporation shall other-  
 21 wise be entitled to with respect to the property of the project or  
 22 part thereof. All bonds or notes issued pursuant to this act are  
 23 declared to be issued by a body corporate and politic of the State  
 24 and for an essential public and governmental purpose and these  
 25 bonds and notes, and the interest thereon and the income therefrom  
 26 and from the sale, exchange or other transfer thereof, and all funds,  
 27 revenues, income and other moneys received or to be received by  
 28 the authority shall at all times be exempt from taxation, except for  
 29 transfer, inheritance and estate taxes.

30 b. Projects and property of the authority, *and projects erected*  
 31 *upon land owned by the authority if the projects have been financed,*  
 32 *in whole or in part, directly or indirectly, by bonds or notes of the*  
 33 *authority and the projects are used and occupied by State agencies,*  
 34 shall be deemed to be "State property" under P. L. 1977, c. 272 (C.  
 35 54:4-2.2a et seq.) and shall be assessed and subject to an in lieu tax  
 36 payment provided in that act unless the interest created by a lease,  
 37 sublease or license or other arrangement is subject to tax as real  
 38 estate under this section.

1 \*12. (New section) *A lease or sublease agreement for the use or*  
 2 *occupation of any portion of a building in which a project is located*  
 3 *shall include a provision that any tenant thereof shall be subject*  
 4 *to the approval of the authority, but that the approval shall not*  
 5 *be unreasonably withheld.\**

1 \*~~[10.]~~\* \*13.\* (New section) An apartment created under the  
 2 "Horizontal Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.),  
 3 together with its undivided interest in the general common elements  
 4 and limited common elements, or unit created under the "Con-  
 5 dominium Act," P. L. 1969, c. 257 (C. 46:8B-1 et seq.), together  
 6 with its undivided interest in the common elements and limited  
 7 elements, which is financed under the provisions of this act shall  
 8 constitute a parcel of real property for all purposes under the laws  
 9 of this State.

1 \*~~[11.]~~\* \*14.\* This act shall take effect immediately.

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OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: PAUL WOLCOTT

WEDNESDAY, APRIL 20, 1983

Governor Thomas H. Kean has signed the following bills:

S-785, S-786, S-787, and S-788, all sponsored by State Senator James W. Bornheimer, (D-Middlesex), which provide that employees covered by dental health insurance plans shall be free to choose his or her own dentist. The four bills are identical in most respects, with the difference between them being that S-785 applies to non-group health insurance plans, S-786 applies to the "Dental Plan Organization," S-787 applies to dental plan service corporation contracts and S-788 applies to group health insurance contracts.

S-489, sponsored by State Senator Herman T. Costello, (D-Burlington), which increases the fine for driving without insurance and eliminates the mandatory three month jail sentence on a subsequent conviction for driving without insurance. The mandatory jail sentence is replaced with a discretionary three to six month jail term and a mandatory 30 day community service sentence.

S-3075, sponsored by State Senator Gerald R. Stockman, (D-Mercer), which amends the New Jersey Building Authority Act to authorize the Authority to undertake projects which may consist of buildings covered under the Horizontal Property Act and the Condominium Act, and to allow the State to participate in sale-lease-back financing on future State buildings.

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