

55:14B-1; 55:14B-4.1; 55:

LEGISLATIVE HISTORY CHECKLIST

HJSA 55:14B-1, 55:14B-4.1, 55:14B-4.2 (Housing and redevelopment cooperation law--amends)

LAWS OF 1979 CHAPTER 345

Bill No. A3358

Sponsor(s) Totaro, Berman and Croce

Date Introduced May 21, 1979

Committee: Assembly Commerce, Industry and Professions

Senate County and Municipal Government

Amended during passage Yes ~~xxx~~ Amendments during passage denoted by asterisks.

Date of Passage: Assembly July 16, 1979

Senate Dec. 17, 1979

Date of approval January 23, 1980

Following statements are attached if available:

Sponsor statement Yes ~~xxx~~

Committee Statement: Assembly Yes ~~xxx~~

Senate ~~xxx~~ No

Fiscal Note ~~xxx~~ No

Veto message ~~xxx~~ No

Message on signing ~~xxx~~ No

Following were printed:

Reports ~~xxx~~ No

Hearings ~~xxx~~ No

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ASSEMBLY, No. 3358

STATE OF NEW JERSEY

INTRODUCED MAY 21, 1979

By Assemblywomen TOTARO, BERMAN and CROCE

Referred to Committee on Commerce, Industry and Professions

AN ACT to amend the title of "An act authorizing counties, cities, towns, townships, boroughs, and villages to aid housing projects of housing authorities of the United States of America by furnishing funds, parks, playgrounds and other improvements and facilities, by exercising certain other powers and by making agreements relating to such aid, and adding a new chapter to Title 55 of the Revised Statutes to be known as chapter 55:14B," approved March 8, 1938 (P. L. 1938, c. 20), so that the same shall read "An act authorizing counties, cities, towns, townships, boroughs, and villages to aid housing projects of housing authorities of the United States of America and redevelopment projects of redevelopment agencies or municipalities exercising directly the powers conferred by the Redevelopment Agencies Law by furnishing funds, parks, playgrounds and other improvements and facilities, by exercising certain other powers and by making agreements relating to such aid, and adding a new chapter to Title 55 of the Revised Statutes to be known as chapter 55:14B," to amend \***[and supplement]**\* the body of said act and to amend and supplement P. L. 1950, c. 298.

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

1 1. The title of P. L. 1938, c. 20 is amended to read as follows:  
2 An act authorizing counties, cities, towns, townships, boroughs, and  
3 villages to aid housing projects of housing authorities of the  
4 United States of America *and redevelopment projects of redevelop-*  
5 *ment agencies or municipalities exercising directly the powers con-*  
6 *ferred by the Redevelopment Agencies Law* by furnishing funds,  
7 parks, playgrounds and other improvements and facilities, by  
8 exercising certain other powers and by making agreements relating  
9 to such aid, and adding a new chapter to Title 55 of the Revised  
10 Statutes to be known as chapter 55:14B.

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

1 2. R. S. 55:14B-1\*, *added to the Revised Statutes by P. L. 1938,*  
 1A *c. 20,\** is amended to read as follows:

2 55:14B-1. This chapter may be referred to as the "Housing  
 3 *and Redevelopment Cooperation Law.*"

1 3. Section 5 of P. L. 1950, c. 298 (C. 55:14B-4.1) is amended to  
 2 read as follows:

3 5. Bonds and notes of municipalities to aid projects. (a) Any  
 4 city, town, borough, village or township is hereby authorized and  
 5 empowered to incur indebtedness, borrow, appropriate and expend  
 6 money and issue its negotiable bonds for the purpose of aiding any  
 7 housing authority with respect to any housing project which is  
 8 located within said municipality and as to which the Federal  
 9 Government shall have contracted to furnish financial assistance.

10 (b) Any city, town, borough, village or township is hereby au-  
 11 thorized and empowered to incur indebtedness, borrow, appro-  
 12 priate and expend money and issue its negotiable bonds for the  
 13 purpose of aiding any housing authority, redevelopment agency or  
 14 a municipality exercising directly the powers conferred by the  
 15 redevelopment agencies law with respect to any redevelopment  
 16 project which is located within said municipality.

17 (c) Any bonds of any city, town, borough, village or township  
 18 issued under this act shall be authorized by ordinance adopted by  
 19 the governing body of said municipality in the manner or mode  
 20 of procedure prescribed by the local bond law, constituting chapter  
 21 2 of Title 40A of the New Jersey Statutes, and said bonds shall be  
 22 issued in manner or mode of procedure prescribed by said law,  
 23 except that (1) said ordinance may be adopted notwithstanding  
 24 the provisions of section 40A:2-6 of said law and, subject to the  
 25 provisions of paragraph (e) of this section, said bonds may be  
 26 authorized and issued notwithstanding any debt or other limit  
 27 prescribed by said law, (2) said ordinance may be adopted not-  
 28 withstanding the provisions of section 40A:2-11 of said law and no  
 29 down payment shall be required, (3) said bonds shall mature in  
 30 annual installments, commencing not more than 2 and ending not  
 31 more than 40 years from the date of said bonds, and (4) said  
 32 ordinance need set forth only a brief and general description of the  
 33 location and designation of the housing or redevelopment project  
 34 with respect to which said bonds are authorized, the amount of the  
 35 appropriation made thereby, **[and]** *the* maximum amount of bonds  
 36 to be issued pursuant thereto, *and* the rate or maximum rate of  
 37 interest (not exceeding 6% per annum) the bonds shall bear **[and**  
 38 *the maturities of the bonds]*. Such bonds may be made subject to  
 39 redemption prior to maturity with or without premium at such

40 times and on such terms and conditions as may be provided by  
 41 resolution of the governing body adopted prior to their issuance,  
 42 and all matters relating to such bonds not hereinabove required to  
 43 be stated in such ordinance may be performed or determined by  
 44 resolution or resolutions of the governing body adopted prior to  
 45 their issuance.

46 (d) Any bonds, issued or authorized, including bonds heretofore  
 47 issued or authorized, pursuant to paragraph (b) of this section  
 48 by any city, town, borough, village or township, for the purpose of  
 49 providing cash to meet cash grant-in-aid requirements of any  
 50 housing authority or redevelopment agency or a municipality  
 51 exercising directly the powers conferred by the redevelopment  
 52 agencies law with respect to any redevelopment project which is  
 53 located within said municipality and as to which the Federal  
 54 Government shall have contracted to furnish financial assistance  
 55 shall be deductible from the gross debt of such municipality on  
 56 any debt statement filed in accordance with the local bond law.  
 57 *Any bonds issued or authorized pursuant to paragraph (b) of*  
 58 *this section by any city, town, borough, village or township for the*  
 59 *purpose of providing cash to enable any housing authority, re-*  
 60 *development agency or municipality exercising directly the powers*  
 61 *conferred by the "Redevelopment Agencies Law," P. L. 1949, c. 306*  
 62 *(C.40:55C-1 et seq.), to extend credit or make loans to redevelopers*  
 63 *pursuant to section 12(k) of P. L. 1949, c. 306 (C. 40:55C-12(k))*  
 64 *with respect to any redevelopment project that is located within*  
 65 *the municipality shall be deductible from the gross debt of the*  
 66 *municipality for a period from the date of adoption of the ordi-*  
 67 *nance until 1 year after the completion of construction \*or rehabili-*  
 68 *tation\* of the project or until the end of the fifth fiscal year com-*  
 69 *mencing subsequent to the date of adoption of the ordinance,*  
 70 *whichever period is shorter, if the Local Finance Board upon*  
 71 *request and filing with it of a certified copy of the ordinance as*  
 72 *finally adopted, shall have made a determination by resolution on*  
 73 *the basis of a project report that such project will generate revenues*  
 74 *annually for the municipality from rental payments, loan repay-*  
 75 *ments, real property taxes, including payments in lieu of taxes,*  
 76 *income from the investment of proceeds of obligations authorized*  
 77 *by the ordinance, \*and\* \*or\* other sources, direct or indirect,*  
 78 *including like revenues generated from related projects, that the*  
 79 *Local Finance Board finds justifiable in its discretion, in an amount*  
 80 *equal to or exceeding the annual debt service requirement for such*  
 81 *obligations, and in any subsequent fiscal year if the municipality*

82 shall not have been required to make payment in such fiscal year  
 83 on account of principal of or interest on any obligations issued for  
 84 said purpose in excess of an amount equal to amounts generated  
 85 by the project from rental payments, loan repayments, real prop-  
 86 erty taxes, including payments in lieu of such taxes, income from  
 87 the investment of proceeds of obligations authorized by the ordi-  
 88 nance, \*~~and~~\* \*or\* such other sources as may have been approved  
 89 by the Local Finance Board. Upon making such determination the  
 90 board shall endorse its approval on the certified copy of the ordi-  
 91 nance. If, within 60 days of such request and filing, the board shall  
 92 not be satisfied as to the matters described above, it shall cause its  
 93 disapproval to be endorsed on the certified copy and shall deliver  
 94 to the municipality a statement of its reasons for the endorsement  
 94A of disapproval.

95 (e) If it appears from the supplemental debt statement filed  
 96 pursuant to section 40A:2-10 of said local bond law with respect to  
 97 an ordinance relating to a housing project or a redevelopment  
 98 project the bonds for which are not deductible from the gross debt  
 99 pursuant to paragraph (d) of this section, adopted pursuant to this  
 100 act that the percentage of the net debt as stated therein exceeds the  
 101 limit prescribed by section 40A:2-6 of said law, such ordinance  
 102 shall not take effect unless and until there shall be indorsed upon a  
 103 certified copy thereof, as adopted, the approval of the Local  
 104 Government Board of the Division of Local Government in the  
 105 Department of the Treasury. A certified copy of any such ordi-  
 106 nance shall upon adoption be filed with said board together with  
 107 such statements and information with respect thereto or regarding  
 108 the financial condition of the municipality as said board may pre-  
 109 scribe. Said board shall cause its approval to be indorsed upon  
 110 such certified copy if it shall be satisfied and shall record upon its  
 111 minutes its estimates that (a) the amounts to be expended by said  
 112 municipality for such project are not unreasonable or exorbitant,  
 113 (b) issuance of said bonds will not materially impair the credit  
 114 of said municipality or substantially reduce its ability during the  
 115 ensuing 10 years to pay punctually the principal and interest of its  
 116 debts and supply essential public improvements and services and  
 117 (c) taking into consideration trends in population and in values and  
 118 uses of property and in needs for essential public improvements, the  
 119 percentage of net debt of said municipality, computed as provided  
 120 in said local bond law, will at some date within 10 years be either  
 121 less than the debt limit prescribed by the local bond law or less  
 122 than the percentage appearing from said supplemental debt state-

123 ment. If said board shall not within 60 days after filing of said  
 124 certified copy with it be satisfied as to the matters described above,  
 125 it shall cause its disapproval to be indorsed on such certified copy  
 126 and shall deliver to said municipality a statement of its reasons  
 127 for such indorsement of disapproval.

128 (f) Any city, town, borough, village or township may issue its  
 129 negotiable notes, at public or private sale, in anticipation of the  
 130 issuance of bonds authorized by any such ordinance after such  
 131 ordinance has taken effect and may, from time to time, renew any  
 132 such notes *in accordance with the provisions of the Local Bond Law*  
 133 *(N. J. S. 40A:2-1 et seq.)*. [All such notes (including renewals  
 134 thereof) shall mature and be paid not more than 2 years from the  
 135 date of the issuance of such notes. All such notes may be authorized  
 136 by resolution adopted by the governing body of said municipality.]

137 (g) All bonds and notes issued hereunder shall be direct and  
 138 general obligations of the city, town, borough, village or township  
 139 issuing them and, unless payment is otherwise made or provided  
 140 for, a tax sufficient in an amount to pay the principal and interest  
 141 on such bonds and notes shall be levied and collected by said  
 142 municipality in the year in which the same shall become due and  
 143 payable. Such bonds and notes may contain a recital that they are  
 144 issued pursuant to this act in the manner or mode of procedure pre-  
 145 scribed by said local bond law and such recitals shall be conclusive  
 146 evidence of their validity and of the regularity of their issuance.

147 (h) The powers conferred by this section shall be in addition  
 148 to the powers conferred by any other laws and bonds may be issued  
 149 hereunder for the purposes herein provided notwithstanding that  
 150 other laws may provide for the issuance of bonds for like purposes.

151 The provisions of chapter 4 of Title 40A of the New Jersey  
 152 Statutes shall not apply to any public body in the exercise of the  
 153 powers conferred upon it by this section toward the fulfillment of  
 154 the purposes of this act or of the act to which this act is supple-  
 155 mental.

1 4. (New section) The authorization for a deduction from gross  
 2 debt contained in section 5 of \***[this amendatory and supplementary**  
 3 **act]**\* \*P. L. 1950, c. 298 (C. 55:14B-4.1)\* shall be applicable to  
 4 projects for which the Local Finance Board shall have made the  
 5 determinations set forth therein during proceedings taken pur-  
 6 suant to section 5(e) of P. L. 1950, c. 298 (C. 55:14B-4.1(e)) prior  
 7 to the effective date of this act.

1 5. This act shall take effect immediately.

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## STATEMENT

Since 1950 the Housing Cooperation Law has granted municipalities and other public bodies extensive powers to aid redevelopment projects as well as housing projects within their boundaries. Through inadvertence, however, the title of that law was never amended to reflect this change. This bill corrects this deficiency by amending the title of the law to show that it concerns both housing and redevelopment projects.

This bill also authorizes a deduction from the gross debt of a municipality for obligations authorized for the purpose of making a loan to a redeveloper for a redevelopment project if the Local Finance Board determines that the project will generate revenues sufficient to meet annual debt service requirements on the obligations. In making this determination the Local Finance Board may consider rental payments, loan repayments, real property taxes, including payments in lieu of taxes, income from the investment of proceeds of obligations authorized for the project and other revenues generated by the project, including like revenues from related projects.

The bill also conforms the authorization for bonds or notes contained in the law more closely to the provisions of the Local Bond Law. At present the Housing Cooperation Law provides that bond anticipation notes must mature not more than 2 years from the date of the original note. The Local Bond Law provides that bond anticipation notes generally must mature not later than the fifth anniversary date of the original notes provided certain principal payments are made when notes are renewed beyond their third anniversary date. The bill authorizes the issuance of bond anticipation notes in accordance with the Local Bond Law.

At present the Housing Cooperation Law requires that a bond ordinance state the maturities of the bonds to be issued. It is very difficult to determine the maturities the bonds will bear at the time of adoption of the bond ordinance when the bonds may not be issued for several years. A change in the maturity schedule would then require an amendment to the bond ordinance. Under the Local Bond Law bond ordinances need not state the maturities the bonds will bear, and the maturities are determined by resolution just prior to the issuance of the bonds. This bill deletes the requirement of stating the maturities in the bond ordinance.

A. 3358 (1979)

ASSEMBLY COMMERCE, INDUSTRY AND PROFESSIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 3358**  
with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: JUNE 28, 1979

The short title of the act which is being amended is changed to the "Housing and Redevelopment Cooperation Law" to reflect the previous amendments to the law which granted municipalities and other public bodies extensive powers to aid redevelopment projects as well as housing projects within their boundaries.

This bill allows a municipality to use its bonding power to raise funds for a redevelopment agency to provide loans to a redeveloper for a redevelopment project. The bonds issued under this provision would be exempt from the municipal debt limit for not more than 5 fiscal years if the Local Finance Board determines that the project will generate revenues sufficient to meet the annual debt service requirements on the obligations.

This bill authorizes the issuance of bond anticipation notes in accordance with the "Local Bond Law." Presently, these bond anticipation notes must mature not more than 2 years from the date of the original notes. Under the provisions of the "Local Bond Law," bond anticipation notes generally must mature not later than the fifth anniversary date of the original notes provided certain principal payments are made when notes are renewed beyond their third anniversary date.

This bill eliminates the requirement which provides that the bond ordinance must state the maturities of the bonds to be issued. It is very difficult to determine the maturities of the bonds at the time the bond ordinance is adopted. The "Local Bond Law" does not require a municipal bond ordinance to state the maturities of the bonds.

Section 4 of the bill makes the provisions exempting these bonds from the municipal debt limit retroactive if the municipality has complied with the present provisions of the law.

The committee made a few technical amendments to the bill.



JANUARY 23, 1950

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S-3224, sponsored by Senator Joseph P. Merlino (D-Mercer), which conforms the manner in which vacancies are filled in counties which have not adopted a form of government under the Optional County Charter Law with the manner in which such vacancies are filled under the Optional County Charter Law.

S-3410, sponsored by Senator William Musto (D-Hudson), which amends the Chapter regarding forfeiture in the Penal Code.

Under the original Penal Code, monies seized pursuant to this chapter became the property of the State, although other property seized became the property of the seizing authority, and counties were thus deprived of funds which they had received prior to the effective date of the code.

Under S-3410, money or property seized becomes the property of the governmental entity funding the prosecuting agency involved. Accordingly, forfeited property will go to either the State, a county or a municipality depending on which entity has funded the prosecution.

The bill also contains other technical amendments.

A-3358, sponsored by former Assemblywoman Rosemarie Totaro (D-Morris) which amends the Housing Corporation Law.

The bill allows municipalities currently undergoing redevelopment to make loans from bond sale proceeds to housing or redevelopment projects and to deduct that obligation from the municipality's gross debt if the Local Finance Board determined that the project or projects would generate sufficient revenue to meet the annual debt service requirements on the bond obligations.

The municipality could deduct the obligation from its gross debt until one year after the completion of the construction or rehabilitation project or until the end of the fifth fiscal year beginning after the date of the adoption of the ordinance authorizing the bond sale.

The bill also conforms the authorization process for bonds or notes more closely to the provisions of the Local Bond Law and changes the title of the original act to show that it concerns both housing and redevelopment projects.

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