

34:1B-3

LEGISLATIVE HISTORY CHECKLIST

NJSA 34:1B-3 (Economic Development Authority--loans to Motion Picture & Television Industry.)

Laws of 1977 Chapter 43

Bill No. S1486 (Companion to S1487)

Sponsor(s) Feldman and others

Date Introduced May 17, 1976

Committee: Assembly Labor, Industry & Professions

Senate State Government, Federal & Interstate Relations & Veterans Affairs

Amended during passage Yes No

Date of passage: Assembly February 1, 1977

Senate June 23, 1976

Date of approval May 22, 1977

Following statements are attached if available:

Sponsor statement Yes xNo Below

Committee Statement: Assembly Yes xNo

Senate Yes No

Fiscal Note Yes No

Veto message Yes No

Message on signing Yes No

Following were printed:

Reports Yes No

Hearings Yes No

Sponsor's Statement:

This bill expressly authorizes the Economic Development Authority to consider applications for tax exempt financing and/or loan guarantees from persons interested in developing motion picture and television and production facilities within the State of New Jersey.

10/4/76

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SENATE, No. 1486

STATE OF NEW JERSEY

INTRODUCED MAY 17, 1976

By Senators FELDMAN, GARRAMONE, SCARDINO,
SKEVIN and DWYER

Referred to Committee on State Government, Federal and
Interstate Relations and Veterans Affairs

AN ACT to amend "The New Jersey Economic Development
Authority Act," approved August 7, 1974 (P. L. 1974, c. 80).

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

1 1. Section 3 of P. L. 1974, c. 80 (C. 34:1B-3) is amended to read
2 as follows:

3 3. As used in this act, unless a different meaning clearly appears
4 from the context:

5 a. "Authority" means the New Jersey Economic Development
6 Authority, created by section 4 of this act.

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

9 c. "Cost" means

10 The cost of the acquisition, construction, reconstruction, repair,
11 alteration, improvement and extension of any building, structure,
12 facility including water transmission facilities, or other improve-
13 ment; the cost of machinery and equipment, the cost of acquisition,
14 construction, reconstruction, repair, alteration, improvement and
15 extension of pollution control devices, equipment or facilities; the
16 cost of lands, rights-in-lands, easements, privileges, agreements,
17 franchises, utility extensions, disposal facilities, access roads and
18 site development deemed by the authority to be necessary or useful
19 and convenient for any project or in connection therewith, discount
20 on bonds, costs of issuance of bonds, engineering and inspection
21 costs, cost of financial, legal, professional and other estimates and
22 advice, organization, administrative, insurance, operating and
23 other expenses of the authority or any person prior to and during
24 any acquisition or construction, and all such expenses as may be
25 necessary or incident to the financing, acquisition, construction or

26 completion of any project or part thereof, and also such provision
27 for reserves for payment or security of principal of or interest on
28 bonds during or after such acquisition or construction as the au-
29 thority may determine.

29A d. "County" means any county of any class.

30 e. "Person" means any person, including individuals, firms,
31 partnerships, associations, societies, trusts, public or private cor-
32 porations, or other legal entities, including public or governmental
33 bodies as well as natural persons. "Person" shall include the
34 plural as well as the singular.

35 f. "Pollution control project" means any device, equipment,
36 improvement, structure or facility or any land and any building,
37 structure, facility or other improvement thereon, or any combina-
38 tion thereof, whether or not in existence or under construction, or
39 the refinancing thereof in order to facilitate improvements or
40 additions thereto or upgrading thereof, and all real and personal
41 property deemed necessary thereto, having to do with or the end
42 purpose of which is the control, abatement or prevention of land,
43 sewer, water, air, noise or general environmental pollution, includ-
44 ing, but not limited to, any air pollution control facility, noise
45 abatement facility, water management facility, thermal pollution
46 control facility, radiation contamination control facility, waste
47 water collection system, waste water treatment works, sewage
48 treatment works system, sewage treatment system or solid waste
49 disposal facility or site; provided that the authority shall have
50 received from the Commissioner of the State Department of
51 Environmental Protection or his duly authorized representative,
52 a certificate stating the opinion that, based upon information, facts
53 and circumstances available to the State Department of Environ-
54 mental Protection and any other pertinent data, (1) said pollution
55 control facilities do not conflict with, overlap or duplicate any other
56 planned or existing pollution control facilities undertaken or
57 planned by another public agency or authority within any political
58 subdivision, and (2) that such facilities, as designed, will be a pol-
59 lution control project as defined in this act and are in furtherance
60 of the purpose of abating or controlling pollution.

61 g. "Project" means (1) (a) acquisition, construction, recon-
62 struction, repair, alteration, improvement and extension of any
63 building, structure, facility including water transmission facilities
64 or other improvement, whether or not in existence or under con-
65 struction, (b) purchase and installation of equipment and machin-
66 ery, and (c) improvement of real estate and the extension or

67 provision of utilities, access roads and other appurtenant facilities,
68 all of which are to be used or occupied by any person in any
69 enterprise promoting employment, either for the manufacturing,
70 processing or assembly of materials or products, or for research or
71 office purposes, including, but not limited to, medical and other
72 professional facilities, or for industrial, recreational, hotel or motel
73 facilities, public utility and warehousing, or for commercial and
74 service purposes, including, but not limited to, retail outlets, retail
75 shopping centers, restaurant and retail food outlets, and any and all
76 other employment promoting enterprises *including, but not limited*
77 *to motion picture and television studios and facilities*; or any com-
78 bination of the above, which the authority determines will (i) tend
79 to maintain or provide gainful employment opportunities within
80 and for the people of the State, or (ii) aid, assist and encourage
81 the economic development or redevelopment of any political sub-
82 division of the State, or (iii) maintain or increase the tax base of
83 the State or of any political subdivision of the State, or (iv) main-
84 tain or diversify and expand employment promoting enterprises
85 within the State; and (2) the cost of acquisition, construction,
86 reconstruction, repair, alteration, improvement and extension of a
87 pollution control project which the authority determines will tend
88 to reduce, abate or prevent environmental pollution within the
89 State. Project may also include reimbursement to any person for
90 costs in connection with any project, or the refinancing of any
91 project or portion thereof, if determined by the authority as
92 necessary and in the public interest to maintain employment and
93 the tax base of any political subdivision and will facilitate improve-
94 ments thereto or the completion thereof; but shall not include raw
95 materials, work in progress or stock in trade.

96 h. "Revenues" means receipts, fees, rentals or other payments
97 to be received on account of lease, mortgage, conditional sale, or
97A sale and payments and any other income derived from the lease,
98 sale or other disposition of a project, moneys in such reserve and
99 insurance funds or accounts or other funds and accounts and income
100 from the investment thereof, established in connection with the
101 issuance of bonds or notes for a project or projects, and fees,
102 charges or other moneys to be received by the authority in respect
103 of projects and contracts with persons.

104 i. "Resolution" means any resolution adopted or trust agree-
105 ment executed by the authority pursuant to which bonds of the
106 authority are authorized to be issued.

1 2. This act shall take effect immediately.

STATEMENT

This bill expressly authorizes the Economic Development Authority to consider applications for tax exempt financing and/or loan guarantees from persons interested in developing motion picture and television and production facilities within the State of New Jersey.

ASSEMBLY LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO
SENATE, No. 1486

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 1976

This bill delineates the Economic Development Authority's (E.D.A.) powers to encourage the motion picture and television industries to build and utilize facilities in this State by way of tax-exempt financing and/or loan guarantees.

Since its creation in August of 1974, the E.D.A. has been arranging project financing by selling tax-exempt industrial development bonds and lending the proceeds to private firms for capital projects creating new employment. Because interest income on its bonds is exempt from federal income taxation, the authority has been able to arrange financing at interest rates substantially below commercial rates (about 20-25% less). Assistance on motion picture and television "projects", like any others, would be limited to the purchase of fixed assets such as land, buildings, machinery, and equipment. The E.D.A. may not provide aid for their working capital, debt refinancing, inventory, or moving expenses.

The bill is a companion measure to Senate Bill No. 1487 (which creates a Motion Picture and Television Development Commission with a quarter million dollar appropriation). Taken together, they are expected to help promote New Jersey as a new site for motion picture and television production. Pulitzer Prize-winning playwright Sidney Kingsley has claimed that the industry could bring about \$50 million into the State with about \$17 million "staying in our economy." Sixteen other states are reportedly profiting greatly from the movie business. The committee felt that the bill's tax incentives were necessary to stimulate this particular industry and revitalize the State's self-image.

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS
AFFAIRS COMMITTEE

STATEMENT TO
SENATE, No. 1486

—◆—
STATE OF NEW JERSEY
—◆—

DATED: JUNE 21, 1976

This bill amends "The New Jersey Economic Development Authority Act," approved August 7, 1974 (P. L. 1974, c. 80), so that motion pictures and television studios and facilities are included in the definition of projects which are eligible for tax-exempt financing and loan guarantees from the New Jersey Economic Development Authority.