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P.L.2015, CHAPTER 168, *approved December 9, 2015*  
Senate, No. 854 (*First Reprint*)

1 AN ACT requiring certain health care facilities to be equipped with  
2 generators <sup>1</sup>**[,]** and<sup>1</sup> supplementing Title 26 of the Revised  
3 Statutes <sup>1</sup>**[, and amending P.L.1974, c.80]**<sup>1</sup>.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. (New section) a. As used in this section:

9 <sup>1</sup>“Commissioner” means the Commissioner of Community Affairs;  
10 “Department” means the Department of Community Affairs;  
11 “Distributed Energy Resource” or “DER” means an energy  
12 efficient technology, approved by the Energy Resilience Bank, capable  
13 of supporting emergency operations in a facility during a prolonged  
14 electrical outage;

15 “Energy Resilience Bank” or “ERB” means the financing initiative  
16 administered through a joint collaboration by the New Jersey Board of  
17 Public Utilities and the New Jersey Economic Development Authority  
18 to provide grant or loan funding to facilities that meet specified  
19 requirements established by the ERB to aid in the cost of the  
20 installation;<sup>1</sup>

21 “Facility” means a nursing home or assisted living facility licensed  
22 pursuant to P.L.1971 c.136 (C.26:2H-1 et seq.), a comprehensive  
23 personal care home, pediatric community transitional home, federally  
24 qualified health center, dialysis center, hospice in-patient care, or  
25 residential health care facility connected to another licensed facility;

26 “Generator” means an emergency power generator that is  
27 integrated with the electrical system of the facility; <sup>1</sup>**[and]**<sup>1</sup>

28 “Generator ready” means equipped with an appropriate electrical  
29 transfer switch and wiring to which a portable generator can be  
30 connected in order to provide back-up electrical power <sup>1</sup>; and

31 “Health Care Plan Review Unit” means the Health Care Plan  
32 Review Unit, or its successor, in the Department of Community  
33 Affairs<sup>1</sup>.

34 b. Within <sup>1</sup>**[three years]** one year<sup>1</sup> of the effective date of this  
35 act, a facility shall:

36 (1) be <sup>1</sup>**[generator ready]** equipped with an electrical transfer switch  
37 and wiring that complies with applicable standards administered by the

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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate amendments adopted in accordance with Governor's  
recommendations June 25, 2015.

- 1 Health Care Plan Review Unit and have a signed contract to have a  
2 generator delivered to the facility in the event of a power outage that:  
3 (a) can be connected to the electrical transfer switch;  
4 (b) provides backup electrical power that meets the requirements  
5 of subsection c. of this section; and  
6 (c) complies with applicable standards administered by the Health  
7 Care Plan Review Unit<sup>1</sup>; or  
8 (2) <sup>1</sup>【be equipped with an on-site generator】 have a signed  
9 contract to have an on-site generator installed at the facility within  
10 three years of the effective date of this act that:  
11 (a) provides backup electrical power that meets the requirements of  
12 subsection c. of this section in the event of a power outage; and  
13 (b) complies with applicable standards administered by the Health  
14 Care Plan Review Unit<sup>1</sup>.  
15 c. The generator or generator connection shall be capable of  
16 supporting the following for a minimum of <sup>1</sup>【24】 48<sup>1</sup> hours:  
17 (1) critical life support equipment;  
18 (2) refrigeration for medications <sup>1</sup>and at least one refrigerator for  
19 perishable food<sup>1</sup>;  
20 (3) lighting for means of egress, exit signs, and exit directional  
21 signs as required in the NFPA 101, Life Safety Code, 2012 Edition;  
22 (4) emergency lighting in common areas;  
23 (5) equipment necessary for maintaining back-up communications;  
24 (6) elevator service if required for the relocation of patients or  
25 residents within the facility or evacuation from the facility;  
26 (7) a fire pump, well pump, or sump pump, if installed;  
27 (8) a sewerage pump, if installed;  
28 (9) fire, smoke and other safety detection alarm systems; and  
29 (10) emergency lighting and power required for the generator at  
30 the generator connection point.  
31 d. If the generator or generator connection does not provide  
32 sufficient lighting, heating, cooling and duplex receptacles to  
33 provide required services in individual sleeping rooms occupied by  
34 a patient or resident, it shall support:  
35 (1) sufficient duplex receptacles to provide required services in  
36 common areas used to shelter patients or residents in place; and  
37 (2) equipment to provide sufficient heating and cooling in  
38 common areas used to shelter patients or residents in place; or  
39 (3) sufficient heating and cooling in common areas adjacent to  
40 patient or resident rooms along with sufficient duplex receptacles in  
41 patient or resident rooms to shelter in place and provide required  
42 services to patients or residents.  
43 <sup>1</sup>e. The facility shall obtain the review and approval of the  
44 Health Care Plan Review Unit for the installation of the contracted-  
45 for transfer switch and generator.  
46 f. A facility that elects to proceed with an on-site generator shall  
47 have the on-site generator:

- 1       (1) checked weekly;
- 2       (2) tested under load monthly; and
- 3       (3) serviced in accordance with manufacturer instructions.

4       The facility shall maintain a log of the testing and service required  
5       by this subsection and shall provide the log to the department upon  
6       request.

7       g. The commissioner or his or her designee may waive the  
8       transfer switch or on-site generator requirement if, in his or her  
9       opinion, such waiver would not endanger the life, safety, or health  
10       of residents, patients or the public and the following conditions are  
11       met:

12       (1) the facility seeking a waiver has applied in writing to the  
13       department's Division of Certificate of Need and Licensing with the  
14       following information:

15       (a) a statement from the facility indicating that it has applied for  
16       an ERB grant or loan for the installation of a DER energy source  
17       and the estimated date that ERB will issue a determination  
18       approving or denying the application, or written assurance from the  
19       facility of alternative means of financing the DER energy source;

20       (b) a statement describing the DER energy source, the facility  
21       equipment and services the DER energy source can support, and the  
22       duration of time that the equipment and services will be supported;  
23       and

24       (c) if the facility is seeking an ERB grant or loan, a copy of the  
25       completed application submitted to the ERB.

26       (2) the facility shall supplement the waiver application by  
27       submitting a copy of:

28       (a) the ERB's determination letter to the department's Division  
29       of Certificate of Need and Licensing upon the facility's receipt  
30       thereof; or

31       (b) written confirmation of alternative means of financing.

32       h. The commissioner or his or her designee may request  
33       additional information before processing the request for a waiver.

34       i. If the commissioner or his or her designee denies a DER  
35       waiver application, the facility shall comply with the transfer switch  
36       or on-site generator requirement within one year from the date of  
37       the denial of the DER waiver.

38       j. A waiver request submitted for reasons other than installation  
39       of a DER energy source shall comply with N.J.A.C. 8:43E-5.6.<sup>1</sup>

40

41       <sup>1</sup>[2. (New section) a. The New Jersey Economic Development  
42       Authority, created by section 4 of P.L.1974, c.80 (C.34:1B-4), shall  
43       establish and administer a program to provide low-interest loans to  
44       a facility, as defined in subsection a. of section 1 of P.L. , c (C. )  
45       (pending before the Legislature as this bill), to purchase and install  
46       a generator, or to make the facility generator ready.

1       b. Within 90 days of the effective date of this act, the authority  
2 shall establish an application process to provide low interest loans  
3 pursuant to subsection a. of this section. No later than the 91st day  
4 following the effective date of this act, the authority shall make the  
5 applications available to eligible facilities, and shall, within a  
6 reasonable time frame thereafter, commence approving applications  
7 for the program. An eligible facility seeking to participate in the  
8 program shall submit an application on forms provided by the  
9 authority and include information required by the authority.

10       c. Low-interest loans made under this section shall bear  
11 interest at no more than two percent, and contain other terms and  
12 conditions considered appropriate by the authority that are  
13 consistent with the purposes of P.L. , c. (C. ) (pending before the  
14 Legislature as this bill) and with rules and regulations promulgated  
15 by the authority to implement the program.

16       d. To implement the loan program, the authority shall establish  
17 and maintain a special revolving fund to be known as the  
18 “Generator Loan Fund,” which shall be credited with:

19       (1) moneys from the economic growth account of the "Economic  
20 Recovery Fund" established pursuant to section 3 of P.L.1992, c.16  
21 (C.34:1B-7.12), as the authority determines are necessary to  
22 effectively implement the program based upon the response to the  
23 program;

24       (2) any moneys that shall be received by the authority from the  
25 repayment of the moneys in the loan fund used to provide loans  
26 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
27 bill) and interest thereon;

28       (3) any moneys as may be available to the authority from  
29 business assistance programs administered by the authority or by  
30 other State agencies or authorities;

31       (4) appropriations made by the Legislature to effectuate the  
32 purposes of P.L. , c. (C. ) (pending before the Legislature as this  
33 bill); and

34       (5) other moneys made available including, but not limited to,  
35 funds provided by agreement with private investors, banks, and  
36 other lending institutions to effectuate the purposes of P.L. , c. (C. )  
37 (pending before the Legislature as this bill).<sup>1</sup>

38  
39       <sup>1</sup>3. (New section) For the purposes of P.L. , c (C. )  
40 (pending before the Legislature as this bill), inspections and  
41 approvals of generator installations or generator ready installations  
42 may be conducted by State or local code inspection officials.<sup>1</sup>

43  
44       <sup>1</sup>4. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read  
45 as follows:

46       5. The authority shall have the following powers:

- 1 a. To adopt bylaws for the regulation of its affairs and the  
2 conduct of its business;
- 3 b. To adopt and have a seal and to alter the same at pleasure;
- 4 c. To sue and be sued;
- 5 d. To acquire in the name of the authority by purchase or  
6 otherwise, on such terms and conditions and such manner as it may  
7 deem proper, or by the exercise of the power of eminent domain in  
8 the manner provided by the "Eminent Domain Act of 1971,"  
9 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or  
10 other property which it may determine is reasonably necessary for  
11 any project; provided, however, that the authority in connection  
12 with any project shall not take by exercise of the power of eminent  
13 domain any real property except upon consent thereto given by  
14 resolution of the governing body of the municipality in which such  
15 real property is located; and provided further that the authority shall  
16 be limited in its exercise of the power of eminent domain in  
17 connection with any project in qualifying municipalities as defined  
18 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to  
19 municipalities which had a population, according to the latest  
20 federal decennial census, in excess of 10,000;
- 21 e. To enter into contracts with a person upon such terms and  
22 conditions as the authority shall determine to be reasonable,  
23 including, but not limited to, reimbursement for the planning,  
24 designing, financing, construction, reconstruction, improvement,  
25 equipping, furnishing, operation and maintenance of the project and  
26 to pay or compromise any claims arising therefrom;
- 27 f. To establish and maintain reserve and insurance funds with  
28 respect to the financing of the project or the school facilities project  
29 and any project financed pursuant to the "Municipal Rehabilitation  
30 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et  
31 al.);
- 32 g. To sell, convey or lease to any person all or any portion of a  
33 project for such consideration and upon such terms as the authority  
34 may determine to be reasonable;
- 35 h. To mortgage, pledge or assign or otherwise encumber all or  
36 any portion of a project, or revenues, whenever it shall find such  
37 action to be in furtherance of the purposes of this act, P.L.2000,  
38 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and  
39 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),  
40 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of  
41 P.L.2009, c.90 (C.52:27D-489c et al.);
- 42 i. To grant options to purchase or renew a lease for any of its  
43 projects on such terms as the authority may determine to be  
44 reasonable;
- 45 j. To contract for and to accept any gifts or grants or loans of  
46 funds or property or financial or other aid in any form from the  
47 United States of America or any agency or instrumentality thereof,

1 or from the State or any agency, instrumentality or political  
2 subdivision thereof, or from any other source and to comply,  
3 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),  
4 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
5 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
6 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and  
7 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and  
8 conditions thereof;

9 k. In connection with any action undertaken by the authority in  
10 the performance of its duties and any application for assistance or  
11 commitments therefor and modifications thereof, to require and  
12 collect such fees and charges as the authority shall determine to be  
13 reasonable, including but not limited to fees and charges for the  
14 authority's administrative, organizational, insurance, operating,  
15 legal, and other expenses;

16 l. To adopt, amend and repeal regulations to carry out the  
17 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
18 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
19 the "Municipal Rehabilitation and Economic Recovery Act,"  
20 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137  
21 (C.52:18A-235 et al.);

22 m. To acquire, purchase, manage and operate, hold and dispose  
23 of real and personal property or interests therein, take assignments  
24 of rentals and leases and make and enter into all contracts, leases,  
25 agreements and arrangements necessary or incidental to the  
26 performance of its duties;

27 n. To purchase, acquire and take assignments of notes,  
28 mortgages and other forms of security and evidences of  
29 indebtedness;

30 o. To purchase, acquire, attach, seize, accept or take title to any  
31 project or school facilities project by conveyance or by foreclosure,  
32 and sell, lease, manage or operate any project or school facilities  
33 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1  
34 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"  
35 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-  
36 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-  
37 489c et al.);

38 p. To borrow money and to issue bonds of the authority and to  
39 provide for the rights of the holders thereof, as provided in  
40 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
41 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
42 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
44 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

45 q. To extend credit or make loans to any person for the  
46 planning, designing, acquiring, constructing, reconstructing,  
47 improving, equipping and furnishing of a project or school facilities



- 1 project, which credits or loans may be secured by loan and security  
2 agreements, mortgages, leases and any other instruments, upon such  
3 terms and conditions as the authority shall deem reasonable,  
4 including provision for the establishment and maintenance of  
5 reserve and insurance funds, and to require the inclusion in any  
6 mortgage, lease, contract, loan and security agreement or other  
7 instrument, of such provisions for the construction, use, operation  
8 and maintenance and financing of a project or school facilities  
9 project as the authority may deem necessary or desirable;
- 10 r. To guarantee up to 90% of the amount of a loan to a person,  
11 if the proceeds of the loan are to be applied to the purchase and  
12 installation, in a building devoted to industrial or commercial  
13 purposes, or in an office building, of an energy improvement  
14 system;
- 15 s. To employ consulting engineers, architects, attorneys, real  
16 estate counselors, appraisers, and such other consultants and  
17 employees as may be required in the judgment of the redevelopment  
18 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et  
19 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
20 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
21 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
22 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,  
23 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation  
24 from funds available to the redevelopment utility therefor, all  
25 without regard to the provisions of Title 11A of the New Jersey  
26 Statutes;
- 27 t. To do and perform any acts and things authorized by  
28 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
29 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
30 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
31 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
32 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),  
33 under, through or by means of its own officers, agents and  
34 employees, or by contract with any person;
- 35 u. To procure insurance against any losses in connection with  
36 its property, operations or assets in such amounts and from such  
37 insurers as it deems desirable;
- 38 v. To do any and all things necessary or convenient to carry out  
39 its purposes and exercise the powers given and granted in P.L.1974,  
40 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-  
41 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
42 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
44 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 45 w. To construct, reconstruct, rehabilitate, improve, alter, equip,  
46 maintain or repair or provide for the construction, reconstruction,  
47 improvement, alteration, equipping or maintenance or repair of any

- 1 development property and lot, award and enter into construction  
2 contracts, purchase orders and other contracts with respect thereto,  
3 upon such terms and conditions as the authority shall determine to  
4 be reasonable, including, but not limited to, reimbursement for the  
5 planning, designing, financing, construction, reconstruction,  
6 improvement, equipping, furnishing, operation and maintenance of  
7 any such development property and the settlement of any claims  
8 arising therefrom and the establishment and maintenance of reserve  
9 funds with respect to the financing of such development property;
- 10 x. When authorized by the governing body of a municipality  
11 exercising jurisdiction over an urban growth zone, to construct,  
12 cause to be constructed or to provide financial assistance to projects  
13 in an urban growth zone which shall be exempt from the terms and  
14 requirements of the land use ordinances and regulations, including,  
15 but not limited to, the master plan and zoning ordinances, of such  
16 municipality;
- 17 y. To enter into business employment incentive agreements as  
18 provided in the "Business Employment Incentive Program Act,"  
19 P.L.1996, c.26 (C.34:1B-124 et al.);
- 20 z. To enter into agreements or contracts, execute instruments,  
21 and do and perform all acts or things necessary, convenient or  
22 desirable for the purposes of the redevelopment utility to carry out  
23 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-  
24 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137  
25 (C.52:18A-235 et al.), including, but not limited to, entering into  
26 contracts with the State Treasurer, the Commissioner of Education,  
27 districts, the New Jersey Schools Development Authority, and any  
28 other entity which may be required in order to carry out the  
29 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137  
30 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90  
31 (C.52:27D-489c et al.);
- 32 aa. (Deleted by amendment, P.L.2007, c.137);
- 33 bb. To make and contract to make loans to local units to finance  
34 the cost of school facilities projects and to acquire and contract to  
35 acquire bonds, notes or other obligations issued or to be issued by  
36 local units to evidence the loans, all in accordance with the  
37 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,  
38 c.137 (C.52:18A-235 et al.);
- 39 cc. Subject to any agreement with holders of its bonds issued to  
40 finance a project or school facilities project, obtain as security or to  
41 provide liquidity for payment of all or any part of the principal of  
42 and interest and premium on the bonds of the authority or for the  
43 purchase upon tender or otherwise of the bonds, lines of credit,  
44 letters of credit, reimbursement agreements, interest rate exchange  
45 agreements, currency exchange agreements, interest rate floors or  
46 caps, options, puts or calls to hedge payment, currency, rate, spread  
47 or similar exposure or similar agreements, float agreements,

1 forward agreements, insurance contract, surety bond, commitment  
2 to purchase or sell bonds, purchase or sale agreement, or  
3 commitments or other contracts or agreements, and other security  
4 agreements or instruments in any amounts and upon any terms as  
5 the authority may determine and pay any fees and expenses required  
6 in connection therewith;

7 dd. To charge to and collect from local units, the State and any  
8 other person, any fees and charges in connection with the  
9 authority's actions undertaken with respect to school facilities  
10 projects, including, but not limited to, fees and charges for the  
11 authority's administrative, organization, insurance, operating and  
12 other expenses incident to the financing of school facilities projects;

13 ee. To make loans to refinance solid waste facility bonds  
14 through the issuance of bonds or other obligations and the execution  
15 of any agreements with counties or public authorities to effect the  
16 refunding or rescheduling of solid waste facility bonds, or otherwise  
17 provide for the payment of all or a portion of any series of solid  
18 waste facility bonds. Any county or public authority refunding or  
19 rescheduling its solid waste facility bonds pursuant to this  
20 subsection shall provide for the payment of not less than fifty  
21 percent of the aggregate debt service for the refunded or  
22 rescheduled debt of the particular county or public authority for the  
23 duration of the loan; except that, whenever the solid waste facility  
24 bonds to be refinanced were issued by a public authority and the  
25 county solid waste facility was utilized as a regional county solid  
26 waste facility, as designated in the respective adopted district solid  
27 waste management plans of the participating counties as approved  
28 by the department prior to November 10, 1997, and the utilization  
29 of the facility was established pursuant to tonnage obligations set  
30 forth in their respective interdistrict agreements, the public  
31 authority refunding or rescheduling its solid waste facility bonds  
32 pursuant to this subsection shall provide for the payment of a  
33 percentage of the aggregate debt service for the refunded or  
34 rescheduled debt of the public authority not to exceed the  
35 percentage of the specified tonnage obligation of the host county for  
36 the duration of the loan. Whenever the solid waste facility bonds  
37 are the obligation of a public authority, the relevant county shall  
38 execute a deficiency agreement with the authority, which shall  
39 provide that the county pledges to cover any shortfall and to pay  
40 deficiencies in scheduled repayment obligations of the public  
41 authority. All costs associated with the issuance of bonds pursuant  
42 to this subsection may be paid by the authority from the proceeds of  
43 these bonds. Any county or public authority is hereby authorized to  
44 enter into any agreement with the authority necessary, desirable or  
45 convenient to effectuate the provisions of this subsection.

46 The authority shall not issue bonds or other obligations to effect  
47 the refunding or rescheduling of solid waste facility bonds after

1 December 31, 2002. The authority may refund its own bonds issued  
2 for the purposes herein at any time;

3 ff. To pool loans for any local government units that are  
4 refunding bonds and do and perform any and all acts or things  
5 necessary, convenient or desirable for the purpose of the authority  
6 to achieve more favorable interest rates and terms for those local  
7 governmental units;

8 gg. To finance projects approved by the board, provide staff  
9 support to the board, oversee and monitor progress on the part of  
10 the board in carrying out the revitalization, economic development  
11 and restoration projects authorized pursuant to the "Municipal  
12 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
13 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities  
14 pursuant thereto;

15 hh. To offer financial assistance to qualified film production  
16 companies as provided in the "New Jersey Film Production  
17 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

18 ii. To finance or develop private or public parking facilities or  
19 structures, which may include the use of solar photovoltaic  
20 equipment, in municipalities qualified to receive State aid pursuant  
21 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and  
22 municipalities that contain areas designated pursuant to P.L.1985,  
23 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),  
24 Planning Area 2 (Suburban), or a town center, and to provide  
25 appropriate assistance, including but not limited to, extensions of  
26 credit, loans, and guarantees, to municipalities qualified to receive  
27 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-  
28 178 et seq.) and municipalities that contain areas designated  
29 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning  
30 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town  
31 center, and their agencies and instrumentalities or to private entities  
32 whose projects are located in those municipalities, in order to  
33 facilitate the financing and development of parking facilities or  
34 structures in such municipalities. The authority may serve as the  
35 issuing agent of bonds to finance the undertaking of a project for  
36 the purposes of this subsection; and

37 jj. To offer low interest loans pursuant to section 2 of P.L. \_\_\_\_\_,  
38 c. (C. \_\_\_\_\_)(pending before the Legislature as this bill) to facilities,  
39 as defined in subsection a. of section 1 of P.L. \_\_\_\_\_, c. (C. \_\_\_\_\_)(pending  
40 before the Legislature as this bill), for the purchase and installation  
41 of a generator or to make the facility generator ready.

42 (cf: P.L.2010, c.28, s.3)]<sup>1</sup>

43

44 <sup>1</sup>**[5.] 2.**<sup>1</sup> This act shall take effect on the first day of the sixth  
45 month following enactment.

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Requires that certain health care facilities be generator ready;  
allows health care facilities to qualify for NJEDA loans for cost of  
generators.

# SENATE, No. 854

## STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**SYNOPSIS**

Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT requiring certain health care facilities to be equipped with  
2 generators, supplementing Title 26 of the Revised Statutes, and  
3 amending P.L.1974, c.80.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) a. As used in this section:

9 “Facility” means a nursing home or assisted living facility licensed  
10 pursuant to P.L.1971 c.136 (C.26:2H-1 et seq.), a comprehensive  
11 personal care home, pediatric community transitional home, federally  
12 qualified health center, dialysis center, hospice in-patient care, or  
13 residential health care connected to another licensed facility;

14 “Generator” means an emergency power generator that is  
15 integrated with the electrical system of the facility; and

16 “Generator ready” means equipped with an appropriate electrical  
17 transfer switch and wiring to which a portable generator can be  
18 connected in order to provide back-up electrical power.

19 b. Within three years of the effective date of this act, a facility  
20 shall:

21 (1) be generator ready; or

22 (2) be equipped with an on-site generator.

23 c. The generator or generator connection shall be capable of  
24 supporting the following for a minimum of 24 hours:

25 (1) critical life support equipment;

26 (2) refrigeration for medications;

27 (3) lighting for means of egress, exit signs, and exit directional  
28 signs as required in the NFPA 101, Life Safety Code, 2012 Edition;

29 (4) emergency lighting in common areas;

30 (5) equipment necessary for maintaining back-up communications;

31 (6) elevator service if required for the relocation of patients or  
32 residents within the facility or evacuation from the facility;

33 (7) a fire pump, well pump, or sump pump, if installed;

34 (8) a sewerage pump, if installed;

35 (9) fire, smoke and other safety detection alarm systems; and

36 (10) emergency lighting and power required for the generator at  
37 the generator connection point.

38 d. If the generator or generator connection does not provide  
39 sufficient lighting, heating, cooling and duplex receptacles to  
40 provide required services in individual sleeping rooms occupied by  
41 a patient or resident, it shall support:

42 (1) sufficient duplex receptacles to provide required services in  
43 common areas used to shelter patients or residents in place; and

44 (2) equipment to provide sufficient heating and cooling in  
45 common areas used to shelter patients or residents in place; or

**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 underlined thus is new matter.**

1 (3) sufficient heating and cooling in common areas adjacent to  
2 patient or resident rooms along with sufficient duplex receptacles in  
3 patient or resident rooms shelter in place and provide required  
4 services to patients or residents.

5  
6 2. (New section) a. The New Jersey Economic Development  
7 Authority, created by section 4 of P.L.1974, c.80 (C.34:1B-4), shall  
8 establish and administer a program to provide low-interest loans to  
9 a facility, as defined in subsection a. of section 1 of P.L. , c (C. )  
10 (pending before the Legislature as this bill), to purchase and install  
11 a generator or to make the facility generator ready.

12 b. Within 90 days of the effective date of this act, the authority  
13 shall establish an application process to provide low interest loans  
14 pursuant to subsection a. of this section. No later than the 91st day  
15 following the effective date of this act, the authority shall make the  
16 applications available to eligible facilities, and shall, within a  
17 reasonable time frame thereafter, commence approving applications  
18 for the program. An eligible facility seeking to participate in the  
19 program shall submit an application on forms provided by the  
20 authority and include information required by the authority.

21 c. Low-interest loans made under this section shall bear  
22 interest at no more than two percent, and contain other terms and  
23 conditions considered appropriate by the authority that are  
24 consistent with the purposes of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill) and with rules and regulations promulgated  
26 by the authority to implement the program.

27 d. To implement the loan program, the authority shall establish  
28 and maintain a special revolving fund to be known as the  
29 "Generator Loan Fund," which shall be credited with:

30 (1) moneys from the economic growth account of the "Economic  
31 Recovery Fund" established pursuant to section 3 of P.L.1992, c.16  
32 (C.34:1B-7.12), as the authority determines are necessary to  
33 effectively implement the program based upon the response to the  
34 program;

35 (2) any moneys that shall be received by the authority from the  
36 repayment of the moneys in the loan fund used to provide loans  
37 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
38 bill) and interest thereon;

39 (3) any moneys as may be available to the authority from  
40 business assistance programs administered by the authority or by  
41 other State agencies or authorities;

42 (4) appropriations made by the Legislature to effectuate the  
43 purposes of P.L. , c. (C. ) (pending before the Legislature as this  
44 bill); and

45 (5) other moneys made available including, but not limited to,  
46 funds provided by agreement with private investors, banks, and



1 other lending institutions to effectuate the purposes of P.L. , c. (C. )  
2 (pending before the Legislature as this bill).

3  
4 3. (New section) For the purposes of P.L. , c. (C. )  
5 (pending before the Legislature as this bill), inspections and  
6 approvals of generator installations or generator ready installations  
7 may be conducted by State or local code inspection officials.

8  
9 4. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read  
10 as follows:

11 5. The authority shall have the following powers:

12 a. To adopt bylaws for the regulation of its affairs and the  
13 conduct of its business;

14 b. To adopt and have a seal and to alter the same at pleasure;

15 c. To sue and be sued;

16 d. To acquire in the name of the authority by purchase or  
17 otherwise, on such terms and conditions and such manner as it may  
18 deem proper, or by the exercise of the power of eminent domain in  
19 the manner provided by the "Eminent Domain Act of 1971,"  
20 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or  
21 other property which it may determine is reasonably necessary for  
22 any project; provided, however, that the authority in connection  
23 with any project shall not take by exercise of the power of eminent  
24 domain any real property except upon consent thereto given by  
25 resolution of the governing body of the municipality in which such  
26 real property is located; and provided further that the authority shall  
27 be limited in its exercise of the power of eminent domain in  
28 connection with any project in qualifying municipalities as defined  
29 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to  
30 municipalities which had a population, according to the latest  
31 federal decennial census, in excess of 10,000;

32 e. To enter into contracts with a person upon such terms and  
33 conditions as the authority shall determine to be reasonable,  
34 including, but not limited to, reimbursement for the planning,  
35 designing, financing, construction, reconstruction, improvement,  
36 equipping, furnishing, operation and maintenance of the project and  
37 to pay or compromise any claims arising therefrom;

38 f. To establish and maintain reserve and insurance funds with  
39 respect to the financing of the project or the school facilities project  
40 and any project financed pursuant to the "Municipal Rehabilitation  
41 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et  
42 al.);

43 g. To sell, convey or lease to any person all or any portion of a  
44 project for such consideration and upon such terms as the authority  
45 may determine to be reasonable;

46 h. To mortgage, pledge or assign or otherwise encumber all or  
47 any portion of a project, or revenues, whenever it shall find such

1 action to be in furtherance of the purposes of this act, P.L.2000,  
2 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and  
3 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),  
4 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of  
5 P.L.2009, c.90 (C.52:27D-489c et al.);

6 i. To grant options to purchase or renew a lease for any of its  
7 projects on such terms as the authority may determine to be  
8 reasonable;

9 j. To contract for and to accept any gifts or grants or loans of  
10 funds or property or financial or other aid in any form from the  
11 United States of America or any agency or instrumentality thereof,  
12 or from the State or any agency, instrumentality or political  
13 subdivision thereof, or from any other source and to comply,  
14 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),  
15 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
16 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
17 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and  
18 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and  
19 conditions thereof;

20 k. In connection with any action undertaken by the authority in  
21 the performance of its duties and any application for assistance or  
22 commitments therefor and modifications thereof, to require and  
23 collect such fees and charges as the authority shall determine to be  
24 reasonable, including but not limited to fees and charges for the  
25 authority's administrative, organizational, insurance, operating,  
26 legal, and other expenses;

27 l. To adopt, amend and repeal regulations to carry out the  
28 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
29 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
30 the "Municipal Rehabilitation and Economic Recovery Act,"  
31 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137  
32 (C.52:18A-235 et al.);

33 m. To acquire, purchase, manage and operate, hold and dispose  
34 of real and personal property or interests therein, take assignments  
35 of rentals and leases and make and enter into all contracts, leases,  
36 agreements and arrangements necessary or incidental to the  
37 performance of its duties;

38 n. To purchase, acquire and take assignments of notes,  
39 mortgages and other forms of security and evidences of  
40 indebtedness;

41 o. To purchase, acquire, attach, seize, accept or take title to any  
42 project or school facilities project by conveyance or by foreclosure,  
43 and sell, lease, manage or operate any project or school facilities  
44 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1  
45 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"  
46 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-

- 1 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-  
2 489c et al.);
- 3 p. To borrow money and to issue bonds of the authority and to  
4 provide for the rights of the holders thereof, as provided in  
5 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
6 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
7 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
8 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
9 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 10 q. To extend credit or make loans to any person for the  
11 planning, designing, acquiring, constructing, reconstructing,  
12 improving, equipping and furnishing of a project or school facilities  
13 project, which credits or loans may be secured by loan and security  
14 agreements, mortgages, leases and any other instruments, upon such  
15 terms and conditions as the authority shall deem reasonable,  
16 including provision for the establishment and maintenance of  
17 reserve and insurance funds, and to require the inclusion in any  
18 mortgage, lease, contract, loan and security agreement or other  
19 instrument, of such provisions for the construction, use, operation  
20 and maintenance and financing of a project or school facilities  
21 project as the authority may deem necessary or desirable;
- 22 r. To guarantee up to 90% of the amount of a loan to a person,  
23 if the proceeds of the loan are to be applied to the purchase and  
24 installation, in a building devoted to industrial or commercial  
25 purposes, or in an office building, of an energy improvement  
26 system;
- 27 s. To employ consulting engineers, architects, attorneys, real  
28 estate counselors, appraisers, and such other consultants and  
29 employees as may be required in the judgment of the redevelopment  
30 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et  
31 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
32 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
33 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
34 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,  
35 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation  
36 from funds available to the redevelopment utility therefor, all  
37 without regard to the provisions of Title 11A of the New Jersey  
38 Statutes;
- 39 t. To do and perform any acts and things authorized by  
40 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
41 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
42 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
44 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),  
45 under, through or by means of its own officers, agents and  
46 employees, or by contract with any person;

- 1 u. To procure insurance against any losses in connection with  
2 its property, operations or assets in such amounts and from such  
3 insurers as it deems desirable;
- 4 v. To do any and all things necessary or convenient to carry out  
5 its purposes and exercise the powers given and granted in P.L.1974,  
6 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-  
7 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
8 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
9 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
10 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 11 w. To construct, reconstruct, rehabilitate, improve, alter, equip,  
12 maintain or repair or provide for the construction, reconstruction,  
13 improvement, alteration, equipping or maintenance or repair of any  
14 development property and lot, award and enter into construction  
15 contracts, purchase orders and other contracts with respect thereto,  
16 upon such terms and conditions as the authority shall determine to  
17 be reasonable, including, but not limited to, reimbursement for the  
18 planning, designing, financing, construction, reconstruction,  
19 improvement, equipping, furnishing, operation and maintenance of  
20 any such development property and the settlement of any claims  
21 arising therefrom and the establishment and maintenance of reserve  
22 funds with respect to the financing of such development property;
- 23 x. When authorized by the governing body of a municipality  
24 exercising jurisdiction over an urban growth zone, to construct,  
25 cause to be constructed or to provide financial assistance to projects  
26 in an urban growth zone which shall be exempt from the terms and  
27 requirements of the land use ordinances and regulations, including,  
28 but not limited to, the master plan and zoning ordinances, of such  
29 municipality;
- 30 y. To enter into business employment incentive agreements as  
31 provided in the "Business Employment Incentive Program Act,"  
32 P.L.1996, c.26 (C.34:1B-124 et al.);
- 33 z. To enter into agreements or contracts, execute instruments,  
34 and do and perform all acts or things necessary, convenient or  
35 desirable for the purposes of the redevelopment utility to carry out  
36 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-  
37 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137  
38 (C.52:18A-235 et al.), including, but not limited to, entering into  
39 contracts with the State Treasurer, the Commissioner of Education,  
40 districts, the New Jersey Schools Development Authority, and any  
41 other entity which may be required in order to carry out the  
42 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137  
43 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90  
44 (C.52:27D-489c et al.);
- 45 aa. (Deleted by amendment, P.L.2007, c.137);
- 46 bb. To make and contract to make loans to local units to finance  
47 the cost of school facilities projects and to acquire and contract to

1 acquire bonds, notes or other obligations issued or to be issued by  
2 local units to evidence the loans, all in accordance with the  
3 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,  
4 c.137 (C.52:18A-235 et al.);

5 cc. Subject to any agreement with holders of its bonds issued to  
6 finance a project or school facilities project, obtain as security or to  
7 provide liquidity for payment of all or any part of the principal of  
8 and interest and premium on the bonds of the authority or for the  
9 purchase upon tender or otherwise of the bonds, lines of credit,  
10 letters of credit, reimbursement agreements, interest rate exchange  
11 agreements, currency exchange agreements, interest rate floors or  
12 caps, options, puts or calls to hedge payment, currency, rate, spread  
13 or similar exposure or similar agreements, float agreements,  
14 forward agreements, insurance contract, surety bond, commitment  
15 to purchase or sell bonds, purchase or sale agreement, or  
16 commitments or other contracts or agreements, and other security  
17 agreements or instruments in any amounts and upon any terms as  
18 the authority may determine and pay any fees and expenses required  
19 in connection therewith;

20 dd. To charge to and collect from local units, the State and any  
21 other person, any fees and charges in connection with the  
22 authority's actions undertaken with respect to school facilities  
23 projects, including, but not limited to, fees and charges for the  
24 authority's administrative, organization, insurance, operating and  
25 other expenses incident to the financing of school facilities projects;

26 ee. To make loans to refinance solid waste facility bonds  
27 through the issuance of bonds or other obligations and the execution  
28 of any agreements with counties or public authorities to effect the  
29 refunding or rescheduling of solid waste facility bonds, or otherwise  
30 provide for the payment of all or a portion of any series of solid  
31 waste facility bonds. Any county or public authority refunding or  
32 rescheduling its solid waste facility bonds pursuant to this  
33 subsection shall provide for the payment of not less than fifty  
34 percent of the aggregate debt service for the refunded or  
35 rescheduled debt of the particular county or public authority for the  
36 duration of the loan; except that, whenever the solid waste facility  
37 bonds to be refinanced were issued by a public authority and the  
38 county solid waste facility was utilized as a regional county solid  
39 waste facility, as designated in the respective adopted district solid  
40 waste management plans of the participating counties as approved  
41 by the department prior to November 10, 1997, and the utilization  
42 of the facility was established pursuant to tonnage obligations set  
43 forth in their respective interdistrict agreements, the public  
44 authority refunding or rescheduling its solid waste facility bonds  
45 pursuant to this subsection shall provide for the payment of a  
46 percentage of the aggregate debt service for the refunded or  
47 rescheduled debt of the public authority not to exceed the

1 percentage of the specified tonnage obligation of the host county for  
2 the duration of the loan. Whenever the solid waste facility bonds  
3 are the obligation of a public authority, the relevant county shall  
4 execute a deficiency agreement with the authority, which shall  
5 provide that the county pledges to cover any shortfall and to pay  
6 deficiencies in scheduled repayment obligations of the public  
7 authority. All costs associated with the issuance of bonds pursuant  
8 to this subsection may be paid by the authority from the proceeds of  
9 these bonds. Any county or public authority is hereby authorized to  
10 enter into any agreement with the authority necessary, desirable or  
11 convenient to effectuate the provisions of this subsection.

12 The authority shall not issue bonds or other obligations to effect  
13 the refunding or rescheduling of solid waste facility bonds after  
14 December 31, 2002. The authority may refund its own bonds issued  
15 for the purposes herein at any time;

16 ff. To pool loans for any local government units that are  
17 refunding bonds and do and perform any and all acts or things  
18 necessary, convenient or desirable for the purpose of the authority  
19 to achieve more favorable interest rates and terms for those local  
20 governmental units;

21 gg. To finance projects approved by the board, provide staff  
22 support to the board, oversee and monitor progress on the part of  
23 the board in carrying out the revitalization, economic development  
24 and restoration projects authorized pursuant to the "Municipal  
25 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
26 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities  
27 pursuant thereto;

28 hh. To offer financial assistance to qualified film production  
29 companies as provided in the "New Jersey Film Production  
30 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

31 ii. To finance or develop private or public parking facilities or  
32 structures, which may include the use of solar photovoltaic  
33 equipment, in municipalities qualified to receive State aid pursuant  
34 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and  
35 municipalities that contain areas designated pursuant to P.L.1985,  
36 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),  
37 Planning Area 2 (Suburban), or a town center, and to provide  
38 appropriate assistance, including but not limited to, extensions of  
39 credit, loans, and guarantees, to municipalities qualified to receive  
40 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-  
41 178 et seq.) and municipalities that contain areas designated  
42 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning  
43 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town  
44 center, and their agencies and instrumentalities or to private entities  
45 whose projects are located in those municipalities, in order to  
46 facilitate the financing and development of parking facilities or  
47 structures in such municipalities. The authority may serve as the

1 issuing agent of bonds to finance the undertaking of a project for  
2 the purposes of this subsection; and

3 jj. To offer low interest loans pursuant to section 2 of P.L. \_\_\_\_\_,  
4 c. (C. \_\_\_\_\_)(pending before the Legislature as this bill) to facilities,  
5 as defined in subsection a. of section 1 of P.L. \_\_\_\_\_, c. (C. \_\_\_\_\_)(pending  
6 before the Legislature as this bill), for the purchase and installation  
7 of a generator or to make the facility generator ready.  
8 (cf: P.L.2010, c.28, s.3)

9  
10 5. This act shall take effect on the first day of the sixth month  
11 following enactment.

12  
13  
14 STATEMENT

15  
16 This bill requires that certain health care facilities be either  
17 equipped with a generator or be equipped with an appropriate  
18 electrical transfer switch and wiring to which a portable generator  
19 can be connected in order to provide back-up electrical power to the  
20 facility.

21 Health care facilities included under the provisions of the bill are  
22 the following: nursing homes; assisted living facilities;  
23 comprehensive personal care homes; pediatric community  
24 transitional homes; federally qualified health centers; dialysis  
25 centers; hospice in-patient cares; or residential health care centers  
26 connected to another licensed facility. The bill requires that these  
27 facilities be equipped with a generator or be generator ready within  
28 three years of the effective date of the bill.

29 The bill requires that a generator or generator connection be  
30 capable of supporting the following for a minimum of 24 hours:

- 31 • critical life support equipment;  
32 • refrigeration for medications;  
33 • lighting for means of egress, exit signs, and exit directional  
34 signs;  
35 • emergency lighting in common areas;  
36 • equipment necessary for maintaining back-up communications;  
37 • elevator service if required for the relocation of patients or  
38 residents within the facility or evacuation from the facility;  
39 • a fire pump, well pump, or sump pump, if installed;  
40 • a sewerage pump, if installed;  
41 • fire, smoke and other safety detection alarm systems; and  
42 • emergency lighting and power required for the generator at  
43 the generator connection point.

44 The bill also requires the New Jersey Economic Development  
45 Authority (“authority”) to offer financial assistance in the form of  
46 low-interest loans to eligible facilities for the purchase and  
47 installation of a generator, or to make the facility generator ready.

**S854 VITALE**

11

1 The loans are to have an interest rate of not greater than two  
2 percent.

3 The authority must begin accepting applications no later than 91  
4 days after the enactment of the bill and must begin approving the  
5 applications within a reasonable time thereafter.

6 Under the bill, the inspection and approval of generator  
7 installations or generator ready installations may be conducted by  
8 State or local code inspection officials.



SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

**SENATE, No. 854**

**STATE OF NEW JERSEY**

DATED: JUNE 16, 2014

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 854.

This bill requires that certain health care facilities be either equipped with a generator or be equipped with an appropriate electrical transfer switch and wiring to which a portable generator can be connected in order to provide back-up electrical power to the facility.

Health care facilities included under the provisions of the bill are the following: nursing homes; assisted living facilities; comprehensive personal care homes; pediatric community transitional homes; federally qualified health centers; dialysis centers; hospice in-patient cares; or residential health care centers connected to another licensed facility. The bill requires that these facilities be equipped with a generator or be generator ready within three years of the effective date of the bill.

The bill requires that a generator or generator connection be capable of supporting the following for a minimum of 24 hours:

- critical life support equipment;
- refrigeration for medications;
- lighting for means of egress, exit signs, and exit directional signs;
- emergency lighting in common areas;
- equipment necessary for maintaining back-up communications;
- elevator service if required for the relocation of patients or residents within the facility or evacuation from the facility;
- a fire pump, well pump, or sump pump, if installed;
- a sewerage pump, if installed;
- fire, smoke and other safety detection alarm systems; and
- emergency lighting and power required for the generator at the generator connection point.

The bill also requires the New Jersey Economic Development Authority (“authority”) to offer financial assistance in the form of low-interest loans to eligible facilities for the purchase and installation of a generator, or to make the facility generator ready. The loans are to have an interest rate of not greater than two percent.

The authority must begin accepting applications no later than 91 days after the enactment of the bill and must begin approving the applications within a reasonable time thereafter.

Under the bill, the inspection and approval of generator installations or generator ready installations may be conducted by State or local code inspection officials.

This bill was pre-filed for introduction in the 2014-2015 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 854

### STATE OF NEW JERSEY 216th LEGISLATURE

DATED: NOVEMBER 23, 2015

#### SUMMARY

- Synopsis:** Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.
- Type of Impact:** Unknown fiscal net impact on State, county, and local governments.
- Agencies Affected:** Department of Military and Veterans Affairs.  
Department of Community Affairs.  
New Jersey Economic Development Authority.  
New Jersey Board of Public Utilities.  
New Jersey Energy Resilience Bank.  
Certain County and Municipal Governments.

#### Office of Legislative Services Estimate

Fiscal Impact	
<b>State Capital Expenditures</b>	Up to \$7,800,000
<b>Local Capital Expenditures</b>	Indeterminate — See comments below.
<b>State Revenue Reduction</b>	Indeterminate — See comments below.
<b>State and Local Cost Savings</b>	Indeterminate — See comments below.

- The Office of Legislative Services (OLS) cannot determine the legislation's fiscal net impact on State, county, and municipal governments.
- Most recent data suggests that the bill's emergency power generator requirements may affect up to 780 health care facilities. The number of facilities that are already in compliance with the bill's mandate is unknown, as is the number of facilities that will have to make additional capital investments as a result of the bill's enactment.
- The Commissioner of Community Affairs or his or her designee would be permitted to waive the transfer switch or on-site generator requirement for certain facilities which may lower the overall cost of the bill at the State and local level, since the waiver would decrease the number of facilities which would be required to install transfer switches or on-site generators.

- The only State-owned facilities which may be affected by the bill are the three Veterans Memorial Homes the Department of Military and Veterans Affairs operates. In 2014, the department estimated in 2014 that full compliance with the legislation's emergency power generator requirements at the three homes will necessitate up to \$7.8 million in capital investments.
- It is unclear to what extent certain county-owned nursing homes, municipality-owned assisted living facilities, and county-owned general acute care hospitals will need to make capital investments to comply with the legislation's mandate.
- The State may incur a revenue reduction if the legislation causes the New Jersey Energy Resilience Bank (ERB) to issue grants or loans to health care facilities with resources which, absent the grants and loans, the ERB may have used in a manner that could have generated more interest or additional State revenue.
- State, county, and local governments stand to incur emergency response cost savings if the bill's backup generator requirements avert the evacuation of acute care and long-term care facilities during future severe weather episodes.

## **BILL DESCRIPTION**

Senate Bill No. 854 (1R) of 2014 requires that, within one year of its effective date, certain health care facilities be equipped either with an electrical transfer switch and wiring that complies with applicable standards administered by the Health Care Plan Review Unit in the Department of Community Affairs to which a portable emergency power generator can be connected or have a signed contract to have an on-site generator installed at the facility within three years of the effective date of this legislation. The requirement applies to nursing homes, assisted living facilities, comprehensive personal care homes, pediatric community transitional homes, federally qualified health centers, dialysis centers, hospice in-patient care centers, and residential health care centers connected to another licensed facility.

The bill also permits the Commissioner of Community Affairs to waive the transfer switch or on-site generator requirement in certain situations. Furthermore, the ERB is permitted to provide a grant or loan to assist eligible health care facilities in financing the legislation's mandated expenditures.

The bill takes effect on the first day of the sixth month following the date of enactment.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

The Executive Branch has not submitted an official fiscal estimate on this bill but, upon request, the Department of Military and Veterans Affairs and University Hospital have provided the OLS with pertinent fiscal information. The OLS determines that no other State government entity is subject to the bill's emergency power generator requirements.

In 2014, the Department of Military and Veterans Affairs estimated that it would have to spend \$7.8 million to meet all of the bill's backup generator requirements at the three Veterans Memorial Homes it operates (\$3.2 million at Veterans Memorial Home – Vineland; \$2.7 million

at Veterans Memorial Home – Menlo Park; and \$1.9 million at Veterans Memorial Home – Paramus). Since the existing emergency power generators cover all of the areas for which the legislation requires backup power with the exception of the common area cooling mandate, the department’s cost estimate reflects the cost of providing electrical generators to support air conditioning in the common areas only.

University Hospital, in turn, indicated that it was not affected by the bill. General acute care hospitals are covered by the bill if they have a hospice in-patient care unit, but University Hospital does not have such a unit.

### **OFFICE OF LEGISLATIVE SERVICES**

The OLS cannot determine the legislation’s fiscal net impact on State, county, and municipal governments. In general, the bill can be expected to trigger the following fiscal effects: up to \$7.8 million in State capital expenditures; potential county and local government capital expenditures; a potential State revenue reduction; and potential cost savings to State, county, and local governments. Additionally, the Commissioner of Community Affairs would be permitted to waive the transfer switch or on-site generator requirement for certain facilities which may lower the overall cost of the bill at the State and local level, since the waiver would decrease the number of facilities which would be required to install these transfer switches or on-site generators.

Affected Facilities: The OLS determines that up to 780 licensed acute care and long-term care facilities are subject to the bill’s emergency power generator requirements. This number originates in an OLS review of the database of such licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health. The table below lists the 780 facilities by category.

It is vital to recognize that the bill does not impose an additional cost on all 780 licensed acute care and long-term care facilities that the OLS estimates are subject to the bill’s emergency power generator requirements. Health care facilities that already comply with the requirements will not have to do anything in response to the bill’s enactment. Only those health care facilities that do not currently meet the bill’s standards will have to make capital investments upon the bill’s adoption. But the OLS cannot gauge the number of facilities that will incur additional expenses to meet the bill’s backup generator mandate.

<b>Number of Licensed Acute Care and Long-Term Care Facilities Subject to Bill’s Emergency Power Generator Requirements</b>	
<b>Facility Type</b>	<b>Number</b>
Nursing Homes (Long-Term Care Facilities)	372
Assisted Living Facilities	190
Comprehensive Personal Care Homes	37
Adult Day Care	134
Assisted Living Programs	14
Adult Family Care	4
Pediatric Day Health Care Services	16
Residential Health Care Facility connected to another licensed long-term care facility	<u>13</u>
<b>TOTAL</b>	<b>780</b>

Cost of Backup Generators: Public information on the cost of backup generators for health care facilities is limited. The OLS could only locate one reference point. On July 11, 2010, the Houston Chronicle published the “Nursing Homes Merit Higher Priority During Hurricane Season” op-ed penned by Strategic Media, Inc. on behalf of the Texas Health Care Association. In the op-ed piece the authors state that the generators necessary to fully power a nursing home would cost approximately \$70,000 each. If each of the 780 facilities concerned by the bill were to purchase a \$70,000 generator, the total capital outlay would thus approximate \$54.6 million.

The OLS points out that the cost of backup generators for health care facilities tends to vary significantly depending on the needs, size, and electrical configuration of a specific facility. For example, the Department of Military and Veterans Affairs estimates that it would have to invest some \$7.8 million to meet all of the bill’s requirements at the State’s three Veterans Memorial Homes.

State Capital Expenditures: The bill imposes a cost on State government because it forces the State to either purchase emergency power generators or make capital investments providing for the potential installation of portable emergency power generators at State government-owned acute care and long-term care facilities.

In 2014, there were three state-owned nursing homes and one State-owned general acute care hospital, according to the database of licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health.

The State-owned general acute care hospital, University Hospital, informed the OLS that it was not affected by the bill. General acute care hospitals are covered by the bill if they have a hospice in-patient care unit. University Hospital, however, does not have such a unit.

The Department of Military and Veterans Affairs, in turn, operates three Veterans Memorial Homes that are subject to the legislation’s emergency power generator requirements. The department estimates that it would have to spend \$7.8 million to be fully compliant with the bill’s mandate at the three homes (\$3.2 million at Veterans Memorial Home – Vineland; \$2.7 million at Veterans Memorial Home – Menlo Park; and \$1.9 million at Veterans Memorial Home – Paramus). Since the existing emergency power generators cover all of the areas for which the legislation requires backup power with the exception of the common area cooling mandate, the department’s cost estimate reflects the cost of providing electrical generators to support air conditioning in the common areas only.

Potential County and Local Government Capital Expenditures: The legislation could impose a cost on county and local governments if the bill forced them to either purchase emergency power generators or make capital investments providing for the potential installation of portable emergency power generators at government-owned acute care and long-term care facilities.

In 2014, there were 14 county-owned nursing homes, one municipally-owned assisted living facility, and one county-owned general acute care hospital, according to the database of licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health. It is unclear, however, to what extent these facilities will need to make capital investments to comply with the legislation’s mandate.

Potential State Revenue Reduction: The State might incur a revenue reduction if the legislation causes the ERB to issue grants or loans to eligible acute care and long-term care facilities for capital investments the facilities must make to meet the bill’s backup generator requirements. Absent the grants and loans, the ERB may have used these funds in a manner that could have generated more interest or additional State revenue. The OLS, however, will not speculate about

the volume of grant and loan requests which the ERB may receive as a result of this bill and the ways in which the requests may crowd out alternative uses of the ERB resources.

Potential State, County, and Local Cost Savings: State, county, and local governments stand to incur emergency response cost savings if the bill's backup generator requirements avert the evacuation of health care facilities during future severe weather episodes. But the OLS cannot forecast the periodicity of severe weather events that disrupt health care facilities' power supplies to such an extent that evacuations become necessary absent enactment of the bill.

*Section: Revenue, Finance and Appropriation*

*Analyst: Jordan M. DiGiovanni  
Assistant Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**SENATE, No. 854**

## **STATE OF NEW JERSEY 216th LEGISLATURE**

DATED: NOVEMBER 23, 2015

### **SUMMARY**

- Synopsis:** Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.
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New Jersey Economic Development Authority.  
New Jersey Board of Public Utilities.  
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Certain County and Municipal Governments.

#### **Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	
<b>State Capital Expenditures</b>	Up to \$7,800,000
<b>Local Capital Expenditures</b>	Indeterminate — See comments below.
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the volume of grant and loan requests which the ERB may receive as a result of this bill and the ways in which the requests may crowd out alternative uses of the ERB resources.

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*Section: Revenue, Finance and Appropriation*

*Analyst: Jordan M. DiGiovanni  
Assistant Fiscal Analyst*

*Approved: Frank W. Haines III  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 1341

## STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

**Sponsored by:**

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblywoman NANCY J. PINKIN

District 18 (Middlesex)

**Co-Sponsored by:**

Assemblywoman Handlin and Assemblyman Benson

**SYNOPSIS**

Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel



(Sponsorship Updated As Of: 3/11/2014)

A1341 QUIJANO, SUMTER

2

1 AN ACT requiring certain health care facilities to be equipped with  
2 generators, supplementing Title 26 of the Revised Statutes, and  
3 amending P.L.1974, c.80.  
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:  
7

8 1. (New section) a. As used in this section:

9 “Facility” means a nursing home or assisted living facility licensed  
10 pursuant to P.L.1971 c.136 (C.26:2H-1 et seq.), a comprehensive  
11 personal care home, pediatric community transitional home, federally  
12 qualified health center, dialysis center, hospice in-patient care, or  
13 residential health care connected to another licensed facility;

14 “Generator” means an emergency power generator that is  
15 integrated with the electrical system of the facility; and

16 “Generator ready” means equipped with an appropriate electrical  
17 transfer switch and wiring to which a portable generator can be  
18 connected in order to provide back-up electrical power.

19 b. Within three years of the effective date of this act, a facility  
20 shall:

21 (1) be generator ready; or

22 (2) be equipped with an on-site generator.

23 c. The generator or generator connection shall be capable of  
24 supporting the following for a minimum of 24 hours:

25 (1) critical life support equipment;

26 (2) refrigeration for medications;

27 (3) lighting for means of egress, exit signs, and exit directional  
28 signs as required in the NFPA 101, Life Safety Code, 2012 Edition;

29 (4) emergency lighting in common areas;

30 (5) equipment necessary for maintaining back-up communications;

31 (6) elevator service if required for the relocation of patients or  
32 residents within the facility or evacuation from the facility;

33 (7) a fire pump, well pump, or sump pump, if installed;

34 (8) a sewerage pump, if installed;

35 (9) fire, smoke and other safety detection alarm systems; and

36 (10) emergency lighting and power required for the generator at  
37 the generator connection point.

38 d. If the generator or generator connection does not provide  
39 sufficient lighting, heating, cooling and duplex receptacles to  
40 provide required services in individual sleeping rooms occupied by  
41 a patient or resident, it shall support:

42 (1) sufficient duplex receptacles to provide required services in  
43 common areas used to shelter patients or residents in place; and

44 (2) equipment to provide sufficient heating and cooling in  
45 common areas used to shelter patients or residents in place; or

**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 underlined thus is new matter.**

1 (3) sufficient heating and cooling in common areas adjacent to  
2 patient or resident rooms along with sufficient duplex receptacles in  
3 patient or resident rooms shelter in place and provide required  
4 services to patients or residents.

5  
6 2. (New section) a. The New Jersey Economic Development  
7 Authority, created by section 4 of P.L.1974, c.80 (C.34:1B-4), shall  
8 establish and administer a program to provide low-interest loans to  
9 a facility, as defined in subsection a. of section 1 of P.L. , c (C. )  
10 (pending before the Legislature as this bill), to purchase and install  
11 a generator or to make the facility generator ready.

12 b. Within 90 days of the effective date of this act, the authority  
13 shall establish an application process to provide low interest loans  
14 pursuant to subsection a. of this section. No later than the 91st day  
15 following the effective date of this act, the authority shall make the  
16 applications available to eligible facilities, and shall, within a  
17 reasonable time frame thereafter, commence approving applications  
18 for the program. An eligible facility seeking to participate in the  
19 program shall submit an application on forms provided by the  
20 authority and include information required by the authority.

21 c. Low-interest loans made under this section shall bear  
22 interest at no more than two percent, and contain other terms and  
23 conditions considered appropriate by the authority that are  
24 consistent with the purposes of P.L. , c. (C. ) (pending before the  
25 Legislature as this bill) and with rules and regulations promulgated  
26 by the authority to implement the program.

27 d. To implement the loan program, the authority shall establish  
28 and maintain a special revolving fund to be known as the  
29 "Generator Loan Fund," which shall be credited with:

30 (1) moneys from the economic growth account of the "Economic  
31 Recovery Fund" established pursuant to section 3 of P.L.1992, c.16  
32 (C.34:1B-7.12), as the authority determines are necessary to  
33 effectively implement the program based upon the response to the  
34 program;

35 (2) any moneys that shall be received by the authority from the  
36 repayment of the moneys in the loan fund used to provide loans  
37 pursuant to P.L. , c. (C. ) (pending before the Legislature as this  
38 bill) and interest thereon;

39 (3) any moneys as may be available to the authority from  
40 business assistance programs administered by the authority or by  
41 other State agencies or authorities;

42 (4) appropriations made by the Legislature to effectuate the  
43 purposes of P.L. , c. (C. ) (pending before the Legislature as this  
44 bill); and

45 (5) other moneys made available including, but not limited to,  
46 funds provided by agreement with private investors, banks, and

A1341 QUIJANO, SUMTER

1 other lending institutions to effectuate the purposes of P.L. , c. (C. )  
2 (pending before the Legislature as this bill).

3  
4 3. (New section) For the purposes of P.L. , c (C. )  
5 (pending before the Legislature as this bill), inspections and  
6 approvals of generator installations or generator ready installations  
7 may be conducted by State or local code inspection officials.

8  
9 4. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read  
10 as follows:

11 5. The authority shall have the following powers:

12 a. To adopt bylaws for the regulation of its affairs and the  
13 conduct of its business;

14 b. To adopt and have a seal and to alter the same at pleasure;

15 c. To sue and be sued;

16 d. To acquire in the name of the authority by purchase or  
17 otherwise, on such terms and conditions and such manner as it may  
18 deem proper, or by the exercise of the power of eminent domain in  
19 the manner provided by the "Eminent Domain Act of 1971,"  
20 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or  
21 other property which it may determine is reasonably necessary for  
22 any project; provided, however, that the authority in connection  
23 with any project shall not take by exercise of the power of eminent  
24 domain any real property except upon consent thereto given by  
25 resolution of the governing body of the municipality in which such  
26 real property is located; and provided further that the authority shall  
27 be limited in its exercise of the power of eminent domain in  
28 connection with any project in qualifying municipalities as defined  
29 under the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to  
30 municipalities which had a population, according to the latest  
31 federal decennial census, in excess of 10,000;

32 e. To enter into contracts with a person upon such terms and  
33 conditions as the authority shall determine to be reasonable,  
34 including, but not limited to, reimbursement for the planning,  
35 designing, financing, construction, reconstruction, improvement,  
36 equipping, furnishing, operation and maintenance of the project and  
37 to pay or compromise any claims arising therefrom;

38 f. To establish and maintain reserve and insurance funds with  
39 respect to the financing of the project or the school facilities project  
40 and any project financed pursuant to the "Municipal Rehabilitation  
41 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et  
42 al.);

43 g. To sell, convey or lease to any person all or any portion of a  
44 project for such consideration and upon such terms as the authority  
45 may determine to be reasonable;

46 h. To mortgage, pledge or assign or otherwise encumber all or  
47 any portion of a project, or revenues, whenever it shall find such



1 action to be in furtherance of the purposes of this act, P.L.2000,  
2 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and  
3 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),  
4 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of  
5 P.L.2009, c.90 (C.52:27D-489c et al.);

6 i. To grant options to purchase or renew a lease for any of its  
7 projects on such terms as the authority may determine to be  
8 reasonable;

9 j. To contract for and to accept any gifts or grants or loans of  
10 funds or property or financial or other aid in any form from the  
11 United States of America or any agency or instrumentality thereof,  
12 or from the State or any agency, instrumentality or political  
13 subdivision thereof, or from any other source and to comply,  
14 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),  
15 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
16 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
17 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and  
18 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and  
19 conditions thereof;

20 k. In connection with any action undertaken by the authority in  
21 the performance of its duties and any application for assistance or  
22 commitments therefor and modifications thereof, to require and  
23 collect such fees and charges as the authority shall determine to be  
24 reasonable, including but not limited to fees and charges for the  
25 authority's administrative, organizational, insurance, operating,  
26 legal, and other expenses;

27 l. To adopt, amend and repeal regulations to carry out the  
28 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of  
29 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),  
30 the "Municipal Rehabilitation and Economic Recovery Act,"  
31 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137  
32 (C.52:18A-235 et al.);

33 m. To acquire, purchase, manage and operate, hold and dispose  
34 of real and personal property or interests therein, take assignments  
35 of rentals and leases and make and enter into all contracts, leases,  
36 agreements and arrangements necessary or incidental to the  
37 performance of its duties;

38 n. To purchase, acquire and take assignments of notes,  
39 mortgages and other forms of security and evidences of  
40 indebtedness;

41 o. To purchase, acquire, attach, seize, accept or take title to any  
42 project or school facilities project by conveyance or by foreclosure,  
43 and sell, lease, manage or operate any project or school facilities  
44 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1  
45 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"  
46 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-

- 1 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-  
2 489c et al.);
- 3 p. To borrow money and to issue bonds of the authority and to  
4 provide for the rights of the holders thereof, as provided in  
5 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
6 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
7 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
8 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
9 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 10 q. To extend credit or make loans to any person for the  
11 planning, designing, acquiring, constructing, reconstructing,  
12 improving, equipping and furnishing of a project or school facilities  
13 project, which credits or loans may be secured by loan and security  
14 agreements, mortgages, leases and any other instruments, upon such  
15 terms and conditions as the authority shall deem reasonable,  
16 including provision for the establishment and maintenance of  
17 reserve and insurance funds, and to require the inclusion in any  
18 mortgage, lease, contract, loan and security agreement or other  
19 instrument, of such provisions for the construction, use, operation  
20 and maintenance and financing of a project or school facilities  
21 project as the authority may deem necessary or desirable;
- 22 r. To guarantee up to 90% of the amount of a loan to a person,  
23 if the proceeds of the loan are to be applied to the purchase and  
24 installation, in a building devoted to industrial or commercial  
25 purposes, or in an office building, of an energy improvement  
26 system;
- 27 s. To employ consulting engineers, architects, attorneys, real  
28 estate counselors, appraisers, and such other consultants and  
29 employees as may be required in the judgment of the redevelopment  
30 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et  
31 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72  
32 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic  
33 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,  
34 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,  
35 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation  
36 from funds available to the redevelopment utility therefor, all  
37 without regard to the provisions of Title 11A of the New Jersey  
38 Statutes;
- 39 t. To do and perform any acts and things authorized by  
40 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401  
41 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
42 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
44 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),  
45 under, through or by means of its own officers, agents and  
46 employees, or by contract with any person;

A1341 QUIJANO, SUMTER

- 1 u. To procure insurance against any losses in connection with  
2 its property, operations or assets in such amounts and from such  
3 insurers as it deems desirable;
- 4 v. To do any and all things necessary or convenient to carry out  
5 its purposes and exercise the powers given and granted in P.L.1974,  
6 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-  
7 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal  
8 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
9 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and  
10 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 11 w. To construct, reconstruct, rehabilitate, improve, alter, equip,  
12 maintain or repair or provide for the construction, reconstruction,  
13 improvement, alteration, equipping or maintenance or repair of any  
14 development property and lot, award and enter into construction  
15 contracts, purchase orders and other contracts with respect thereto,  
16 upon such terms and conditions as the authority shall determine to  
17 be reasonable, including, but not limited to, reimbursement for the  
18 planning, designing, financing, construction, reconstruction,  
19 improvement, equipping, furnishing, operation and maintenance of  
20 any such development property and the settlement of any claims  
21 arising therefrom and the establishment and maintenance of reserve  
22 funds with respect to the financing of such development property;
- 23 x. When authorized by the governing body of a municipality  
24 exercising jurisdiction over an urban growth zone, to construct,  
25 cause to be constructed or to provide financial assistance to projects  
26 in an urban growth zone which shall be exempt from the terms and  
27 requirements of the land use ordinances and regulations, including,  
28 but not limited to, the master plan and zoning ordinances, of such  
29 municipality;
- 30 y. To enter into business employment incentive agreements as  
31 provided in the "Business Employment Incentive Program Act,"  
32 P.L.1996, c.26 (C.34:1B-124 et al.);
- 33 z. To enter into agreements or contracts, execute instruments,  
34 and do and perform all acts or things necessary, convenient or  
35 desirable for the purposes of the redevelopment utility to carry out  
36 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-  
37 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137  
38 (C.52:18A-235 et al.), including, but not limited to, entering into  
39 contracts with the State Treasurer, the Commissioner of Education,  
40 districts, the New Jersey Schools Development Authority, and any  
41 other entity which may be required in order to carry out the  
42 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137  
43 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90  
44 (C.52:27D-489c et al.);
- 45 aa. (Deleted by amendment, P.L.2007, c.137);
- 46 bb. To make and contract to make loans to local units to finance  
47 the cost of school facilities projects and to acquire and contract to

1 acquire bonds, notes or other obligations issued or to be issued by  
2 local units to evidence the loans, all in accordance with the  
3 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,  
4 c.137 (C.52:18A-235 et al.);

5 cc. Subject to any agreement with holders of its bonds issued to  
6 finance a project or school facilities project, obtain as security or to  
7 provide liquidity for payment of all or any part of the principal of  
8 and interest and premium on the bonds of the authority or for the  
9 purchase upon tender or otherwise of the bonds, lines of credit,  
10 letters of credit, reimbursement agreements, interest rate exchange  
11 agreements, currency exchange agreements, interest rate floors or  
12 caps, options, puts or calls to hedge payment, currency, rate, spread  
13 or similar exposure or similar agreements, float agreements,  
14 forward agreements, insurance contract, surety bond, commitment  
15 to purchase or sell bonds, purchase or sale agreement, or  
16 commitments or other contracts or agreements, and other security  
17 agreements or instruments in any amounts and upon any terms as  
18 the authority may determine and pay any fees and expenses required  
19 in connection therewith;

20 dd. To charge to and collect from local units, the State and any  
21 other person, any fees and charges in connection with the  
22 authority's actions undertaken with respect to school facilities  
23 projects, including, but not limited to, fees and charges for the  
24 authority's administrative, organization, insurance, operating and  
25 other expenses incident to the financing of school facilities projects;

26 ee. To make loans to refinance solid waste facility bonds  
27 through the issuance of bonds or other obligations and the execution  
28 of any agreements with counties or public authorities to effect the  
29 refunding or rescheduling of solid waste facility bonds, or otherwise  
30 provide for the payment of all or a portion of any series of solid  
31 waste facility bonds. Any county or public authority refunding or  
32 rescheduling its solid waste facility bonds pursuant to this  
33 subsection shall provide for the payment of not less than fifty  
34 percent of the aggregate debt service for the refunded or  
35 rescheduled debt of the particular county or public authority for the  
36 duration of the loan; except that, whenever the solid waste facility  
37 bonds to be refinanced were issued by a public authority and the  
38 county solid waste facility was utilized as a regional county solid  
39 waste facility, as designated in the respective adopted district solid  
40 waste management plans of the participating counties as approved  
41 by the department prior to November 10, 1997, and the utilization  
42 of the facility was established pursuant to tonnage obligations set  
43 forth in their respective interdistrict agreements, the public  
44 authority refunding or rescheduling its solid waste facility bonds  
45 pursuant to this subsection shall provide for the payment of a  
46 percentage of the aggregate debt service for the refunded or  
47 rescheduled debt of the public authority not to exceed the

1 percentage of the specified tonnage obligation of the host county for  
2 the duration of the loan. Whenever the solid waste facility bonds  
3 are the obligation of a public authority, the relevant county shall  
4 execute a deficiency agreement with the authority, which shall  
5 provide that the county pledges to cover any shortfall and to pay  
6 deficiencies in scheduled repayment obligations of the public  
7 authority. All costs associated with the issuance of bonds pursuant  
8 to this subsection may be paid by the authority from the proceeds of  
9 these bonds. Any county or public authority is hereby authorized to  
10 enter into any agreement with the authority necessary, desirable or  
11 convenient to effectuate the provisions of this subsection.

12 The authority shall not issue bonds or other obligations to effect  
13 the refunding or rescheduling of solid waste facility bonds after  
14 December 31, 2002. The authority may refund its own bonds issued  
15 for the purposes herein at any time;

16 ff. To pool loans for any local government units that are  
17 refunding bonds and do and perform any and all acts or things  
18 necessary, convenient or desirable for the purpose of the authority  
19 to achieve more favorable interest rates and terms for those local  
20 governmental units;

21 gg. To finance projects approved by the board, provide staff  
22 support to the board, oversee and monitor progress on the part of  
23 the board in carrying out the revitalization, economic development  
24 and restoration projects authorized pursuant to the "Municipal  
25 Rehabilitation and Economic Recovery Act," P.L.2002, c.43  
26 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities  
27 pursuant thereto;

28 hh. To offer financial assistance to qualified film production  
29 companies as provided in the "New Jersey Film Production  
30 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

31 ii. To finance or develop private or public parking facilities or  
32 structures, which may include the use of solar photovoltaic  
33 equipment, in municipalities qualified to receive State aid pursuant  
34 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and  
35 municipalities that contain areas designated pursuant to P.L.1985,  
36 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),  
37 Planning Area 2 (Suburban), or a town center, and to provide  
38 appropriate assistance, including but not limited to, extensions of  
39 credit, loans, and guarantees, to municipalities qualified to receive  
40 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-  
41 178 et seq.) and municipalities that contain areas designated  
42 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning  
43 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town  
44 center, and their agencies and instrumentalities or to private entities  
45 whose projects are located in those municipalities, in order to  
46 facilitate the financing and development of parking facilities or  
47 structures in such municipalities. The authority may serve as the

1 issuing agent of bonds to finance the undertaking of a project for  
2 the purposes of this subsection; and

3 jj. To offer low interest loans pursuant to section 2 of P.L. , c.  
4 (C. )(pending before the Legislature as this bill) to facilities, as  
5 defined in subsection a. of section 1 of P.L. , c. (C. )(pending  
6 before the Legislature as this bill), for the purchase and installation  
7 of a generator or to make the facility generator ready.  
8 (cf: P.L.2010, c.28, s.3)

9  
10 5. This act shall take effect on the first day of the sixth month  
11 following enactment.

12  
13  
14 STATEMENT

15  
16 This bill requires that certain health care facilities be either  
17 equipped with a generator or be equipped with an appropriate  
18 electrical transfer switch and wiring to which a portable generator  
19 can be connected in order to provide back-up electrical power to the  
20 facility.

21 Health care facilities included under the provisions of the bill are  
22 the following: nursing homes; assisted living facilities;  
23 comprehensive personal care homes; pediatric community  
24 transitional homes; federally qualified health centers; dialysis  
25 centers; hospice in-patient cares; or residential health care centers  
26 connected to another licensed facility. The bill requires that these  
27 facilities be equipped with a generator or be generator ready within  
28 three years of the effective date of the bill. Inspection and approval  
29 of generator installations or generator ready installations may be  
30 conducted by State or local code inspection officials.

31 The bill requires that a generator or generator connection be  
32 capable of supporting the following for a minimum of 24 hours:

- 33 • critical life support equipment;  
34 • refrigeration for medications;  
35 • lighting for means of egress, exit signs, and exit directional  
36 signs;  
37 • emergency lighting in common areas;  
38 • equipment necessary for maintaining back-up communications;  
39 • elevator service if required for the relocation of patients or  
40 residents within the facility or evacuation from the facility;  
41 • a fire pump, well pump, or sump pump, if installed;  
42 • a sewerage pump, if installed;  
43 • fire, smoke and other safety detection alarm systems; and  
44 • emergency lighting and power required for the generator at  
45 the generator connection point.

46 The bill also requires the New Jersey Economic Development  
47 Authority (“authority”) to offer financial assistance in the form of

**A1341 QUIJANO, SUMTER**

1 low-interest loans to eligible facilities for the purchase and  
2 installation of a generator, or to make the facility generator ready.  
3 The loans are to have an interest rate of not greater than two  
4 percent.

5 The authority must begin accepting applications no later than 91  
6 days after the enactment of the bill and must begin approving the  
7 applications within a reasonable time thereafter.

8 The bill clarifies that the inspection and approval of generator  
9 installations or generator ready installations may be conducted by  
10 State or local code inspection officials.

ASSEMBLY HOMELAND SECURITY AND STATE  
PREPAREDNESS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1341**

**STATE OF NEW JERSEY**

DATED: MARCH 10, 2014

The Assembly Homeland Security and State Preparedness Committee reports favorably Assembly Bill No. 1341.

As reported by the committee, Assembly Bill No. 1341 requires certain health care facilities to either be equipped with a generator or an appropriate electrical transfer switch and wiring to which a portable generator can be connected in order to provide back-up electrical power to the facility.

The following health care facilities are included under the provisions of the bill: nursing homes; assisted living facilities; comprehensive personal care homes; pediatric community transitional homes; federally qualified health centers; dialysis centers; hospice in-patient care; or residential health care centers connected to another licensed facility.

The bill requires that these facilities be equipped with a generator or be generator ready within three years of the effective date of the bill. The inspection and approval of generator installations or generator ready installations may be conducted by State or local code inspection officials.

The bill requires that a generator or generator connection be capable of supporting the following for a minimum of 24 hours:

- critical life support equipment;
- refrigeration for medications;
- lighting for means of egress, exit signs, and exit directional signs;
- emergency lighting in common areas;
- equipment necessary for maintaining back-up communications;
- elevator service if required for the relocation of patients or residents within the facility or evacuation from the facility;
- a fire pump, well pump, or sump pump, if installed;
- a sewerage pump, if installed;
- fire, smoke and other safety detection alarm systems; and
- emergency lighting and power required for the generator at the generator connection point.

The bill also requires the New Jersey Economic Development Authority (“authority”) to offer financial assistance in the form of low-



interest loans to eligible facilities for the purchase and installation of a generator, or to make the facility generator ready. The maximum interest rate for the loans is two percent.

The authority is required to begin accepting applications no later than 91 days after the bill's enactment and is to begin approving the applications within a reasonable time thereafter.

This bill was pre-filed for introduction in the 2014-2015 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 1341**  
**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

DATED: DECEMBER 16, 2014

**SUMMARY**

- Synopsis:** Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators.
- Type of Impact:** Unknown fiscal net impact on State, county, and local governments.
- Agencies Affected:** Department of Military and Veterans Affairs.  
New Jersey Economic Development Authority.  
Certain County and Municipal Governments.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	
<b>State Capital Expenditures</b>	Up to \$7,800,000
<b>Local Capital Expenditures</b>	Indeterminate — See comments below.
<b>State Revenue Reduction</b>	Indeterminate — See comments below.
<b>State and Local Cost Savings</b>	Indeterminate — See comments below.

- The Office of Legislative Services (OLS) cannot determine the legislation's fiscal net impact on State, county, and municipal governments.
- The bill's emergency power generator requirements may affect up to 888 health care facilities. Nevertheless, the number of facilities that are already in compliance with the bill's mandate is unknown, as is the number of facilities that will have to make additional capital investments as a result of the bill's enactment.
- The only State-owned facilities affected by the bill are the three Veterans Memorial Homes the Department of Military and Veterans Affairs operates. The department estimates that full compliance with the legislation's emergency power generator requirements at the three homes will necessitate up to \$7.8 million in capital investments.

- It is unclear to what extent the 14 county-owned nursing homes, the one municipality-owned assisted living facility, and the one county-owned general acute care hospital will need to make capital investments to comply with the legislation's mandate.
- The State might incur a revenue reduction if the legislation causes the New Jersey Economic Development Authority (EDA) to issue low-interest loans to health care facilities with resources that absent the loans the EDA would have used in a manner that would have either earned more interest or generated additional State revenue from additional economic activity catalyzed by EDA's business assistance programs.
- State, county, and local governments stand to incur emergency response cost savings if the bill's backup generator requirements avert the evacuation of acute care and long-term care facilities during future severe weather episodes.

## **BILL DESCRIPTION**

Assembly Bill No. 1341 of 2014 requires that, within three years of its effective date, certain health care facilities be equipped either with an emergency power generator or an electrical transfer switch and wiring to which a portable emergency power generator can be connected. The requirement applies to nursing homes, assisted living facilities, comprehensive personal care homes, pediatric community transitional homes, federally qualified health centers, dialysis centers, hospice in-patient care centers, and residential health care centers connected to another licensed facility. The bill takes effect on the first day of the sixth month following the date of enactment.

The bill also instructs the EDA to establish a low-interest loan program to assist health care facilities in financing the legislation's mandated expenditures. The loans' interest rate cannot exceed two percent and the authority must begin accepting applications no later than 91 days after the enactment of the bill.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

The Executive Branch has not submitted an official fiscal estimate on this bill but, upon request, the Department of Military and Veterans Affairs and University Hospital have provided the OLS with pertinent fiscal information. The OLS determines that no other State government entity is subject to the bill's emergency power generator requirements.

The Department of Military and Veterans Affairs estimates that it would have to spend \$7.8 million to meet all of the bill's backup generator requirements at the three Veterans Memorial Homes it operates (\$3.2 million at Veterans Memorial Home – Vineland; \$2.7 million at Veterans Memorial Home – Menlo Park; and \$1.9 million at Veterans Memorial Home – Paramus). Since the existing emergency power generators cover all of the areas for which the legislation requires backup power with the exception of the common area cooling mandate, the department's cost estimate reflects the cost of providing electrical generators to support air conditioning in the common areas only.

University Hospital, in turn, indicated that it was not concerned by the bill. General acute care hospitals are covered by the bill if they have a hospice in-patient care unit, but University Hospital does not have such a unit.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS cannot determine the legislation’s fiscal net impact on State, county, and municipal governments. In general, the bill can be expected to trigger the following fiscal effects: up to \$7.8 million in State capital expenditures; potential county and local government capital expenditures; a potential State revenue reduction; and potential cost savings to State, county, and local governments.

Affected Facilities: The OLS determines that up to 888 licensed acute care and long-term care facilities are subject to the bill’s emergency power generator requirements. This number originates in an OLS review of the database of such licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health. The table below lists the 888 facilities by category. The OLS notes, however, that the 71 facilities counted in the “Hospice In-Patient Care” category likely reflect an overestimate. Since “Hospice In-Patient Care” facilities are not separately licensed in New Jersey, the OLS uses the number of licensed “General Acute Care Hospitals” in their stead. While some New Jersey hospitals do offer hospice in-patient care, it is not ascertained that every hospital does.

It is vital to recognize that the bill does not impose an additional cost on all 888 licensed acute care and long-term care facilities that the OLS estimates are subject to the bill’s emergency power generator requirements. Health care facilities that already comply with the requirements will not have to do anything in response to the bill’s enactment. Only those health care facilities that do not currently meet the bill’s standards will have to make capital investments upon the bill’s adoption. But the OLS cannot gauge the number of facilities that will incur additional expenses to meet the bill’s backup generator mandate.

<b>Number of Licensed Acute Care and Long-Term Care Facilities Subject to Bill’s Emergency Power Generator Requirements</b>	
<b>Facility Type</b>	<b>Number</b>
Nursing Homes (Long-Term Care Facilities)	372
Assisted Living Facilities	193
Comprehensive Personal Care Homes	36
Pediatric Community Transitional Homes	4
Federally Qualified Health Centers	74
End Stage Renal Dialysis Centers	122
Hospice In-Patient Care Centers *	71
Residential Health Care Facility connected to another licensed long-term care facility	<u>16</u>
<b>TOTAL</b>	<b>888</b>
* “Hospice In-Patient Care Centers” reflects the number of licensed General Acute Care Hospitals.	

Cost of Backup Generators: Public information on the cost of backup generators for health care facilities is limited. The OLS could only locate one reference point. On July 11, 2010, the Houston Chronicle published the “Nursing Homes Merit Higher Priority During Hurricane

Season” op-ed penned by Strategic Media, Inc. on behalf of the Texas Health Care Association. In the op-ed piece the authors state that the generators necessary to fully power a nursing home would cost approximately \$70,000 each. If each of the 888 facilities concerned by the bill were to purchase a \$70,000 generator, the total capital outlay would thus approximate \$62.2 million.

Nevertheless, the OLS points out that the cost of backup generators for health care facilities tends to vary significantly depending on the needs, size, and electrical configuration of a specific facility. For example, the Department of Military and Veterans Affairs estimates that it would have to invest some \$7.8 million to meet all of the bill’s requirements at the State’s three Veterans Memorial Homes.

State Capital Expenditures: The bill imposes a cost on State government because it forces the State to either purchase emergency power generators or make capital investments providing for the potential installation of portable emergency power generators at State government-owned acute care and long-term care facilities.

There are currently three state-owned nursing homes and one State-owned general acute care hospital, according to the database of licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health.

The State-owned general acute care hospital, University Hospital, informed the OLS that it was not concerned by the bill. General acute care hospitals are covered by the bill if they have a hospice in-patient care unit. University Hospital, however, does not have such a unit.

The Department of Military and Veterans Affairs, in turn, operates three Veterans Memorial Homes that are subject to the legislation’s emergency power generator requirements. The department estimates that it would have to spend \$7.8 million to be fully compliant with the bill’s mandate at the three homes (\$3.2 million at Veterans Memorial Home – Vineland; \$2.7 million at Veterans Memorial Home – Menlo Park; and \$1.9 million at Veterans Memorial Home – Paramus). Since the existing emergency power generators cover all of the areas for which the legislation requires backup power with the exception of the common area cooling mandate, the department’s cost estimate reflects the cost of providing electrical generators to support air conditioning in the common areas only.

Potential County and Local Government Capital Expenditures: The legislation could impose a cost on county and local governments if the bill forced them to either purchase emergency power generators or make capital investments providing for the potential installation of portable emergency power generators at government-owned acute care and long-term care facilities.

There are currently 14 county-owned nursing homes, one municipality-owned assisted living facility, and one county-owned general acute care hospital, according to the database of licensed facilities available on the webpage of the Division of Health Facilities Evaluation and Licensing in the New Jersey Department of Health. It is unclear, however, to what extent these facilities will need to make capital investments to comply with the legislation’s mandate.

Potential State Revenue Reduction: The State might incur a revenue reduction if the legislation causes the EDA to issue low-interest loans to acute care and long-term care facilities for capital investments the facilities must make to meet the bill’s backup generator requirements. Absent the loans the EDA might have used its resources in a manner that would have either earned more interest or generated additional State revenue from additional economic activity catalyzed by the EDA’s business assistance programs. The OLS, however, will not speculate about the volume of low-interest loan requests that the EDA may receive as a result of this bill and the ways in which the requests may crowd out alternative uses of the EDA resources.

Potential State, County, and Local Cost Savings: State, county, and local governments stand to incur emergency response cost savings if the bill's backup generator requirements avert the evacuation of health care facilities during future severe weather episodes. But the OLS cannot forecast the periodicity of severe weather events that disrupt health care facilities' power supplies to such an extent that evacuations become necessary absent enactment of the bill.

*Section: Revenue, Finance and Appropriations*

*Analyst: Thomas Koenig  
Lead Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

**SENATE BILL NO. 854**

To the Senate:

This bill requires certain health care and assisted-living facilities to be equipped with generators or be generator ready within three years. While I support the sponsors' desire to increase preparedness at facilities serving vulnerable populations, the State's recent experience with natural disasters has taught us lessons that should be incorporated into this bill to improve its efficacy, affordability, and implementation. As such, I am returning Senate Bill No. 854 with my recommendations for reconsideration pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution.

This bill is designed to ensure that facilities with at-risk populations can continue to operate even when there is a complete or partial power outage. At its core, the bill requires facilities to be generator ready or possess an on-site generator within three years. When it comes to protecting our at-risk populations, we should not only make contingency plans for outages but also take this opportunity to make our emergency facility infrastructure more energy efficient and energy resilient.

With that in mind, I am recommending changes that will not mandate one preferred method of energy backup over another, but instead permit facilities to choose from several energy efficient and energy resilient options. I am similarly including a provision that allows facilities to seek funding for distributed energy resources from the recently established Energy Resilience Bank. While fuel-powered generators are a reliable and cost-effective backup power source, the State must continue to stay abreast of engineering advances, such as distributed energy resources, that can mitigate future outages.

Given the availability of funding from the Energy Resilience Bank, as well as existing funding from New Jersey Health Care Facilities Financing Authority, I am removing the duplicative portion of this bill that directs the Economic Development Authority to administer similar funding.

New Jersey must continue to use all of its available resources in the most effective and efficient manner so that we are prepared for any event, large or small. This bill provides invaluable protections to at-risk patients and residents who otherwise might be evacuated to other locations. With these modest changes, the bill will help modernize our energy infrastructure and strengthen our commitment to energy resilience.

Accordingly, I herewith return Senate Bill No. 854 and recommend that it be amended as follows:

<u>Page 2, Title, Line 2:</u>	After "generators" delete ",", and insert "and"
<u>Page 2, Title, Lines 2-3:</u>	Delete ", and amending P.L.1974, c.80"
<u>Page 2, Section 1, Line 8:</u>	After "section:" insert "\"Commissioner\" means the Commissioner of Community Affairs;  \"Department\" means the Department of Community Affairs;  \"Distributed Energy Resource\" or \"DER\" means an energy efficient technology, approved by the Energy Resilience Bank, capable of supporting emergency operations in a facility during a prolonged electrical outage;  \"Energy Resilience Bank\" or \"ERB\" means the financing initiative administered through a joint collaboration by the New Jersey Board of Public Utilities and the New Jersey Economic Development Authority to provide grant or loan



funding to facilities that meet specified requirements established by the ERB to aid in the cost of the installation of a DER;"

Page 2, Section 1, Line 15:

After "facility;" delete "and"

Page 2, Section 1, Line 18:

After "power" delete "." and insert "; and "Health Care Plan Review Unit" means the Health Care Plan Review Unit, or its successor, in the Department of Community Affairs."

Page 2, Section 1, Line 19:

Delete "three years" and insert "one year"

Page 2, Section 1, Line 21:

Delete "generator ready" and insert "equipped with an electrical transfer switch and wiring that complies with applicable standards administered by the Health Care Plan Review Unit and have a signed contract to have a generator delivered to the facility in the event of a power outage that:

(i) can be connected to the electrical transfer switch;

(ii) provides backup electrical power that meets the requirements of subsection c. of this section; and

(iii) complies with applicable standards administered by the Health Care Plan Review Unit"

Page 2, Section 1, Line 22:

Delete "be equipped with an on-site generator" and insert "have a signed contract to have an on-site generator installed at the facility within three years of the effective date of this act that:

(i) provides backup electrical power that meets the requirements of subsection c. of this section in the event of a power outage; and

(ii) complies with applicable standards administered by the

Health Care Plan Review Unit"

Page 2, Section 1, Line 24:

Delete "24" and insert "48"

Page 2, Section 1, Line 26:

After "medications" insert "and at least one refrigerator for perishable food"

Page 3, Section 1, Line 4:

After "residents." insert "e. The facility shall obtain the review and approval of the Health Care Plan Review Unit for the installation of the contracted-for transfer switch and generator.

f. A facility that elects to proceed with an on-site generator shall have the on-site generator:

- (1) checked weekly;
- (2) tested under load monthly; and
- (3) serviced in accordance with manufacturer instructions.

The facility shall maintain a log of the testing and service required by this subsection and shall provide the log to the Department upon request.

g. The Commissioner or his or her designee may waive the transfer switch or on-site generator requirement if, in his or her opinion, such waiver would not endanger the life, safety, or health of residents, patients or the public and the following conditions are met:

- (1) the facility seeking a waiver has applied in writing to the Department's Division of Certificate of Need and Licensing with the following information:

- (i) a statement from the facility indicating that it has applied for an ERB grant or loan for the installation of a DER energy source and the estimated date that ERB will issue a determination approving or denying the

application, or written assurance from the facility of alternative means of financing the DER energy source;

(ii) a statement describing the DER energy source, the facility equipment and services the DER energy source can support, and the duration of time that the equipment and services will be supported; and

(iii) if the facility is seeking an ERB grant or loan, a copy of the completed application submitted to the ERB.

(2) the facility shall supplement the waiver application by submitting a copy of:

(i) the ERB's determination letter to the Department's Division of Certificate of Need and Licensing upon the facility's receipt thereof; or

(ii) written confirmation of alternative means of financing.

h. The Commissioner or his or her designee may request additional information before processing the request for a waiver.

i. If the Commissioner or his or her designee denies a DER waiver application, the facility must comply with the transfer switch or on-site generator requirement within one year from the date of the denial of the DER waiver.

j. A waiver request submitted for reasons other than installation of a DER energy source shall comply with N.J.A.C. 8:43E-5.6."

Page 3, Section 2, Lines 6-46:

Delete in their entirety

Page 4, Section 2, Lines 1-2:

Delete in their entirety

Page 4, Section 3, Lines 4-7:

Delete in their entirety

Page 4, Section 4, Line 9-47:

Delete in their entirety

Page 5, Section 4, Lines 1-46:

Delete in their entirety

Page 6, Section 4, Lines 1-46:

Delete in their entirety

Page 7, Section 4, Lines 1-47:

Delete in their entirety

Page 8, Section 4, Lines 1-47:

Delete in their entirety

Page 9, Section 4, Lines 1-47:

Delete in their entirety

Page 10, Section 4, Lines 1-8:

Delete in their entirety

Page 10, Section 5, Line 10:

Delete "5." and insert "2."

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Paul B. Matey

Deputy Chief Counsel to the Governor

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## Governor Christie Takes Action On Pending Legislation

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**Trenton, NJ** - Governor Chris Christie announced action that has been taken on the following legislation:

**BILL SIGNINGS:**

**S-854/A-1341 (Vitale, Greenstein/Quijano, Sumter, Pinkin, Wimberly)** - Requires that certain health care facilities be generator ready; allows health care facilities to qualify for NJEDA loans for cost of generators

**S-2234/A-3397 (Thompson, Van Drew/Giblin, Clifton, O'Donnell)** - Abolishes Landscape Irrigation Contractors Examining Board in the Department of Environmental Protection and transfers regulation of landscape irrigation contractors to Department of Community Affairs

**S-2784/A-3856 (Van Drew, Whelan/Andrzejczak, Johnson)** - Provides partial exemption and maximum sales and use tax imposition amount for sales and uses of boats and vessels; establishes grace period for use tax imposition on certain boats and vessels used by resident purchasers

**A-3393/S-2167 (Spencer, Pintor Marin, Caputo, Tucker/Rice, Ruiz)** - Permits Newark to use rental car tax proceeds over three-year period to help reduce its "cash deficit for preceding year" appropriation and operational deficit

**A-3421/S-2220 (Dancer, Mukheriji/Singer)** - Revises the "Self-Funded Multiple Employer Welfare Arrangement Regulation Act"

###

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