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NEWSPAPER ARTICLES:

Yes

"Camden Recovery bill signed, but school board challenges it," 7-23-2002 New York Times, pB6

"McGreevey signs Camden bill,..." 7-23-2002 Philadelphia Inquirer, p.A1

"Camden to get \$175M in aid," 7-23-2002 Home News, p.A3

McGreevey signs Camden bill," 7-23-2002 Courier Post, p.1A

"Camden mayor hails \$175 million infusion," 7-23-2002 Star-Ledger, p.18

"McGreevey OKS \$175M for Camden....," Atlantic City Press p.C6

Title 52.
Chapter 27BBB
(New)
Municipal
Rehabilitation
and Economic
Recovery
§§1-40,42-57,59-63,
66-68,71 -
C.52:27BBB-1
to 52:27BBB-65
§§72-74 - Approp.
§75 - Note to §§1-74

P.L. 2002, CHAPTER 43, *approved July 22, 2002*
Senate Committee Substitute (*First Reprint*) for
Senate, No. 428

1 **AN ACT** encouraging municipal rehabilitation and economic recovery
2 in certain fiscally distressed municipalities, amending various parts
3 of statutory law, creating chapter 27BBB of Title 52 of the
4 Revised Statutes, and making appropriations.

5

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

8

9 ARTICLE 1. GENERAL PROVISIONS

10

11 1. (New section) This act shall be known and may be cited as the
12 "Municipal Rehabilitation and Economic Recovery Act."

13

14 2. (New section) The Legislature finds and declares that:

15 a. There exists in certain municipalities a continuing state of fiscal
16 distress which endures despite the imposition of a series of measures
17 authorized pursuant to law;

18 b. Economically impoverished, those municipalities have a history
19 of high crime rates, including arson, that has necessitated the
20 maintenance of large police and fire departments, at enormous
21 taxpayer cost in municipalities without a sound tax base;

22 c. The past fifty years have witnessed the depopulation of those
23 municipalities characterized by such problems;

24 d. Spending power on the part of residents of these municipalities
25 is severely limited and local businesses thereby suffer from the lack of
26 an indigenous client base so that rebuilding the fortunes of city
27 residents in order to recreate a viable urban economy will require a
28 considerable period of time;

29 e. Notwithstanding the prosperity which has been experienced
30 elsewhere throughout New Jersey in recent years, the unemployment
31 rate in these municipalities is substantially higher than that of most

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:

¹ Senate floor amendments adopted June 24, 2002.

1 other municipalities;

2 f. While the rest of New Jersey has enjoyed increased land values,
3 the ratable base in these municipalities has declined steadily during the
4 1990's, marked by their low equalized value per capita which can be
5 about one-half that of other cities;

6 g. Coupled with this economic deprivation, many of these
7 municipalities are characterized by a lack of internal audit controls,
8 accountability and oversight, evidenced by the fact that although real
9 estate taxes comprise over two-thirds of locally generated revenues,
10 many of these municipalities do not rigorously enforce collection and
11 receive but a portion of their levy;

12 h. Although the State has experienced a period of tremendous
13 prosperity and economic growth over the past few years, such
14 municipalities continue to languish without any obvious signs of
15 improvement;

16 i. These municipalities have experienced a substantial budget
17 deficit for many years which has only been addressed through
18 extraordinary payments of State aid;

19 j. While State aid dollars which have been directed toward such
20 municipalities have served to address their structural deficits, they
21 have not, and cannot, function as an economic impetus toward the
22 rebuilding of those municipalities;

23 k. Because a significant proportion of the population of such
24 municipalities lacks adequate health insurance coverage, causing many
25 to seek basic care in municipal emergency rooms, municipal hospitals
26 are heavily dependent upon state assistance commonly referred to as
27 "charity care" for reimbursement. Such health services are crucial to
28 the overall health of the infrastructure and social growth and stability
29 of qualified municipalities. Moreover, the demand for such health
30 services has necessitated planning for a major expansion of medical
31 school programs within qualified municipalities;

32 l. Given the high crime rates in these municipalities, if economic
33 recovery is to be successful, it is vital that municipal residents feel that
34 their basic safety is assured; accordingly, the State will continue to
35 commit to assist such municipalities in maintaining not less than that
36 number of police officers employed by the municipality on the effective
37 date of P.L. , c. (C.) (pending before the Legislature as this
38 bill) and in creating working relationships between State agencies,
39 local law enforcement and the community to identify and develop
40 strategies to improve the quality of life and the security of residents in
41 qualified municipalities;

42 m. In order to ensure the long-term economic viability of such
43 municipalities, it is critical that the Legislature encourage, to the
44 extent possible, the production of market-rate housing within the
45 municipality so as to expand the local tax base and provide a greater
46 diversity of income levels among municipal inhabitants;

1 n. When faced with analogous situations, other states have
2 employed extraordinary measures to provide leadership and oversight
3 for struggling cities and the necessary tools to spur an economic
4 revival within those cities; and

5 o. In light of the dire needs faced by such municipalities and the
6 lack of progress in addressing those needs either governmentally or
7 through private sector initiative, and given the successful interventions
8 on the part of other states in analogous circumstances, it is incumbent
9 upon the State to take exceptional measures, on an interim basis, to
10 rectify certain governance issues faced by such municipalities and to
11 strategically invest those sums of money necessary in order to assure
12 the long-term financial viability of these municipalities.

13
14 3. (New section) As used in this act:

15 "Authority" means the New Jersey Economic Development
16 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).

17 "Board" means the State Economic Recovery Board established
18 pursuant to section 36 of P.L. , c. (C.) (pending before the
19 Legislature as this bill).

20 "Chief operating officer" means that person appointed pursuant to
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 responsible for reorganizing governmental operations of a qualified
23 municipality in order to assure the delivery of essential municipal
24 services and the professional administration of that municipal
25 government.

26 "Commissioner" means the Commissioner of Community Affairs.

27 "Director" means the Director of the Division of Local
28 Government Services in the Department of Community Affairs.

29 "Economic recovery term" means the period commencing with the
30 expiration of the term of the chief operating officer and terminating
31 five years thereafter.

32 "In consultation with" means with consideration of the input of, or
33 the advice of, the mayor, governing body, chief operating officer or
34 director, as the case may be, without regard to the form or manner of
35 the consultation.

36 "Local Finance Board" means the Local Finance Board of the
37 Division of Local Government Services in the Department of
38 Community Affairs.

39 "Project" means: (1) (a) acquisition, construction, reconstruction,
40 repair, alteration, improvement and extension of any building,
41 structure, facility, including water transmission facilities or other
42 improvement, whether or not in existence or under construction, (b)
43 purchase and installation of equipment and machinery, (c) acquisition
44 and improvement of real estate and the extension or provision of
45 utilities, access roads and other appurtenant facilities; and (2) (a) the
46 acquisition, financing, or refinancing of inventory, raw materials,

1 supplies, work in process, or stock in trade, or (b) the financing,
2 refinancing or consolidation of secured or unsecured debt, borrowings,
3 or obligations, or (c) the provision of financing for any other expense
4 incurred in the ordinary course of business; all of which are to be used
5 or occupied by any person in any enterprise promoting employment,
6 either for the manufacturing, processing or assembly of materials or
7 products, or for research or office purposes, including, but not limited
8 to, medical and other professional facilities, or for industrial,
9 recreational, hotel or motel facilities, public utility and warehousing,
10 or for commercial and service purposes, including, but not limited to,
11 retail outlets, retail shopping centers, restaurant and retail food
12 outlets, and any and all other employment promoting enterprises,
13 including, but not limited to, motion picture and television studios and
14 facilities and commercial fishing facilities, commercial facilities for
15 recreational fishermen, fishing vessels, aquaculture facilities and
16 marketing facilities for fish and fish products and (d) acquisition of an
17 equity interest in, including capital stock of, any corporation; or any
18 combination of the above, which the authority determines will: (i) tend
19 to maintain or provide gainful employment opportunities within and
20 for the people of the State, or (ii) aid, assist and encourage the
21 economic development or redevelopment of any political subdivision
22 of the State, or (iii) maintain or increase the tax base of the State or of
23 any political subdivision of the State, or (iv) maintain or diversify and
24 expand employment promoting enterprises within the State; and (3)
25 the cost of acquisition, construction, reconstruction, repair, alteration,
26 improvement and extension of an energy saving improvement or
27 pollution control project which the authority determines will tend to
28 reduce the consumption in a building devoted to industrial or
29 commercial purposes, or in an office building, of nonrenewable
30 sources of energy or to reduce, abate or prevent environmental
31 pollution within the State; and (4) the acquisition, construction,
32 reconstruction, repair, alteration, improvement, extension,
33 development, financing or refinancing of infrastructure and
34 transportation facilities or improvements related to economic
35 development and of cultural, recreational and tourism facilities or
36 improvements related to economic development and of capital facilities
37 for primary and secondary schools and of mixed use projects
38 consisting of housing and commercial development; and (5) the
39 establishment, acquisition, construction, rehabilitation, improvement,
40 and ownership of port facilities as defined in section 3 of P.L.1997,
41 c.150 (C.34:1B-146). Project may also include: reimbursement to any
42 person for costs in connection with any project, or the refinancing of
43 any project or portion thereof, if such actions are determined by the
44 authority to be necessary and in the public interest to maintain
45 employment and the tax base of any political subdivision and likely to
46 facilitate improvements or the completion of the project; and

1 developing property and any construction, reconstruction,
2 improvement, alteration, equipment or maintenance or repair, or
3 planning and designing in connection therewith. For the purpose of
4 carrying out mixed use projects consisting of both housing and
5 commercial development, the authority may enter into agreements with
6 the New Jersey Housing and Mortgage Finance Agency for loan
7 guarantees for any such project in accordance with the provisions of
8 P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall
9 allocate to the New Jersey Housing and Mortgage Finance Agency,
10 under such agreements, funding available pursuant to subsection a. of
11 section 4 of P.L.1992, c.16 (C.34:1B-7.13). "Project" shall not
12 include a school facilities project.

13 "Qualified municipality" means a municipality: (1) that has been
14 subject to the supervision of a financial review board pursuant to the
15 "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et
16 seq.); (2) that has been subject to the supervision of the Local Finance
17 Board pursuant to the "Local Government Supervision Act (1947),"
18 P.L.1947, c.151 (C.52:27BB-1 et seq.); and (3) which, according to
19 its most recently adopted municipal budget on the effective date of
20 P.L. , c. (C.) (pending before the Legislature as this bill), is
21 dependent upon State aid and other State revenues for not less than 55
22 percent of its total budget.

23 ¹["Regional partnership" or "partnership"] "Regional Impact
24 Council" or "council"¹ means that body established pursuant to
25 section 39 of P.L. , c. (C.) (pending before the Legislature as
26 this bill).

27 "Rehabilitation term" means that period during which the qualified
28 municipality is under the direction of the chief operating officer
29 appointed pursuant to section 7 of P.L. , c. (C.) (pending
30 before the Legislature as this bill).

31 "Special arbitrator" means that judge designated by the Chief
32 Justice pursuant to section 5 of P.L. , c. (C.) (pending
33 before the Legislature as this bill).

34 "State supervision" means supervision pursuant to Article 4 of the
35 "Local Government Supervision Act (1947)," P.L.1947, c.151
36 (C.52:27BB-54 et seq.).

37 "Treasurer" or "State treasurer" means the Treasurer of the State
38 of New Jersey.

39 "Under rehabilitation and economic recovery" means that period
40 which coincides with the rehabilitation term and the economic
41 recovery term.

42

43

ARTICLE 2. GOVERNANCE

44

45 4. (New section) Within 30 days of the effective date of P.L. ,
46 c. (C.) (pending before the Legislature as this bill), the

1 commissioner shall notify the mayor and each member of the
2 governing body of each qualified municipality that the municipality is
3 subject to the provisions of the "Municipal Rehabilitation and
4 Economic Recovery Act," P.L. , c. (C.) (pending before the
5 Legislature as this bill). In addition, the commissioner shall notify:

- 6 a. the freeholder director and each member of the board of chosen
- 7 freeholders of each county in which is situated a qualified municipality;
- 8 b. the Chief Justice of the New Jersey Supreme Court; and
- 9 c. each member of the Senate and General Assembly.

10

11 5. (New section) Upon receipt of notification by the
12 commissioner pursuant to section 4 of P.L. , c. (C.) (pending
13 before the Legislature as this bill), the Chief Justice may designate a
14 Superior Court judge who sits within the vicinage of the county in
15 which the qualified municipality is situated or a retired judge who,
16 during his or her tenure as a judge, served within the vicinage of the
17 county in which the qualified municipality is situated as the special
18 arbitrator as prescribed pursuant to P.L. , c. (C.) (pending
19 before the Legislature as this bill) to serve during the rehabilitation
20 term. The special arbitrator shall, on an expedited basis, oversee the
21 resolution of any impasse brought before the special arbitrator by the
22 chief operating officer pursuant to sections 9, 11, 13, 16, 22, and 27
23 of P.L. , c. (C.) (pending before the Legislature as this bill)
24 or any other impasse resulting from any action or failure to act on the
25 part of the mayor, the governing body or any other officer or
26 appointee of the municipality. The special arbitrator may adopt those
27 procedures necessary to govern the resolution of an impasse and shall
28 use the following criteria in dispute resolution, as appropriate to the
29 particular circumstances:

- 30 a. The action or failure to act would be adverse to the
- 31 rehabilitation or economic recovery of the municipality;
- 32 b. The action in question or failure to act would represent an
- 33 unsound decision in violation of the fiduciary responsibility of the
- 34 municipal officials;
- 35 c. The action or failure to act would be inconsistent with internal
- 36 financial controls or would violate prudent standards or practices of
- 37 municipal administration or would violate or compromise State laws,
- 38 rules or regulations under which the municipality operates; and
- 39 d. the action or inaction would delay the implementation of
- 40 P.L. , c. (C.) (pending before the Legislature as this bill) or
- 41 the achievement of the goal of fostering the redevelopment and
- 42 rehabilitation of qualified municipalities and ensuring the effective
- 43 delivery of municipal services and professionalization of municipal
- 44 administration.

45

46 6. (New section) a. Upon the appointment of a chief operating

1 officer pursuant to section 7 of P.L. , c. (C.) (pending before
2 the Legislature as this bill), a qualified municipality shall be under
3 rehabilitation and economic recovery. This period shall begin with the
4 assumption of job responsibilities by the chief operating officer
5 pursuant to this section and terminate five years following the end of
6 the term of the chief operating officer. The period corresponding with
7 the term of the chief operating officer shall be referred to hereinafter
8 as the rehabilitation term. The period commencing with the expiration
9 of the term of the chief operating officer and terminating five years
10 thereafter shall be referred to hereinafter as the economic recovery
11 term.

12 b. During the economic recovery term, the mayor shall exercise
13 those powers delegated to the mayor pursuant to the form of
14 government, the charter and the administrative code of the
15 municipality, and those powers delegated to the mayor under general
16 law. In addition, during the economic recovery term, the mayor shall
17 retain the power to veto the minutes of any independent board or
18 authority, including, but not limited to, the housing authority, parking
19 authority, redevelopment authority, planning board and board of
20 adjustment.

21 While the municipality is under rehabilitation and economic
22 recovery, the mayor shall retain the power to make those appointments
23 to municipal authorities, boards or commissions, as the case may be,
24 which is otherwise allocated to the mayor pursuant to law.

25 The mayor may retain staff for the purpose of advising the mayor
26 and aiding in the performance of constituent services.

27 c. Upon the assumption of job responsibilities by the chief
28 operating officer, the financial review board created pursuant to
29 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the
30 finances of the municipality shall cease to function and the municipality
31 shall cease to be under supervision pursuant to Article 4 of P.L.1947,
32 c.151 (C.52:27BB-54 et seq.).

33 All outstanding debts or obligations incurred by the qualified
34 municipality or the New Jersey Housing and Mortgage Finance
35 Agency established pursuant to section 4 of the "New Jersey Housing
36 and Mortgage Finance Agency Law of 1983," P.L.1983, c.530
37 (C.55:14K-4) as of ¹[30] 60¹ days following the effective date of
38 P.L. , c. (C.) (pending before the Legislature as this bill),
39 with any subsidiary of that ¹[authority] agency¹ with jurisdiction in a
40 qualified municipality, other than those debts or obligations
41 represented by bonds or other negotiable instruments, are forgiven.

42 Notwithstanding the termination of the financial review board and
43 supervision, all memorandums of understanding entered into by the
44 municipality as a condition of receiving assistance under P.L.1987,
45 c.75 (C.52:27D-118.24 et seq.) that require the municipality to
46 implement any government, administrative, operational efficiency or

1 oversight measures necessary for the fiscal recovery of the
2 municipality as recommended by the director and approved by the
3 Local Finance Board shall continue to have full force and effect.

4
5 7. (New section) a. Within 30 days following the enactment of
6 P.L. , c. (C.) (pending before the Legislature as this bill), the
7 Governor shall appoint the chief operating officer in consultation with
8 the mayor and the governing body. The chief operating officer shall
9 serve at the pleasure of the Governor. The chief operating officer shall
10 be qualified by training and experience for the position and shall have
11 at least 10 years of experience in the management or supervision of
12 government activities, three years of which may be substituted by an
13 advanced degree in business, law, or public administration.

14 b. Pending the appointment of a chief operating officer or, in the
15 event of the death, resignation, removal or inability of the chief
16 operating officer to discharge the duties of that office, the functions,
17 powers and duties of the chief operating officer shall devolve upon the
18 director, for the time being, until a chief operating officer is appointed
19 or is able to discharge the duties of that office. In the event that the
20 chief operating officer does not serve out the chief operating officer's
21 term of office for any reason, a successor shall be chosen by the
22 Governor.

23 c. The term of the chief operating officer shall terminate five years
24 following the assumption of duties on the part of the chief operating
25 officer. The chief operating officer may be hired as a State employee
26 in the unclassified service of Title 11A, Civil Service, of the New
27 Jersey Statutes or may be hired under contract, as provided hereunder.
28 Notwithstanding any other provision of law, no person so appointed
29 shall acquire tenure.

30 If the chief operating officer is hired under contract, the person
31 hired shall meet the qualifications set forth herein, and it shall be clear
32 from the contract that the position is full-time and that the job site
33 shall be at the principal offices of the municipality. If, for any reason,
34 a person engaged under contract is unable to fulfill the job
35 responsibilities of chief operating officer, the selection process shall be
36 recommenced in accordance with the provisions of this section.

37 If the chief operating officer is hired under contract, the contract
38 shall be available for public inspection in the office of the municipal
39 clerk.

40 d. Subject to the approval of the commissioner, the salary, benefits
41 and costs of the chief operating officer shall be fixed by the board and
42 adjusted from time to time as the board deems appropriate. The salary
43 level and benefits shall be comparable to that of the director of any
44 public authority or agency with jurisdiction in the qualified
45 municipality. The salary, benefits, and costs of the chief operating
46 officer shall be an expense of the State.

1 8. (New section) a. At the end of four years following the
2 commencement of duties by the chief operating officer, the chief
3 operating officer shall submit a report to the Governor, each member
4 of the State Economic Recovery Board, each member of the Senate
5 and General Assembly, each member of the county board of
6 freeholders in the county in which the qualified municipality is
7 situated, each member of the regional ¹[partnership] impact council¹,
8 the mayor, and each member of the governing body of the qualified
9 municipality. The report shall evaluate progress made in rehabilitating
10 the qualified municipality and the status of economic recovery efforts.
11 The report shall include an enumeration of any problems or hurdles
12 encountered in rehabilitation and economic recovery and, where
13 applicable, recommendations for any amendments to State law which
14 would promote and encourage rehabilitation and economic recovery.
15 If the chief operating officer anticipates that the rehabilitation term will
16 be insufficient to achieve rehabilitation goals, the chief operating
17 officer shall include in the report a detailed analysis of the causes for
18 the municipality's inability to reestablish local control and an
19 assessment of the amount of time necessary for the continuation of the
20 period of the rehabilitation term.

21 In addition to the foregoing, the report shall include detailed
22 information as to how those funds appropriated pursuant to
23 P.L. , c. (C.) (pending before the Legislature as this bill) are
24 being spent and how those expenditures are serving to promote the
25 economic revitalization of the qualified municipality.

26 b. Within 30 days of receipt of the report by members of the
27 Legislature, a hearing shall be held by the Senate Community and
28 Urban Affairs Committee and the Assembly Housing and Local
29 Government Committee, or their successors, to provide an opportunity
30 for public comment and discussion.

31
32 9. (New section) a. Upon the appointment of the chief operating
33 officer pursuant to subsection a. of section 7 of P.L. , c.
34 (C.) (pending before the Legislature as this bill), all the functions,
35 powers and duties heretofore or hereafter assigned by any statute,
36 regulation, ordinance, resolution, charter or contract for municipal
37 operations, municipal organization and reorganization, development
38 and implementation of workforce training programs, and the hiring and
39 firing of department heads, managers and supervisory employees shall
40 be reallocated to the chief operating officer. The chief operating
41 officer shall exercise those functions, powers and duties in
42 consultation with the mayor as are hereinafter provided.

43 b. Except as otherwise provided in P.L. , c. (C.) (pending
44 before the Legislature as this bill), the chief operating officer shall
45 have the power to perform all acts and do all things consistent with
46 law necessary for the proper conduct, maintenance, rehabilitation and

1 supervision of the qualified municipality. The chief operating officer
2 may propose ordinances, resolutions, rules, policies and guidelines, not
3 inconsistent with law, for the proper conduct, maintenance and
4 supervision of the municipality.

5 Ordinances and resolutions shall be adopted or amended as
6 provided by law except that the chief operating officer shall exercise
7 the functions, powers and duties of the mayor.

8 Failure of the mayor or governing body to act upon or approve any
9 proposal introduced by the chief operating officer shall constitute an
10 impasse and shall be subject to the dispute resolution procedures set
11 forth in section 5 of P.L. , c. (C.) (pending before the
12 Legislature as this bill).

13 c. Notwithstanding the provisions of the "Long Term Tax
14 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief
15 operating officer may negotiate financial agreements and otherwise
16 exercise the powers of the governing body pursuant thereto, including
17 making available municipal land in order to facilitate a project pursuant
18 to section 17 of P.L.1991, c.431 (C.40A:20-17). Any such
19 agreements negotiated by the chief operating officer shall be presented
20 to the governing body for the information of the members of the
21 governing body.

22 d. Notwithstanding any provisions of P.L.2001, c.310 to the
23 contrary, the chief operating officer may, in consultation with the
24 mayor and governing body, negotiate bond financing pursuant to the
25 "Redevelopment Area Bond Financing Law," sections 1 through 10 of
26 P.L.2001, c.310 (C.40A:12A-64 through 73) and revenue allocation
27 financing pursuant to the "Revenue Allocation District Financing Act,"
28 sections 11 through 41 of P.L.2001, c.310 (C.52:27D-459 through
29 489).

30 e. The functions, powers and duties reallocated to the chief
31 operating officer pursuant to this section shall include, but not be
32 limited to those powers allocated to the mayor which are found in the
33 charter and administrative code of the municipality, Titles 40 and 40A
34 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1 et
35 seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local Fiscal
36 Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public Contracts
37 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), any specific form of
38 government law according to which the municipality is governed, and
39 such other sections or other laws necessary to the governance and
40 administration of a municipality, the control of litigation, and the
41 determination of service levels as provided in this section.

42 f. During the rehabilitation term, the chief operating officer shall
43 exercise the veto power of the mayor with respect to municipal
44 ordinances; provided, however, that the chief operating officer may
45 delegate the veto power to the mayor. In addition, during the
46 rehabilitation term, the chief operating officer shall have the power to

1 veto the minutes of any independent board or authority, including, but
2 not limited to, the housing authority, parking authority, redevelopment
3 authority, planning board and board of adjustment.

4 During the rehabilitation term, the chief operating officer may refer
5 any matter involving any action or failure to act to the special
6 arbitrator.

7 g. Subject to the approval of the director, the chief operating
8 officer may appoint a confidential secretary and executive assistant
9 who shall be State employees and serve in the unclassified service of
10 the Civil Service. The salary and benefits of these appointees shall be
11 fixed by the director and adjusted from time to time as the director
12 deems appropriate. The salary, benefits, and costs of these appointees
13 shall be an expense of the State.

14 These appointees shall serve at the pleasure of the chief operating
15 officer.

16
17 10. (New section) The chief operating officer may:

18 a. Sue in the municipality's corporate name and submit disputes
19 and controversies to arbitration and determination in the manner
20 provided by law;

21 b. Retain municipal corporation counsel and such other special
22 counsel as the chief operating officer may deem necessary to carry out
23 the functions, powers and duties set forth in P.L. , c. (C.)
24 (pending before the Legislature as this bill); and

25 c. Request the State Treasurer to provide no interest loans to the
26 municipality for cash flow purposes.

27
28 11. (New section) Within 30 days of the assumption of job
29 responsibilities on the part of the chief operating officer, the chief
30 operating officer shall, in consultation with the mayor, recommend the
31 interim appointment of department heads and submit the list of
32 nominees to the governing body for confirmation. The department
33 heads shall include a business administrator, or functional equivalent
34 thereof, who shall not be the chief operating officer. The governing
35 body may only reject a candidate by a 2/3 vote of the fully authorized
36 membership of the governing body. In the event of an impasse in the
37 appointment process, the matter shall be decided by the special
38 arbitrator, whose decision shall not be subject to appeal. In making a
39 determination pursuant to this subsection, the special arbitrator shall
40 uphold the appointment recommended by the chief operating officer
41 if, by any objective measure, the person under consideration for that
42 position is qualified by reason of experience, education or training.

43 These interim appointees shall fulfill those responsibilities
44 delegated to them by the chief operating officer pending the
45 completion of the municipal management study by the chief operating
46 officer pursuant to section 12 of P.L. , c. (C.) (pending

1 before the Legislature as this bill).

2

3 12. (New section) a. Within 30 days following the submission of
4 interim department head appointments to the governing body, the chief
5 operating officer, in consultation with the mayor, shall undertake the
6 preparation of a municipal management study which analyzes the
7 current state of all services provided by each municipal department and
8 the service levels provided in similarly situated municipalities and shall
9 call upon experts or State government officials, as necessary, in order
10 to identify the options available to achieve appropriate levels of
11 service. The study shall include police and fire services provided by
12 the municipality, as well as planning, zoning, code enforcement,
13 permitting and any other municipal permitting.

14 b. The study shall include reference to those studies previously
15 completed by the State during the period of supervision or the
16 operation of the financial review board and any other relevant studies.

17 c. The study shall be completed no later than nine months
18 following the appointment of the interim department heads.

19 d. The study shall include a review of the municipal organizational
20 plan, the management structure of each department, and the specific
21 personnel needs within each department and unit therein necessary to
22 achieve the levels of service identified in the study as appropriate for
23 the qualified municipality.

24 With regard to public safety services, the study shall analyze the
25 current state of services provided in light of such performance
26 measures as calls per officer and call response time and make
27 recommendations for current and future staffing levels in order to
28 realize appropriate levels of service.

29 With respect to other municipal services, the study shall address
30 turnaround time on the processing, review, and approval of
31 applications, permits, grants, loans or other application-driven
32 interactions on the part of private individuals with the municipality and
33 make recommendations for improvement, including considerations of
34 future staffing levels and the logistical support necessary in order to
35 assure more timely processing of such requests. In addition, the
36 study shall include an assessment of the current state of
37 computerization of municipal operations, the extent to which
38 technology and mechanization are used to increase the efficiency of
39 municipal operations, and, in particular, the extent to which
40 geographic information systems are used to assist in municipal
41 resource allocation, and recommendations for ways in which those
42 operations may be made more efficient and accessible to the public
43 through the use of computers and technological innovation, including
44 the use of geographic information systems.

45 e. Following from this review, the study shall include any
46 recommendations for the reorganization of municipal government

1 structure considered necessary in order to achieve the more efficient,
2 orderly, cost-effective and professional delivery of municipal services.

3 In addition, the study shall include an analysis and
4 recommendations concerning appropriate pay scales for department
5 heads in order to assist the chief operating officer in recruiting persons
6 with the training and experience necessary to effectuate their job
7 responsibilities.

8 f. Notwithstanding any other law, rule or regulation to the
9 contrary, the municipal management study shall include an evaluation
10 of the qualification levels of departmental employees in light of their
11 assigned tasks and an identification of training opportunities to assist
12 those employees in better performing their assigned duties, including
13 a program of computer and technology training. The chief operating
14 officer may call upon the Commissioner of Personnel or other
15 appropriate State government appointees or officers in order to
16 perform this evaluation and provide appropriate training.

17 g. Upon completion, the study shall be distributed to the mayor,
18 each member of the governing body ¹~~[and], every member of the~~
19 ~~Senate and General Assembly, and~~¹ the Commissioner of Community
20 Affairs. In addition, the study shall be available for public inspection.

21 h. Following from the municipal management study, the chief
22 operating officer shall prepare the necessary amendments to the
23 municipality's administrative code and ordinance, including salary
24 ordinances, which follow from the recommendations in the study.
25 These ordinances and amendments should be included as an appendix
26 to the municipal management study.

27 The mayor and the governing body shall be kept apprised of the
28 progress of the municipal management study and shall cooperate with
29 the chief operating officer and provide that information and
30 documentation necessary to assure the expeditious completion of the
31 study.

32

33 13. (New section) a. Upon the completion of the municipal
34 management study by the chief operating officer, the chief operating
35 officer shall make available for public inspection a copy of the study
36 in the office of the municipal clerk and each branch of the public
37 library within the municipality.

38 b. The chief operating officer shall cause notice to be published in
39 a newspaper circulating within the municipality that the study is
40 available for public inspection, not less than 14 days before the
41 meeting of the governing body at which the study is to be voted on.

42 c. The municipal management study shall become the official
43 operating plan for the municipality unless the governing body rejects
44 the study by a 2/3 vote of the fully authorized membership of the
45 governing body within 30 days following the publication of notice
46 pursuant to subsection b. of this section.

1 In the event that the governing body rejects the study, the rejection
2 shall be accompanied by a statement specifically outlining the basis for
3 the rejection of each element or component of the study along with an
4 alternative proposal or proposals which accomplish the same
5 objectives.

6 If the chief operating officer does not approve those alternatives
7 proposed by the governing body, any disputed item shall be considered
8 an impasse and subject to the dispute resolution process set forth in
9 section 5 of P.L. , c. (C.) (pending before the Legislature
10 as this bill).

11 If the governing body has not acted within 30 days following the
12 publication of notice pursuant to subsection b. of this section, the
13 study shall be considered adopted.

14 d. Upon the adoption of the municipal management study, the
15 chief operating officer, in consultation with the director, shall establish
16 a salary scale for each department head. To the extent that the
17 established salaries exceed those paid by the municipality at the
18 commencement of the rehabilitation term, the State shall absorb the
19 increased expense for salaries and benefits during the rehabilitation
20 term, and for two years thereafter, subject to appropriation.

21 e. Once the chief operating officer has established the salary scale
22 and the municipal management study has been adopted, the chief
23 operating officer shall cause to be prepared proposed ordinances
24 effectuating the salary scales and those amendments to the
25 administrative code necessary to implement the municipal management
26 study.

27

28 14. (New section) For the purposes of Title 11A, Civil Service,
29 of the New Jersey Statutes, the chief operating officer shall act as the
30 appointing authority.

31 The Commissioner of Personnel, in conjunction with the chief
32 operating officer, shall design a remedial Human Resource Plan for the
33 qualified municipality which best supports the efficient and effective
34 delivery of services to the residents of the municipality. This plan may
35 include, but need not be limited to, such measures as delegation of
36 specified personnel functions, pilot programs, and streamlined
37 appointment processes and shall remain in place during the
38 rehabilitation term.

39 The Commissioner of Personnel may approve such additional
40 changes in the staffing and organization structure as are needed to
41 support the rehabilitation and economic recovery of the qualified
42 municipality pursuant to P.L. , c. (C.) (pending before the
43 Legislature as this bill).

44

45 15. (New section) a. Notwithstanding any other provision of law
46 or contract, the chief operating officer may abolish positions in the

1 municipality not under the direct supervision of the municipal
2 governing body at any time. All of the functions, powers and duties
3 of such abolished positions shall be exercised by the chief operating
4 officer or those persons whom the chief operating officer designates
5 to exercise them during the rehabilitation term. The affected
6 individuals shall be given 60 days' notice of termination or pay for the
7 same period. The notice or payment shall be in lieu of any other claim
8 or recourse against the municipality based on law or contract or term
9 of office.

10 b. Notwithstanding any law, rule or regulation to the contrary, no
11 individual whose position is abolished by operation of this section shall
12 be entitled to assert a claim to any position or to placement upon a
13 preferred eligibility list for any position to which the individual may be
14 entitled by virtue of tenure or seniority within the municipality.
15 Nothing herein shall preclude an individual from asserting upon
16 separation from service any legal contractual right to health care
17 coverage, annuities, accrued vacation days, accrued sick leave,
18 insurance and approved tuition costs. No individual whose position is
19 abolished by operation of this subsection shall retain any right to
20 tenure or seniority in the positions abolished herein.

21 c. Notwithstanding any provision of P.L.1992, c.43 (C.34:15D-1
22 et seq.) to the contrary, the Department of Labor shall, if requested by
23 an employee, provide a training grant under the "Job Training
24 Partnership Act," Pub. L. 97-300 (29 U.S.C. s.1501 et seq), to each
25 person who applies pursuant to this section for a training grant to pay
26 for employment and training services as provided pursuant to section
27 6 of P.L.1992, c.43 (C.34:15D-6).

28

29 16. (New section) a. Following the completion of the municipal
30 management study, the chief operating officer shall, in consultation
31 with the mayor, recommend the appointment of department heads and
32 division heads, as the case may be, and submit the list of nominees to
33 the governing body for approval. Any recommendations provided by
34 the chief operating officer pursuant to this subsection shall be made in
35 consultation with the mayor. Any person who has served as an interim
36 department head pursuant to section 11 of P.L. ,
37 c. (C.) (pending before the Legislature as this bill) shall be
38 eligible for appointment pursuant to this section. The governing body
39 may only reject a candidate by a 2/3 vote of the fully authorized
40 membership of the governing body. In the event of an impasse in the
41 appointment process, the matter shall be decided by the special
42 arbitrator, whose decision shall not be subject to appeal. In making a
43 determination pursuant to this subsection, the special arbitrator shall
44 uphold the appointment recommended by the chief operating officer
45 if, by any objective measure, the person under consideration for that
46 position is the most qualified by reason of experience, education or

1 training.

2 Appointment as a department head or division head, as the case
3 may be, shall be for a period of time coinciding with the term of the
4 chief operating officer and an additional two years thereafter;
5 however, department heads and division heads may be removed for
6 cause by the Local Finance Board following a hearing before the
7 board.

8 b. Any person who has served as an employee in a position with
9 tenure rights during the rehabilitation term who is reappointed by the
10 mayor, with the advice and consent of the governing body, as
11 appropriate, following the termination of the rehabilitation term shall
12 receive credit for the years served during the period of rehabilitation
13 for the purposes of establishing eligibility for tenure, so long as the
14 position otherwise qualifies for tenure under general law.

15

16 17. (New section) Upon the adoption of the municipal
17 management study, the chief operating officer, working in conjunction
18 with the Commissioner of Personnel and in consultation with the
19 mayor, shall, within 60 days, transfer, assign or reclassify, as the case
20 may be, those positions recommended for such action in the study.

21 Any residency requirement established pursuant to municipal
22 ordinance shall be waived for those positions which are at the
23 supervisory, management level or above and which are in the
24 unclassified service of Title 11A, Civil Service, of the New Jersey
25 Statutes.

26

27 18. (New section) Any person hired in a position for which the
28 residency requirement has been waived or as a police officer or
29 firefighter after the adoption of the municipal management study, and
30 who purchases a home in the qualified municipality and occupies that
31 home as a principal residence shall, subject to appropriation, receive
32 an annual stipend of 10 percent of the person's base salary upon proper
33 claim made therefor each year to the Department of Community
34 Affairs, so long as the claim is made during the rehabilitation term,
35 subject to appropriation. The department shall pay the stipend upon
36 satisfactory proof by the applicant that the dwelling for which the
37 stipend is being paid continues to be occupied as a principal residence
38 by the applicant. An employee may receive this stipend for a period of
39 five years; however, the requirement that the dwelling be occupied as
40 a principal residence shall extend to the period of rehabilitation and
41 economic recovery. Any person who does not continue to occupy the
42 residence for which that person receives the stipend for the entirety of
43 the period of rehabilitation and economic recovery shall be required to
44 reimburse the State for the entire amount of the stipend received.

45 A municipal tax lien shall attach on the property for which the
46 stipend is being paid, at the time the annual stipend is paid by the State

1 in the amount of stipend received by the applicant. The lien shall have
2 the same status and shall be given the same effect as municipal liens
3 established under R.S.54:5-9. The lien shall remain on the property
4 until the expiration of the period of rehabilitation and economic
5 recovery, or until the entire amount of the stipend paid to the applicant
6 has been reimbursed back to the State, should the applicant not
7 continue to occupy the residence for the entire period of rehabilitation
8 and economic recovery. The amount of the stipend to be reimbursed
9 to the State shall also be a personal debt of the applicant, and both the
10 lien and the debt shall be recoverable in the name of the State by
11 means of any remedy available at law.

12 The chief operating officer shall each year compile a list of those
13 employees eligible to receive the stipend, which shall be used by the
14 department to verify eligibility. An employee who receives the stipend
15 shall be ineligible to receive the property tax credit authorized
16 pursuant to section 56 of P.L. , c. (C.) (pending before
17 the Legislature as this bill).

18 The commissioner shall annually submit a list to the State
19 Treasurer of those persons who receive the stipend.

20

21 19. (New section) Notwithstanding the provisions of any other
22 law, rule or regulation to the contrary, an employee of a qualified
23 municipality who is a member of the Public Employees' Retirement
24 System and is otherwise eligible for retirement may, upon the
25 recommendation of the chief operating officer with the approval of the
26 director, receive an incentive payment for the termination of the
27 employee's employment with the municipality.

28 As used in this section, "incentive payment" shall mean a lump sum
29 payment of 20 percent of the employee's annual base salary, exclusive
30 of overtime.

31 An employee shall only be eligible for an incentive payment
32 pursuant to this section if that person applies for this termination
33 benefit within 60 days of the appointment of the chief operating
34 officer. Payment shall be made not sooner than upon the receipt of the
35 first pension check by the municipal employee.

36 This election to retire on the part of the municipal employee shall
37 be communicated by the member to the retirement system pursuant to
38 Title 43 of the Revised Statutes; however, once the employee has
39 elected to retire, that decision shall be final.

40

41 20. (New section) A resident of a qualified municipality who has
42 paid property taxes for the tax year on a homestead that is owned as
43 such and who is eligible to receive an NJ SAVER rebate pursuant to
44 P.L.1999, c.63 (C.54:4-8.58a et al.) shall, subject to appropriation,
45 receive an NJ SAVER rebate in an amount equal to 150% of the
46 amount otherwise owed that resident pursuant to section 4 of

1 P.L.1999, c.63 (C.54:4-8.58b) during the time that the municipality is
2 under rehabilitation and economic recovery.

3

4 21. (New section) a. The chief operating officer shall conduct
5 monthly meetings with the mayor, department heads and the executive
6 directors of any independent boards or authorities created by the
7 municipality or which otherwise operate in the name of the
8 municipality. Meetings may be held more frequently, as necessary, at
9 the call of the chief operating officer.

10 b. During the rehabilitation term, the chief operating officer may
11 veto the minutes of any independent board or authority, including, but
12 not limited to, the housing authority, parking authority, redevelopment
13 authority, planning board and board of adjustment. The mayor shall
14 retain this power during the economic recovery term.

15 c. A true copy of the minutes of every meeting of any independent
16 board or authority, including, but not limited to, the housing authority,
17 parking authority, redevelopment authority, planning board and board
18 of adjustment, shall be prepared and forthwith delivered to the chief
19 operating officer or mayor, as the case may be. No action taken at any
20 such meeting shall have force or effect until 10 days, exclusive of
21 Saturdays, Sundays and public holidays, after the copy of the minutes
22 shall have been so delivered. If, in that 10-day period, the chief
23 operating officer or mayor returns the copy of the minutes with a veto
24 of any action taken by the board or authority at the meeting, that
25 action shall be null and void and of no force and effect. Following the
26 completion of the 10-day period, those actions not vetoed shall be
27 considered approved.

28 d. To ensure the expeditious consideration of any decision by the
29 planning board and zoning board of adjustment or any other
30 independent board or authority on the part of the chief operating
31 officer or mayor, as appropriate, the secretary of each board or
32 authority shall forward a copy of each resolution adopted by each
33 board or authority within five business days following the adoption
34 thereof. For the purposes of the exercise of the veto power by the
35 chief operating officer or mayor pursuant to subsection c. of this
36 section, the 10-day period shall commence upon the receipt, by the
37 chief operating officer or mayor, as appropriate, of those resolutions.

38

39 22. (New section) a. Any applicable period for review or appeal
40 in connection with any application acted upon by either the planning
41 board or zoning board, as the case may be, as provided for under the
42 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.),
43 shall be extended to incorporate that amount of time taken by the chief
44 operating officer in reviewing the minutes pursuant to subsection c. of
45 section 21 of P.L. , c. (C.) (pending before the Legislature as
46 this bill).

1 b. In the event that the veto of the chief operating officer reverses
2 an approval that has been granted by the planning board or board of
3 adjustment, as the case may be, or allows an application that has
4 otherwise been denied by either board, the chief operating officer shall
5 direct the secretary of the planning board or board of adjustment, as
6 the case may be, to notify the applicant, by certified mail, at the same
7 time that the secretary receives the copy of the minutes with the veto
8 from the chief operating officer pursuant to subsection c. of section 21
9 of P.L. , c. (C.) (pending before the Legislature as this bill).

10

11 23. (New section) a. Within three business days following each
12 meeting of the governing body, a copy of each ordinance and
13 resolution which has been adopted by the governing body shall be
14 forwarded to the chief operating officer or mayor, as the case may be,
15 who shall have 10 days from the receipt thereof to veto the ordinance
16 or resolution, as the case may be. Any veto action by the chief
17 operating officer or mayor shall be submitted to the governing body
18 within 10 days of the veto. Within five business days thereafter, the
19 governing body may override the veto by a two-thirds vote of the fully
20 authorized membership thereof.

21 If, in the opinion of the chief operating officer, the action is
22 contrary to the rehabilitation of economic recovery goals which
23 justified the rehabilitation declaration, the chief operating officer can
24 submit the action to the special arbitrator, who shall allow the action
25 only upon a finding that the action is consistent with the rehabilitation
26 and economic recovery of the qualified municipality. The decision of
27 the special arbitrator shall not be subject to appeal.

28 b. The chief operating officer shall have full access to all municipal
29 records and to municipal information from all officials and employees
30 of the municipality. If the chief operating officer believes that an
31 official or employee of the municipality is not answering the questions
32 of the chief operating officer accurately or completely or is not
33 furnishing information requested by the chief operating officer, the
34 chief operating officer may notify the official or employee in writing
35 to furnish answers to questions or to furnish documents or records, or
36 both. If the official or employee refuses, the chief operating officer
37 may seek a subpoena in the Superior Court, in a summary manner, to
38 compel testimony and furnish records and documents.

39

40 24. (New section) The governing body, in conjunction with the
41 Eagleton Institute of Politics and the Rand Institute at Rutgers, The
42 State University, shall hire a non-partisan, professional staff to assist
43 the governing body in the execution of its governmental functions and
44 shall provide the staff with the computer hardware and software
45 necessary to perform their assigned tasks. Computer equipment shall
46 be provided at State expense. The staff members shall possess

1 expertise in areas of municipal government operation, including but
2 not limited to, municipal law, planning, social services, public health,
3 public finance and public works administration. Candidates for
4 appointment shall possess a college degree which is relevant to the
5 position which may include, but not be limited to, business, law and
6 public administration. Although a candidate may possess a law
7 degree, staff members shall serve as subject matter experts to the
8 governing body and shall not serve as legal counsel.

9 The Eagleton Institute and the Rand Institute shall also provide
10 comprehensive training for members of the governing body and the
11 non-partisan, professional staff to better enable them to discharge their
12 representative functions in the public interest. The State shall
13 adequately compensate the Eagleton Institute and the Rand Institute
14 for their services, subject to appropriation.

15

16 25. (New section) Unless otherwise provided pursuant to
17 P.L. , c. (C.) (pending before the Legislature as this bill), the
18 governing body shall retain all functions, powers and duties prescribed
19 to it pursuant to the charter and administrative code of the
20 municipality, Titles 40 and 40A generally and specifically in the "Local
21 Bond Law," N.J.S.40A:2-1 et seq., the "Local Budget Law,"
22 N.J.S.40A:4-1 et seq., the "Local Fiscal Affairs Law," N.J.S.40A:5-1
23 et seq., the "Local Public Contracts Law," P.L.1971, c.198
24 (C.40A:11-1 et seq.), the "New Jersey Water Supply Public-Private
25 Contracting Act," P.L.1995, c.101 (C.58:26-19 et seq.), any specific
26 form of government law according to which the municipality is
27 governed, and such other sections or other laws which govern
28 municipal operation or administration.

29 The governing body shall set the schedule and agenda for meetings
30 of the governing body, which shall be duly advertised pursuant to the
31 "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).
32 Meetings shall be presided over by the president of the governing
33 body.

34

35 26. (New section) a. The director may provide for oversight or
36 audit of the activities of each qualified municipality and report the
37 findings to the Local Finance Board and the chief operating officer.
38 The cost of providing oversight and audit functions shall be borne by
39 the State. The power to negotiate collective bargaining agreements
40 pursuant to section 20 of P.L.1981, c.211 (C.52:27BB-66.1) shall be
41 vested in the chief operating officer. Collective bargaining agreements
42 entered into by the municipality prior to the commencement of the
43 rehabilitation term shall remain in force as provided in those
44 agreements, except when otherwise expressly provided in P.L. , c.
45 (C.) (pending before the Legislature as this bill).

46 b. The director may make grants to a municipality under

1 rehabilitation, using such funds as may be available to the director, for
2 the purposes of conducting studies or engaging consultants as may be
3 authorized by P.L. , c. (C.) (pending before the Legislature as
4 this bill) to assist in rehabilitation, or those that the director and the
5 chief operating officer or mayor, as appropriate, determine are
6 necessary to the rehabilitation of the municipality. Grants may be
7 made subject to conditions deemed necessary by the director.

8
9 27. (New section) a. During the rehabilitation term, the chief
10 operating officer shall not increase the municipal portion of the general
11 tax rate over the rate established for the year during which the
12 rehabilitation took effect.

13 b. The chief operating officer shall, in consultation with the mayor,
14 annually prepare a budget pursuant to the provisions of the "Local
15 Budget Law," N.J.S.40A:4-1 et seq. This budget shall conform in all
16 respects with the requirements of the "Local Budget Law,"
17 N.J.S.40A:4-1 et seq. and shall be subject to the limitations on
18 spending by municipalities set forth in P.L.1976, c.68 (C.40A:4-45.1
19 et seq.). The Local Finance Board may grant exceptions to the
20 spending limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et seq.)
21 upon application by the chief operating officer, if the Local Finance
22 Board finds such exceptions to be necessary for the rehabilitation of
23 the municipality.

24 c. Upon the preparation of the budget, the chief operating officer,
25 in consultation with the mayor, shall fix: a date, place and time for the
26 holding of a public hearing upon the budget; the amounts of money
27 necessary to be appropriated for the use of the municipality for the
28 ensuing year; and the various items and purposes for which the same
29 are to be appropriated. The hearing shall be held in accordance with
30 the provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq. ;
31 however, the hearing shall be held at least 28 days after the date on
32 which the budget is advertised. Notice of hearing, contents of the
33 notice and the format and purpose of the hearing shall be as provided
34 in that law. As part of the budget request, the chief operating officer
35 may include provision for anticipation of rehabilitation aid if other
36 revenues are insufficient to meet the revenues needed to offset total
37 appropriations.

38 d. Following the hearing or hearings on the budget, the governing
39 body shall vote upon the proposed budget. Failure to adopt the
40 budget shall be communicated to the chief operating officer along with
41 the reasons for each line item that is rejected. If the chief operating
42 officer does not approve those alternatives proposed by the governing
43 body, any disputed line item shall be considered an impasse and subject
44 to the dispute resolution process set forth in section 5 of P.L. , c.
45 (C.) (pending before the Legislature as this bill).

46 e. If the budget proposed by the chief operating officer includes

1 a provision for rehabilitation aid, the chief operating officer shall apply
2 to the director for approval of the amount and shall supply the director
3 with documentation justifying the need. The director shall then
4 recommend an amount to the State Treasurer. The treasurer, after
5 consideration of the recommendation, shall determine the amount of
6 the rehabilitation aid to be requested.

7 f. During the period that the municipality is under rehabilitation and
8 economic recovery, the commissioner shall ensure that those
9 appropriations in the municipal budget ¹[or departmental budget, as
10 the case may be,]¹ necessary for the ¹[rehabilitation and economic
11 recovery of the qualified municipality either appropriated pursuant to
12 the "Municipal Rehabilitation and Economic Recovery Act," P.L. ,
13 c. , (C.) (pending before the Legislature as this bill) anticipated
14 by the programs established pursuant thereto, or otherwise necessary
15 to assure the municipality's rehabilitation and revitalization, are fully
16 funded and continued during the entire period of rehabilitation and
17 economic recovery] improvement of internal audit mechanisms and
18 controls are present on an annual basis¹.

19

20 28. (New section) During the rehabilitation term, all ordinances
21 authorizing the issuance of debt shall be subject to approval of the
22 Local Finance Board. Provisions of the "Local Bond Law,"
23 N.J.S.40A:2-1 et seq., with regard to the introduction of bond
24 ordinances shall be followed, and approval of the chief operating
25 officer shall serve as approval of the bond ordinance for publication.
26 After a public hearing held by the governing body and approval of a
27 bond ordinance by the chief operating officer, the chief operating
28 officer shall apply to the Local Finance Board for approval of the bond
29 ordinance. No bond ordinance shall take effect without the approval
30 of the Local Finance Board. Amendments to existing bond ordinances
31 that do not increase the amount of bonded indebtedness may be
32 approved by the chief operating officer without the approval of the
33 Local Finance Board.

34

35 29. (New section) The chief operating officer shall biannually
36 provide to the Local Finance Board a report on the progress of each
37 qualified municipality toward achieving municipal rehabilitation and
38 economic recovery. The director shall formally report annually to the
39 Local Finance Board, the commissioner, the Attorney General, the
40 treasurer, the Governor, each member of the governing body of each
41 qualified municipality, including the mayor, each member of the county
42 board of freeholders in the county in which the qualified municipality
43 is situated, each member of the regional ¹[partnership] impact
44 council¹, and each member of the Legislature on the municipality's
45 progress towards achieving these goals. The reports may also include
46 recommendations to the Legislature by the chief operating officer for

1 specific changes to the law that the chief operating officer believes
2 would facilitate the goal of rehabilitating the qualified municipality.

3
4 30. (New section) The mayor of each qualified municipality and
5 the chief operating officer shall establish a community advisory
6 committee in order to provide an efficient means of eliciting citizen
7 input in the rehabilitation and economic recovery and community
8 development of that municipality, which shall exist while the qualified
9 municipality is under rehabilitation and economic recovery. The
10 community advisory committee shall consist of 13 members as follows:
11 three to be appointed by the Commissioner of Community Affairs;
12 three by the governing body; and three by the chief operating officer.
13 The mayor shall serve as an ex officio member of the committee and
14 shall appoint an additional three members. Members shall serve for
15 a term of five years.

16 Membership of the committee shall include representatives of the
17 municipality's neighborhood, business, labor, faith-based, civic, and
18 public interest organizations. No fewer than three members of the
19 committee shall represent private businesses situated within the
20 qualified municipality.

21 The committee shall meet not less than twice a year, at the pleasure
22 of the chief operating officer, and shall assist the chief operating
23 officer in the conduct of the municipal management study pursuant to
24 section 12 of P.L. , c. (C.) (pending before the Legislature
25 as this bill) and such other functions as are assigned to it by the chief
26 operating officer.

27
28 31. (New section) a. All State departments and agencies, to the
29 extent not inconsistent with law and within budget constraints, shall
30 cooperate with the chief operating officer and respond to requests for
31 such information and assistance as are necessary to accomplish the
32 purposes of P.L. , c. (C.) (pending before the Legislature as
33 this bill).

34 b. Notwithstanding any law or regulation to the contrary, during
35 the period of rehabilitation and economic recovery, each State
36 department, agency, or authority shall supersede existing priority
37 setting or ranking systems to place applications from the qualified
38 municipality in the highest priority or ranking category for award or
39 approval of grants, benefits, loans, projects, including highway, roads,
40 sewer and other infrastructure projects or other considerations that
41 would benefit the municipality. This shall be done to the greatest
42 extent possible to benefit the municipality.

43
44 32. (New section) The State shall not be liable in tort, contract or
45 in the nature of tort for any action or inaction involving the
46 rehabilitation or revitalization of the municipality. The chief operating

1 officer, assistant chief operating officer, and any State officer or
2 employee involved in the rehabilitation or revitalization of the
3 municipality shall not be liable in tort, contract or in the nature of tort
4 personally or as State employees for any action or inaction involving
5 the rehabilitation or revitalization of the municipality.

6 This section shall not be construed to preclude an aggrieved person
7 from maintaining an action in tort, contract or in the nature of tort
8 against the chief operating officer or a State officer or employee
9 involved in the rehabilitation or revitalization of the municipality, as
10 municipal employees. For purposes of those actions the chief
11 operating officer, appointees of the chief operating officer pursuant to
12 subsection g. of section 9 of P.L. , c. (C.) (pending before
13 the Legislature as this bill), and any State officer or employee involved
14 in the rehabilitation shall be deemed officers or employees of the
15 municipality and shall be entitled to the defenses and immunities as
16 provided under the "New Jersey Tort Claims Act," N.J.S.59:1-1 et
17 seq. and the "New Jersey Contractual Liability Act," N.J.S.59:13-1 et
18 seq. for public employees and shall be entitled to defense and
19 indemnification by the municipality as provided to other municipal
20 employees.

21

22 33. (New section) The commissioner shall utilize available
23 mechanisms, such as the Urban Coordinating Council, to coordinate
24 and facilitate communications between the chief operating officer and
25 the various State departments and agencies.

26

27 34. (New section) a. Notwithstanding that a municipality has been
28 placed under rehabilitation and economic recovery under P.L. , c.
29 (C.) (pending before the Legislature as this bill), the municipality
30 shall remain a body corporate and politic in the same manner as existed
31 prior to rehabilitation and economic recovery.

32 b. Nothing in P.L. , c. (C.) (pending before the Legislature
33 as this bill) shall be construed to interrupt the holding of regular
34 elections of the governing body, mayor or other chief executive
35 officer.

36

37 35. (New section) Notwithstanding any law, rule or regulation to
38 the contrary, the governing body of any qualified municipality in which
39 a free public library has been established pursuant to R.S.40:54-1 et
40 seq. situated in a county in which a free county library has been
41 established pursuant to R.S.40:33-1 et seq. and in which is situated a
42 qualified municipality may enter into an agreement with the governing
43 body of the county, acting on behalf of the county library commission,
44 for the county library to assume responsibility for the administration
45 and operation of the municipal library system. The agreement shall
46 provide for those financial arrangements necessary in order to assure

1 a smooth transition from municipal to county operation and the
2 transfer of library personnel from the municipal, to the county library
3 system.

4
5 ARTICLE 3. REDEVELOPMENT MANAGEMENT

6
7 36. (New section) a. In order to facilitate the rehabilitation and
8 economic recovery of each qualified municipality, there is created a
9 subsidiary corporation of the New Jersey Economic Development
10 Authority, which shall be known as the State Economic Recovery
11 Board for (insert name of qualified municipality). The board shall
12 operate for the period during which the municipality is under
13 rehabilitation and economic recovery and for a period of two years
14 thereafter. Any outstanding debts or obligations which remain at the
15 termination of board operation shall be assumed by the authority and
16 any accounts payable to the board shall be due and payable to the
17 authority.

18 b. The board shall consist of 15 voting members, as follows: the
19 mayor of the qualified municipality; a representative of the municipal
20 governing body selected by the governing body; the chief operating
21 officer; the State Treasurer; the Commissioner of Community Affairs;
22 the chairperson of the authority; a representative of the regional
23 ¹[partnership] impact council¹ selected by the ¹[partnership]
24 council¹; the director of the board of chosen freeholders of the county
25 in which the qualified municipality is situated, as provided hereunder,
26 all of whom shall serve ex officio and may select a designee to serve
27 in their stead; one public member chosen by the Senate President and
28 one public member chosen by the Assembly Speaker; and five public
29 members to be appointed by the Governor, to include one
30 representative of organized labor and one representing the business
31 community. Of the public members appointed by the Governor, at
32 least three shall be municipal residents. In addition, the Senior
33 Community Builder in the State office of the federal Department of
34 Housing and Urban Development shall serve as an ex officio, non-
35 voting member of the board.

36 ¹A majority of the entire authorized membership of the board shall
37 constitute a quorum at any meeting thereof.¹

38 c. Each public member shall serve for a term of five years.
39 Vacancies in the public membership of the board shall be filled in the
40 same manner as the original appointments are made and a member may
41 be eligible for reappointment. Vacancies occurring other than by
42 expiration of a term shall be filled for the unexpired term. Each ex
43 officio member shall serve for the period during which the municipality
44 is under rehabilitation and economic recovery and for a period of two
45 years thereafter.

46 The Governor shall designate the chairperson of the board.

1 d. The board shall be appointed as expeditiously as possible upon
2 the enactment of P.L. , c. (C.) (pending before the
3 Legislature as this bill) and shall convene not later than 30 days
4 following enactment of P.L. , c. (C.) (pending before the
5 Legislature as this bill) for its organizational meeting. Thereafter, the
6 board shall meet regularly and on not less than a quarterly basis. ¹At
7 its first organizational meeting, the board shall appoint one of the
8 public members to serve as its designee on the New Jersey Economic
9 Development Authority pursuant to section 69 of P.L. , c.
10 (C.) (pending before the Legislature as this bill).¹

11 e. The voting authority of the director of the county board of
12 chosen freeholders shall not become effective until the filing with the
13 Secretary of State of an agreement entered into by the chief operating
14 officer, acting on behalf of the municipality, and the county, detailing
15 the financial commitment of the county to the redevelopment of the
16 infrastructure of the municipality which shall include improvements or
17 other economic benefits totalling not less than \$20 million and a
18 proposed construction schedule for the completion thereof.

19

20 37. (New section) The duties of the board shall include, but not be
21 limited to:

22 a. in consultation with the chief operating officer and the mayor,
23 the preparation of the capital improvement and infrastructure master
24 plan, identification of resources necessary to assure its implementation,
25 marshaling of efforts of public and private entities which operate
26 within the qualified municipality, and performance of any other tasks
27 requested by the chief operating officer to assure the efficient use of,
28 and maximum access to, public resources in order to assure the
29 economic recovery of the qualified municipality;

30 b. the preparation of a strategic revitalization plan for the qualified
31 municipality in accordance with the provisions of section 38 of
32 P.L. , c. (C.) (pending before the Legislature as this bill);

33 c. ¹[the making of grants, matching grants or loans, as appropriate,
34 to finance, in whole or in part, projects which further economic
35 recovery goals of the "Municipal Rehabilitation and Economic
36 Recovery Act," P.L. , c. (C.) (pending before the Legislature
37 as this bill);

38 d.]¹ the review and approval of plans submitted by any institution
39 of higher education as a prerequisite for the receipt of funding
40 pursuant to P.L. , c. (C.) (pending before the Legislature
41 as this bill). The approval of these plans shall not be unreasonably or
42 arbitrarily withheld;

43 ¹[e.] d.¹ the review, on a timely basis, of all programs or projects
44 undertaken pursuant to P.L. , c. (C.) (pending before the
45 Legislature as this bill), including but not limited to development and
46 redevelopment efforts, including commercial, residential and industrial

1 projects, facilities or sites, the issuance of any loan, grant or other
2 equity investment pursuant to P.L. , c. (C.) (pending before
3 the Legislature as this bill) or any other State appropriation or
4 allocation for the qualified municipality;

5 ¹[f.] e.¹ the preparation of project lists ¹and financial plans¹ in
6 accordance with the provisions of section 45 of P.L. , c.
7 (C.) (pending before the Legislature as this bill);

8 ¹[g.] f.¹ the review of all recommendations, studies or other
9 proposals related to the purposes of, and undertaken pursuant to
10 P.L. , c. (C.) (pending before the Legislature as this bill); and

11 ¹[h.] g.¹ the engagement, through contract or other appropriate
12 means, of those professionals or organizations whose expertise and
13 experience would prove essential to achieving a comprehensive and
14 strategic economic development plan.

15

16 38. (New section) a. Concurrently with the preparation of the
17 capital improvement and infrastructure plan pursuant to section 42 of
18 P.L. , c. (C.) (pending before the Legislature as this bill),
19 the board shall oversee the preparation of a strategic revitalization plan
20 for the qualified municipality.

21 The strategic revitalization plan shall incorporate a blueprint for the
22 economic, social, and cultural revitalization of the municipality
23 through the promotion of development and redevelopment in both the
24 downtown business district and residential neighborhoods. The plan
25 shall promote diversification of land uses, including housing where
26 appropriate, and enhance the linkages of these uses to the rest of the
27 community. The plan shall ensure a full range of housing choices
28 through redevelopment, new construction, rehabilitation, adaptive
29 reuse of nonresidential buildings, to the extent possible, and the
30 introduction of new housing into appropriate nonresidential settings.
31 To the extent that the existing housing stock can be preserved, the
32 plan shall encourage ¹[maintainence] maintenance¹, rehabilitation and
33 flexible regulation, where possible.

34 The plan shall promote economic development by encouraging
35 strategic land assembly, site preparation and infill development and
36 assure that infrastructure improvements support a central role for the
37 municipality within the regional context. The plan shall include
38 strategies for integrating port redevelopment, downtown regeneration
39 and the revitalization of residential neighborhoods. The plan shall also
40 provide for the maintenance and enhancement of a transportation
41 system that capitalizes on high density settlement patterns by
42 encouraging the use of public transit, walking, and alternative modes
43 of transportation, including the use of water transportation, where
44 appropriate.

45 In addition, the plan shall provide for maximum active and passive
46 recreational opportunities and facilities at the neighborhood, local and

1 regional levels by concentrating on the maintenance and rehabilitation
2 of existing parks and open space while expanding and linking the
3 system through redevelopment and reclamation projects.

4 The strategic revitalization plan shall be drafted by urban planners
5 recruited through a comprehensive nationwide search.

6 b. The strategic revitalization plan shall be submitted to the chief
7 operating officer, the mayor, each member of the governing body, the
8 commissioner, the Governor, ¹ [and] each member of the Senate and
9 General Assembly, and¹ each member of the regional ¹ [partnership]
10 impact council¹ within six months after the first meeting of the board.

11 c. The strategic revitalization plan shall be adopted upon an
12 affirmative vote of a majority of the full authorized membership of the
13 board.

14

15 39. (New section) a. There is established for each qualified
16 municipality a regional ¹ [partnership] impact council¹ to serve for that
17 period during which the municipality is under rehabilitation and
18 economic recovery. The ¹ [partnership] council¹ shall consist of: the
19 mayor of the qualified municipality or his or her designee; the mayor
20 of any municipality in the county in which the qualified municipality is
21 situated which on or before the effective date of P.L. , c. (C.)
22 (pending before the Legislature as this bill) has participated in a
23 regional collaborative established to further the strategic revitalization
24 of the qualified municipality or the mayor's designee; the director of
25 the board of chosen freeholders of the county in which the qualified
26 municipality is situated or his or her designee; the director of the
27 Office of State Planning or his or her designee; one representative of
28 the New Jersey Regional Coalition, to be appointed as provided
29 hereinafter; and four public members, two of whom shall be appointed
30 by the Governor, one of whom shall be appointed by the Senate
31 President and one of whom shall be appointed by the Speaker of the
32 General Assembly. The four public members shall include at least one
33 member of the faith-based community within the region; one member
34 of the business community; one member of the higher education
35 community; and one member of the labor community within the region.

36 b. Within 30 days of the effective date of P.L. , c. (C.)
37 (pending before the Legislature as this bill), the New Jersey Regional
38 Coalition shall submit to the Governor three nominees for
39 consideration, from which the Governor may choose. If the
40 organization does not submit three nominees for consideration at any
41 time required, the Governor may appoint a member of the Governor's
42 choice.

43 c. No member of the ¹ [partnership] council¹ shall receive a salary
44 for service on the council but shall be reimbursed for reasonable and
45 necessary expenses associated with serving on the ¹ [partnership]
46 council¹.

1 d. A majority of the members of the ¹[partnership] council¹ shall
2 choose one of the members to serve as the chair. Each member of the
3 ¹[partnership] council¹ shall serve for a two year term and, upon
4 expiration of that term, may be reappointed. Vacancies among the
5 membership shall be filled in the same manner in which the original
6 appointment was made.

7 e. The ¹[partnership] council¹ shall select an appropriate location
8 or locations in which to meet. The council may adopt its own bylaws
9 and procedures that are not inconsistent with P.L. , c. (C.)
10 (pending before the Legislature as this bill).

11 f. The ¹[partnership] council¹ shall be eligible for and may employ
12 a consultant and such staff as it deems necessary, to the extent that
13 funds are made available pursuant to P.L. , c. (C.) (pending
14 before the Legislature as this bill) or other sources. The
15 ¹[partnership] council¹ may call upon the commissioner for such
16 assistance as it deems necessary.

17 g. The ¹[partnership] council¹ may hold public hearings at the call
18 of the chair and pursuant to the "Open Public Meetings Act,"
19 P.L.1975, c.231 (C.10:4-6 et seq.).

20

21 40. (New section) It shall be the role of the regional
22 ¹[partnership] impact council¹ to promote coordination among
23 communities within the region surrounding a qualified municipality and
24 to assist in the formulation of long range strategies to address regional
25 issues, including public safety, economic development, housing, and
26 environmental issues with the goal of improving the quality of life
27 within the region.

28 In fulfilling this role, the responsibilities of the regional
29 ¹[partnership] impact council¹ shall include, but not be limited to:

30 a. the representation of the regional interest in the economic
31 recovery of the qualified municipality through participation in the State
32 Economic Recovery Board established pursuant to section 36 of
33 P.L. , c. (C.) (pending before the Legislature as this bill);

34 b. the review of the strategic revitalization plan prepared pursuant
35 to section 38 of P.L. , c. (C.) (pending before the
36 Legislature as this bill), the capital improvement and infrastructure
37 plan pursuant to section 42 of P.L. , c. (C.) (pending
38 before the Legislature as this bill), and of the report submitted by the
39 chief operating officer pursuant to section 8 of P.L. , c. (C.)
40 (pending before the Legislature as this bill), and provision of
41 comments and recommendations, as appropriate, in order to reflect
42 regional concerns;

43 c. if deemed necessary and appropriate by the ¹[partnership]
44 council¹, a review of the county master plan and other regional plans
45 and development of recommendations for the county planning board

1 or other regional entities in order to strengthen the functioning of the
2 municipalities in the regional context;

3 d. the formulation of an action plan which includes a series of tasks
4 necessary to enhance the functioning of the region, including planning,
5 programs and projects and the identification of the technical,
6 institutional and financial resources necessary to execute them, the
7 agencies and organizations responsible for each activity and a
8 timetable for completion; and

9 e. any recommendations for legislation deemed advisable by the
10 board to enhance regional cooperation among municipalities and
11 maximize the efficient utilization of federal, State, local and private
12 resources.

13

14 41. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as
15 follows:

16 5. The authority shall have the following powers:

17 a. To adopt bylaws for the regulation of its affairs and the conduct
18 of its business;

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

20 c. To sue and be sued;

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

37 e. To enter into contracts with a person upon such terms and
38 conditions as the authority shall determine to be reasonable, including,
39 but not limited to, reimbursement for the planning, designing,
40 financing, construction, reconstruction, improvement, equipping,
41 furnishing, operation and maintenance of the project or the school
42 facilities project and to pay or compromise any claims arising
43 therefrom;

44 f. To establish and maintain reserve and insurance funds with
45 respect to the financing of the project or the school facilities project
46 and any project financed pursuant to the "Municipal Rehabilitation

- 1 and Economic Recovery Act," P.L. , c. (C.) (pending
2 before the Legislature as this bill)¹;
- 3 g. To sell, convey or lease to any person all or any portion of a
4 project or school facilities project, for such consideration and upon
5 such terms as the authority may determine to be reasonable;
- 6 h. To mortgage, pledge or assign or otherwise encumber all or any
7 portion of a project, school facilities project or revenues, whenever it
8 shall find such action to be in furtherance of the purposes of this act
9 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
10 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
11 (pending before the Legislature as this bill);
- 12 i. To grant options to purchase or renew a lease for any of its
13 projects or school facilities projects on such terms as the authority may
14 determine to be reasonable;
- 15 j. To contract for and to accept any gifts or grants or loans of
16 funds or property or financial or other aid in any form from the United
17 States of America or any agency or instrumentality thereof, or from
18 the State or any agency, instrumentality or political subdivision
19 thereof, or from any other source and to comply, subject to the
20 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
21 P.L.2001, c.401 (C.34:1B-4.1) [and], P.L.2000, c.72 (C.18A:7G-1 et
22 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
23 P.L. , c. (C.) (pending before the Legislature as this bill) with
24 the terms and conditions thereof;
- 25 k. In connection with any application for assistance under
26 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
27 (C.34:1B-4.1) [or], P.L.2000, c.72 (C.18A:7G-1 et al.) or the
28 "Municipal Rehabilitation and Economic Recovery Act," P.L. ,
29 c. (C.) (pending before the Legislature as this bill) or
30 commitments therefor, to require and collect such fees and charges as
31 the authority shall determine to be reasonable;
- 32 l. To adopt, amend and repeal regulations to carry out the
33 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
34 P.L.2001, c.401 (C.34:1B-4.1) [and], P.L.2000, c.72 (C.18A:7G-1 et
35 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
36 P.L. , c. (C.) (pending before the Legislature as this bill);
- 37 m. To acquire, purchase, manage and operate, hold and dispose of
38 real and personal property or interests therein, take assignments of
39 rentals and leases and make and enter into all contracts, leases,
40 agreements and arrangements necessary or incidental to the
41 performance of its duties;
- 42 n. To purchase, acquire and take assignments of notes, mortgages
43 and other forms of security and evidences of indebtedness;
- 44 o. To purchase, acquire, attach, seize, accept or take title to any
45 project or school facilities project by conveyance or by foreclosure,
46 and sell, lease, manage or operate any project or school facilities

1 project for a use specified in this act [and], P.L.2000, c.72
2 (C.18A:7G-1 et al.), and the "Municipal Rehabilitation and Economic
3 Recovery Act," P.L. , c. (C.) (pending before the Legislature
4 as this bill);

5 p. To borrow money and to issue bonds of the authority and to
6 provide for the rights of the holders thereof, as provided in P.L.1974,
7 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
8 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
9 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
10 (pending before the Legislature as this bill);

11 q. To extend credit or make loans to any person for the planning,
12 designing, acquiring, constructing, reconstructing, improving,
13 equipping and furnishing of a project or school facilities project, which
14 credits or loans may be secured by loan and security agreements,
15 mortgages, leases and any other instruments, upon such terms and
16 conditions as the authority shall deem reasonable, including provision
17 for the establishment and maintenance of reserve and insurance funds,
18 and to require the inclusion in any mortgage, lease, contract, loan and
19 security agreement or other instrument, such provisions for the
20 construction, use, operation and maintenance and financing of a
21 project or school facilities project as the authority may deem necessary
22 or desirable;

23 r. To guarantee up to 90% of the amount of a loan to a person, if
24 the proceeds of the loan are to be applied to the purchase and
25 installation, in a building devoted to industrial or commercial
26 purposes, or in an office building, of an energy improvement 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 authority to carry
30 out the purposes of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
31 P.L.2001, c.401 (C.34:1B-4.1) [and], P.L.2000, c.72 (C.18A:7G-1 et
32 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
33 P.L. , c. (C.) (pending before the Legislature as this bill) and
34 to fix and pay their compensation from funds available to the authority
35 therefor, all without regard to the provisions of Title 11A of the New
36 Jersey Statutes;

37 t. To do and perform any acts and things authorized by P.L.1974,
38 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
39 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
40 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
41 (pending before the Legislature as this bill) under, through or by
42 means of its own officers, agents and employees, or by contract with
43 any person;

44 u. To procure insurance against any losses in connection with its
45 property, operations or assets in such amounts and from such insurers
46 as it deems desirable;

1 v. To do any and all things necessary or convenient to carry out its
2 purposes and exercise the powers given and granted in P.L.1974, c.80
3 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
4 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
5 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
6 (pending before the Legislature as this bill);

7 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
8 maintain or repair or provide for the construction, reconstruction,
9 improvement, alteration, equipping or maintenance or repair of any
10 development property and lot, award and enter into construction
11 contracts, purchase orders and other contracts with respect thereto,
12 upon such terms and conditions as the authority shall determine to be
13 reasonable, including, but not limited to, reimbursement for the
14 planning, designing, financing, construction, reconstruction,
15 improvement, equipping, furnishing, operation and maintenance of any
16 such development property and the settlement of any claims arising
17 therefrom and the establishment and maintenance of reserve funds with
18 respect to the financing of such development property;

19 x. When authorized by the governing body of a municipality
20 exercising jurisdiction over an urban growth zone, to construct, cause
21 to be constructed or to provide financial assistance to projects in an
22 urban growth zone which shall be exempt from the terms and
23 requirements of the land use ordinances and regulations, including, but
24 not limited to, the master plan and zoning ordinances, of such
25 municipality;

26 y. To enter into business employment incentive agreements as
27 provided in the "Business Employment Incentive Program Act,"
28 P.L.1996, c.26 (C.34:1B-124 et al.);

29 z. To undertake school facilities projects and to enter into
30 agreements or contracts, execute instruments, and do and perform all
31 acts or things necessary, convenient or desirable for the purposes of
32 the authority to carry out any power expressly provided pursuant to
33 P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.2000, c.72 (C.18A:7G-1
34 et al.), including, but not limited to, entering into contracts with the
35 State Treasurer, the Commissioner of Education, districts and any
36 other entity which may be required in order to carry out the provisions
37 of P.L.2000, c.72 (C.18A:7G-1 et al.);

38 aa. To enter into leases, rentals or other disposition of a real
39 property interest in and of any school facilities project to or from any
40 local unit pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.);

41 bb. To make and contract to make loans or leases and to make
42 grants to local units to finance the cost of school facilities projects and
43 to acquire and contract to acquire bonds, notes or other obligations
44 issued or to be issued by local units to evidence the loans or leases, all
45 in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et
46 al.);

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

15 dd. To charge to and collect from local units, the State and any
16 other person, any fees and charges in connection with the authority's
17 actions undertaken with respect to school facilities projects, including,
18 but not limited to, fees and charges for the authority's administrative,
19 organization, insurance, operating and other expenses incident to the
20 financing, construction and placing into service and maintenance of
21 school facilities projects; [and]

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

1 pledges to cover any shortfall and to pay deficiencies in scheduled
2 repayment obligations of the public authority. All costs associated
3 with the issuance of bonds pursuant to this subsection may be paid by
4 the authority from the proceeds of these bonds. Any county or public
5 authority is hereby authorized to enter into any agreement with the
6 authority necessary, desirable or convenient to effectuate the
7 provisions of this subsection.

8 The authority shall not issue bonds or other obligations to effect the
9 refunding or rescheduling of solid waste facility bonds after December
10 31, 2002. The authority may refund its own bonds issued for the
11 purposes herein at any time[.]; and

12 ff. To finance projects approved by the board, provide staff support
13 to the board, oversee and monitor progress on the part of the board in
14 carrying out the revitalization, economic development and restoration
15 projects authorized pursuant to the "Municipal Rehabilitation and
16 Economic Recovery Act," P.L. , c. (C.) (pending before the
17 Legislature as this bill) and otherwise fulfilling its responsibilities
18 pursuant thereto.

19 (cf: P.L.2001, c.401, s.3)

20
21 ARTICLE 4. DEMOLITION, CAPITAL IMPROVEMENT AND
22 INFRASTRUCTURE

23
24 42. (New section) a. The chief operating officer and the mayor of
25 the qualified municipality shall consult with the State Economic
26 Recovery Board established pursuant to section 36 of P.L. , c.
27 (C.) (pending before the Legislature as this bill) in its preparation
28 of a capital improvement and infrastructure plan for each qualified
29 municipality. The plan shall be submitted to the chief operating
30 officer, the mayor, each member of the governing body, the
31 commissioner, the Governor, each member of the county board of
32 freeholders in the county in which the qualified municipality is
33 situated, ¹each member of the Senate and General Assembly.¹ and
34 each member of the regional ¹[partnership] impact council¹ within six
35 months after the first meeting of the board.

36 The first section of the plan shall be a water and sewer subplan
37 where necessary¹[, which shall be completed within one year]¹. The
38 water and sewer subplan shall provide a detailed blueprint for the
39 separation of storm drains from the sewer system throughout the
40 municipality, which improvements shall be completed within four
41 years. In addition, the water and sewer subplan shall coordinate the
42 overlay of municipal roads following the separation of underground
43 lines and designate those roads which require reconstruction and
44 allocate administrative and financial responsibility among various
45 agencies for effectuating the plan. Funds shall be earmarked by the
46 appropriate State agencies from the "Transportation Trust Fund

1 Account," created pursuant to section 20 of P.L.1984, c.73 (C.27:1B-
2 20) and the "New Jersey Environmental Infrastructure Trust" created
3 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), in order to
4 accomplish the work plan set forth in the water and sewer subplan.

5 The capital improvement and infrastructure plan shall include those
6 features of the municipal capital improvement program authorized
7 pursuant to section 20 of P.L.1975, c.291 (C.40:55D-29). In addition,
8 the plan shall specifically incorporate: a time frame for making any
9 improvements necessary in the public water system to accommodate
10 proposed redevelopment in the municipality and surrounding areas; a
11 parks and open public space subplan which encompasses projects to
12 improve the streetscapes, parks, public spaces, and any other relevant
13 aspects of the public environment; and an analysis of public building
14 needs, including administrative offices of the municipality, firehouses,
15 police stations, libraries, and any other municipal government
16 functions in light of the organizational and functional analysis of
17 municipal government operations contained in the municipal
18 management study.

19 The capital improvement and infrastructure plan shall recognize the
20 plans of the county in which the qualified municipality is situated, any
21 regional authorities with jurisdiction in the municipality, the State
22 Department of Transportation, the New Jersey Transit Corporation,
23 any State universities situated within the municipality, and any other
24 public and non-profit entities which operate in the municipality.

25 Any municipal plan which affects the physical development of the
26 municipality and is adopted by the municipality or any agency or
27 instrumentality thereof after the adoption of the capital improvement
28 and infrastructure plan shall be consistent with that plan.

29 b. The capital improvement and infrastructure plan shall be adopted
30 upon an affirmative vote of a majority of the full authorized
31 membership of the board.

32
33 43. (New section) In addition to the municipal management study,
34 the chief operating officer in consultation with the mayor, shall cause
35 to be conducted a property tax collection audit in order to ascertain
36 those properties which are in arrears with regard to property taxes and
37 subject to tax sale or foreclosure. The study shall identify the
38 ownership of those properties, the length of time during which taxes
39 have been in arrears, and the likelihood that the properties might be
40 developed individually or assembled with adjacent properties for
41 demolition or redevelopment.

42 Following the completion of the property tax collection audit, the
43 chief operating officer shall submit the study to the Commissioner of
44 Community Affairs, who shall designate the board to assist in the
45 preparation of a demolition funding plan.

46 The State shall provide the necessary level of funding to allow for

1 the demolition of unsafe structures and clearing of those lots for future
2 development.

3
4 44. (New section) The governing body of each qualified
5 municipality shall convey to the board, for the period of rehabilitation
6 and economic recovery, its right, title and interest in any real property,
7 acquired through the purchase of any tax sale certificate covering that
8 real property whose rights of redemption have been foreclosed under
9 the In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-
10 104.29 et seq.), so long as the liens have previously been offered by
11 the municipality at a public tax lien sale.

12
13 ARTICLE 5. PROJECT FINANCING

14
15 45. (New section) a. The board shall prepare and submit a project
16 list, as provided hereunder. The list shall be consistent with the
17 strategic revitalization plan and capital improvement and infrastructure
18 plans for the qualified municipality to the extent practicable and shall
19 include a series of projects which are prioritized according to their
20 importance in revitalizing the qualified municipality.

21 Following the enactment of P.L. , c. (C.) (pending before
22 the Legislature as this bill) and the preparation of the plans mentioned
23 above, the capital and infrastructure needs shall be assessed and
24 projects shall be anticipated over a three year period. The bond
25 moneys authorized to be issued pursuant to section 47 of P.L. ,
26 c. (C.) (pending before the Legislature as this bill) shall be
27 expended over a three year period.

28 ¹The board shall adopt each project list by a majority of those
29 members present. In the event that the board selects to rescind a
30 project from the list, such a vote shall be by a two-thirds vote of the
31 fully authorized membership thereof.¹

32 Each project list shall be submitted to the Commission on Capital
33 Budgeting and Planning, the Chairperson of the Senate Appropriations
34 Committee and the Chairperson of the Assembly Appropriations
35 Committee, or their successors, and the Legislative Budget and
36 Finance Officer, on or before March 1 of each year.

37 b. The President of the Senate and the Speaker of the General
38 Assembly shall cause the date of submission of the project list to be
39 entered upon the Senate Journal and the Minutes of the General
40 Assembly.

41 c. On or before March 1 of each year, the board shall submit a
42 report of general project categories and proposed projects thereunder
43 to be financed in the ensuing fiscal year, including therewith a
44 description of the projects, the county or counties within which they
45 are to be located, a distinction between State, local and private
46 projects, and the amount estimated to be expended on each project.

1 This report shall be known as the "Annual Qualified Municipality
2 Capital and Economic Recovery Program" for the upcoming fiscal
3 year. The program shall be consistent with, and reflective of, the goals
4 and priorities of the Strategic Revitalization Plan, capital improvement
5 and infrastructure plan, and the program shall include an explanation
6 which demonstrates how it is consistent with, and reflective of, the
7 goals and priorities.

8 d. On or before August 1 of each year, the board shall also submit
9 a "Qualified Municipality Capital and Economic Recovery Financial
10 Plan" designed to implement the financing of the proposed projects.
11 The financial plan shall contain an enumeration of the bonds, notes or
12 other obligations of the authority which the authority intends to issue,
13 including the amounts thereof and the conditions therefor.

14 In addition, the plan shall contain proposed amounts to be
15 appropriated and expended, as well as amounts for which the authority
16 anticipates to obligate during the ensuing fiscal year for any future
17 expenditures.

18

19 46. (New section) As used in this article:

20 "Authority reserves" means the unrestricted funds of the authority
21 that have not been designated for authority programs;

22 "Bonds" means bonds, notes or other obligations issued by the
23 authority pursuant to P.L. , c. (C.) (pending before the
24 Legislature as this bill); and

25 "Refunding bonds" means bonds, notes or other obligations issued
26 to refinance bonds, notes or other obligations previously issued by the
27 authority pursuant to section 47 of P.L. , c. (C.) (pending
28 before the Legislature as this bill).

29

30 47. (New section) Notwithstanding the provisions of any law, rule,
31 regulation or order to the contrary:

32 a. The authority shall issue bonds and refunding bonds, incur
33 indebtedness and borrow money secured, in whole or in part, by
34 money received pursuant to sections 48 and 49 of P.L. ,
35 c. (C.) (pending before the Legislature as this bill), for the
36 purpose of making the deposits described in section 50 of P.L. ,
37 c. (C.) (pending before the Legislature as this bill). The total
38 outstanding principal amount of the bonds shall not exceed
39 \$175,000,000. In computing the foregoing limitation as to amount,
40 there shall be excluded all bonds which shall be issued for (1) costs
41 incurred in connection with the issuance of the bonds and (2)
42 refunding purposes, provided that the refunding shall be determined by
43 the authority to result in a debt service savings. The authority may
44 establish reserve or other funds to further secure bonds and refunding
45 bonds.

46 In computing the foregoing limitation, the authority may include

1 those reserves of the authority or other State authorities to be made
2 available for the purposes of P.L. , c. (C.) (pending before the
3 Legislature as this bill) or those amounts to be made available by any
4 bistrate or other agency with jurisdiction in the qualified municipality.

5 ¹Prior to the approval of this financing plan, the authority shall
6 submit a copy for review and approval of the Joint Budget and
7 Oversight Committee.¹

8 b. The authority may, in any resolution authorizing the issuance of
9 bonds or refunding bonds, pledge the contract with the State
10 Treasurer, provided for in section 49 of P.L. , c. (C.)
11 (pending before the Legislature as this bill), or any part thereof, for the
12 payment or redemption of the bonds or refunding bonds, and covenant
13 as to the use and disposition of money available to the authority for
14 payments of bonds and refunding bonds. All costs associated with the
15 issuance of bonds and refunding bonds by the authority for the
16 purposes set forth in P.L. , c. (C.) (pending before the
17 Legislature as this ¹[act] bill¹) may be paid by the authority from
18 amounts it receives from the proceeds of the bonds or refunding bonds
19 and from amounts it receives pursuant to sections 48 and 49 of
20 P.L. , c. (C.) (pending before the Legislature as this bill), which
21 costs may include, but are not limited to, any costs relating to the
22 issuance of the bonds or refunding bonds and costs attributable to the
23 agreements described in subsection c. of this section. The bonds or
24 refunding bonds shall be authorized by resolution, which shall stipulate
25 the manner of execution and form of the bonds whether the bonds are
26 in one or more series, the date or dates of issue, time or times of
27 maturity, which shall not exceed 40 years, the rate or rates of interest
28 payable on the bonds, which may be at fixed rates or variable rates,
29 and which interest may be current interest or may accrue, the
30 denomination or denominations in which the bonds are issued,
31 conversion or registration privileges, the sources and medium of
32 payment and place or places of payment, terms of redemption,
33 privileges of exchangeability or interchangeability, and entitlement to
34 priorities of payment or security in the amounts to be received by the
35 authority pursuant to sections 48 and 49 of P.L. , c. (C.)
36 (pending before the Legislature as this bill). The bonds may be sold
37 at a public or private sale at a price or prices determined by the
38 authority. The authority is authorized to enter into any agreements
39 necessary or desirable to effectuate the purposes of this section,
40 including agreements to sell bonds or refunding bonds to any persons
41 and to comply with the laws of any jurisdiction relating thereto.

42 c. In connection with any bonds or refunding bonds issued pursuant
43 to P.L. , c. (C.) (pending before the Legislature as this bill),
44 the authority may also enter into any revolving credit agreement,
45 agreement establishing a line of credit or letter of credit,
46 reimbursement agreement, interest rate exchange agreement, currency

1 exchange agreement, interest rate floor or cap, options, puts or calls
2 to hedge payment, currency, rate, spread or similar exposure, or
3 similar agreements, float agreements, forward agreements, insurance
4 contract, surety bond, commitment to purchase or sell bonds, purchase
5 or sale agreement, or commitments or other contracts or agreements
6 and other security agreements approved by the authority.

7 d. No resolution adopted by the authority authorizing the issuance
8 of bonds or refunding bonds pursuant to P.L. , c. (C.)
9 (pending before the Legislature as this bill) shall be adopted or
10 otherwise made effective without the approval in writing of the State
11 Treasurer. Except as provided by subsection i. of section 4 of
12 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued
13 without obtaining the consent of any department, division,
14 commission, board, bureau or agency of the State, other than the
15 approval as required by this subsection, and without any other
16 proceedings or the occurrence of any other conditions or other things
17 other than those proceedings, conditions or things which are
18 specifically required by P.L. , c. (C.) (pending before the
19 Legislature as this bill).

20 e. Bonds and refunding bonds issued by the authority pursuant to
21 P.L. , c. (C.) (pending before the Legislature as this bill)
22 shall be special and limited obligations of the authority payable from,
23 and secured by, such funds and moneys determined by the authority in
24 accordance with this section. Neither the members of the authority
25 nor any other person executing the bonds or refunding bonds shall be
26 personally liable with respect to payment of interest and principal on
27 these bonds or refunding bonds. Bonds or refunding bonds issued
28 pursuant to the provisions of P.L. , c. (C.) (pending before
29 the Legislature as this bill) shall not be a debt or liability of the State
30 or any agency or instrumentality thereof, except as otherwise provided
31 by this subsection, either legal, moral or otherwise, and nothing
32 contained in P.L. , c. (C.) (pending before the Legislature as
33 this bill) shall be construed to authorize the authority to incur any
34 indebtedness on behalf of or in any way to obligate the State or any
35 political subdivision thereof, and all bonds and refunding bonds issued
36 by the authority shall contain a statement to that effect on their face.

37 f. The authority is authorized to engage, subject to the approval of
38 the State Treasurer and in such manner as the State Treasurer shall
39 determine, the services of financial advisors and experts, placement
40 agents, underwriters, appraisers, and such other advisors, consultants
41 and agents as may be necessary to effectuate the purposes of
42 P.L. , c. (C.) (pending before the Legislature as this bill).

43 g. The proceeds from the sale of the bonds, other than refunding
44 bonds, issued pursuant to P.L. , c. (C.) (pending before the
45 Legislature as this bill), after payment of any costs related to the
46 issuance of such bonds, shall be applied to the purposes set forth in

1 section 50 of P.L. , c. (C.) (pending before the Legislature
2 as this bill).

3 h. All bonds or refunding bonds issued by the authority are deemed
4 to be issued by a body corporate and politic of the State for an
5 essential governmental purpose, and the interest thereon and the
6 income derived from all funds, revenues, incomes and other moneys
7 received for or to be received by the authority and pledged and
8 available to pay or secure the payment on bonds or refunding bonds
9 and the interest thereon, shall be exempt from all taxes levied pursuant
10 to the provisions of Title 54 of the Revised Statutes or Title 54A of
11 the New Jersey Statutes, except for transfer, inheritance and estate
12 taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

13 i. The State hereby pledges and covenants with the holders of any
14 bonds or refunding bonds issued pursuant to the provisions of P.L. ,
15 c. (C.) (pending before the Legislature as this bill), that it will
16 not limit or alter the rights or powers vested in the authority by
17 P.L. , c. (C.) (pending before the Legislature as this bill), nor
18 limit or alter the rights or powers of the State Treasurer in any manner
19 which would jeopardize the interest of the holders or any trustee of
20 such holders, or inhibit or prevent performance or fulfillment by the
21 authority or the State Treasurer with respect to the terms of any
22 agreement made with the holders of these bonds or refunding bonds or
23 agreements made pursuant to subsection e. of this section, except that
24 the failure of the Legislature to appropriate moneys for any purpose
25 of P.L. , c. (C.) (pending before the Legislature as this bill)
26 shall not be deemed a violation of this section.

27 j. Notwithstanding any restriction contained in any other law, rule,
28 regulation or order to the contrary, the State and all political
29 subdivisions of this State, their officers, boards, commissioners,
30 departments or other agencies, all banks, bankers, trust companies,
31 savings banks and institutions, building and loan associations, saving
32 and loan associations, investment companies and other persons
33 carrying on a banking or investment business, and all executors,
34 administrators, guardians, trustees and other fiduciaries, and all other
35 persons whatsoever who now are or may hereafter be authorized to
36 invest in bonds or other obligations of the State, may properly and
37 legally invest any sinking funds, moneys or other funds, including
38 capital, belonging to them or within their control, in any bonds or
39 refunding bonds issued by the authority under the provisions of
40 P.L. , c. (C.) (pending before the Legislature as this bill);
41 and said bonds and refunding bonds are hereby made securities which
42 may properly and legally be deposited with, and received by any State
43 or municipal officers or agency of the State, for any purpose for which
44 the deposit of bonds or other obligations of the State is now, or may
45 hereafter be authorized by law.

1 48. (New section) a. The State Treasurer shall, in each State fiscal
2 year, pay from the General Fund to the authority, in accordance with
3 a contract or contracts between the State Treasurer and the authority,
4 authorized pursuant to section 49 of P.L. , c. (C.) (pending
5 before the Legislature as this bill), an amount equivalent to the amount
6 due to be paid in such State fiscal year to pay the debt service incurred
7 for such State fiscal year on the bonds or refunding bonds of the
8 authority issued pursuant to P.L. , c. (C.) (pending before the
9 Legislature as this bill) and any additional costs authorized by section
10 47 of P.L. , c. (C.) (pending before the Legislature as this
11 bill); and

12 b. In addition to such terms and conditions as are agreed upon
13 pursuant to section 49 of P.L. , c. (C.) (pending before the
14 Legislature as this bill), the contract or contracts shall provide that all
15 such payments from the General Fund shall be subject to, and
16 dependent upon, appropriations being made from time to time by the
17 Legislature for these purposes.

18
19 49. (New section) The State Treasurer and the authority are
20 authorized to enter into one or more contracts to implement the
21 payment arrangement that is provided for in section 48 of P.L. , c.
22 (C.) (pending before the Legislature as this bill). The contract or
23 contracts shall provide for payment by the State Treasurer of the
24 amounts required to be paid pursuant to section 48 of P.L. , c.
25 (C.) (pending before the Legislature as this bill) and shall set forth
26 the procedure for the transfer of moneys for the purpose of paying
27 such moneys. The contract or contracts shall contain such terms and
28 conditions as are determined by the parties, and shall include, but not
29 be limited to, terms and conditions necessary pursuant to P.L. ,
30 c. (C.) (pending before the Legislature as this bill); provided,
31 however, that notwithstanding any other provision of any law, rule,
32 regulation or order to the contrary, the authority shall be paid only
33 such funds as shall be determined by the contract or contracts and
34 further provided that the incurrence of any obligation of the State
35 under the contract or contracts, including any payments to be made
36 thereunder from the General Fund, shall be subject to and dependent
37 upon appropriations being made from time to time by the Legislature
38 for the purposes of P.L. , c. (C.) (pending before the
39 Legislature as this bill).

40
41 50. (New section) a. The authority shall establish and maintain a
42 series of special funds as provided in sections 51 and 52 of P.L. ,
43 c. (C.) (pending before the Legislature as this bill) into which
44 shall be deposited such moneys: (1) as shall be paid to the funds by the
45 State Treasurer for the purposes of those funds¹; (2) as shall be
46 appropriated by the State for the purpose of such funds; (3) as shall be

1 deposited into the funds in accordance with ¹[section 69] the "Annual
 2 Qualified Municipal Capital and Economic Recovery Program" and the
 3 "Qualified Municipality Capital and Economic Recovery Financial Plan
 4 adopted pursuant to section 45¹ of P.L. , c. (C.) (pending
 5 before the Legislature as this bill) and (4) any other moneys or funds
 6 of the authority which it determines to deposit therein. Moneys in the
 7 funds may be invested in such obligations as the authority may approve
 8 and interest or other earnings on such investments shall be credited to
 9 the funds.

10 b. In addition to the powers of the authority set forth in section 5
 11 of P.L.1974, c.80 (C.34:1B-5) and other powers which may be
 12 conferred on the authority or the executive director by P.L. , c.
 13 (C.) (pending before the Legislature as this bill), the authority, by
 14 resolution, shall have the power to: (1) pay all or part of the cost of
 15 an eligible project; and (2) make loans, guarantees, equity investments,
 16 and grants, or provide other forms of financing for an eligible project.

17 c. The purpose of the special funds established pursuant to
 18 subsection a. of this section shall be to provide ¹[grants and]¹ loans
 19 ¹, guarantees, equity investments, and grants or other forms of
 20 financing¹ of a sufficient scale and visibility to expand and sustain
 21 economic activity in qualified municipalities, both within the central
 22 business district and port district and in order to encourage
 23 revitalization of the municipality's neighborhoods outside of the central
 24 business district through the rehabilitation, acquisition, demolition and
 25 redevelopment of property within those neighborhoods, the
 26 improvement of municipally-owned water supply and distribution
 27 facilities, and, where necessary, the remediation of brownfields sites
 28 to foster redevelopment. Grants shall be made available to qualified
 29 municipalities in order to strengthen the provision of municipal
 30 services through capital construction and reconstruction of public
 31 buildings and financial assistance necessary to allow for the purchase
 32 of equipment considered vital to the sustenance of municipal public
 33 services, particularly public safety.

34

35 51. (New section) The board shall ¹[administer] oversee¹ the
 36 following funds:

37 a. the "Residential Neighborhood Improvement Fund," into which
 38 shall be deposited the sum of \$35 million from bond proceeds, to be
 39 disbursed at the direction of the board and upon the recommendation
 40 of the chief operating officer, to make grants, matching grants or
 41 loans, to support water and sewer improvements not funded by the
 42 county, to support the removal of litter and clean community activities,
 43 the development of tot-lots, community gardens, landscape amenities,
 44 small scale demolitions, streetscape improvements, property
 45 acquisition, ¹housing,¹ and restoration in neighborhoods outside of the
 46 central business district;

1 b. the "Demolition and Redevelopment Financing Fund," into which
2 shall be deposited the sum of \$43 million from bond proceeds, to be
3 disbursed at the direction of the board and upon the recommendation
4 of the chief operating officer, which shall be used to provide grants,
5 matching grants or loans to support neighborhood rehabilitation, land
6 acquisition, brownfields remediation, demolition and redevelopment;

7 c. the "Downtown Revitalization and Recovery Fund" into which
8 shall be deposited the sum of \$45.8 million from bond proceeds, to be
9 disbursed at the direction of the board and upon the recommendation
10 of the chief operating officer, which shall be used to make grants,
11 matching grants or loans to support streetscape improvements, facade
12 restoration, street signage improvements, street resurfacing,
13 demolition and restoration of commercial structures, property
14 acquisition, and redevelopment projects, brownfields remediation in
15 order to foster redevelopment, industrial development ¹[and], ¹ port
16 redevelopment¹ [, and of which \$25 million shall be used to make
17 grants, matching grants or loans to support], and¹ the development of
18 entertainment and cultural facilities such as aquariums ¹and community
19 schools for the arts¹.

20 ¹The sum of \$25 million out of this fund shall be used to make
21 grants, matching grants or loans to support from bond proceeds the
22 expansion and upgrade of an aquarium in a qualified municipality by
23 a private developer. Moneys from the fund for aquarium purposes
24 shall be made available on a matching basis, with three dollars of State
25 money to be made available for every dollar raised by a private
26 developer. The receipt of funds by a private developer shall be subject
27 to those conditions set forth pursuant to section 53 of P.L. , c. .
28 (C.) (pending before the Legislature as this bill).

29 Funds paid out of this fund in support of an aquarium may be used
30 for debt retirement; however, any funds used for that purpose shall not
31 be subject to the matching requirement pursuant to this subsection.¹

32 d. the "Higher Education and Regional Health Care Development
33 Fund" into which shall be deposited the sum of ¹[\$46.2] \$47.7¹
34 million from bond proceeds, to be disbursed at the direction of the
35 board and upon the recommendation of the chief operating officer, in
36 accordance with the provisions of section 52 of P.L. , c. (C.)
37 (pending before the Legislature as this bill);

38 e. the "Economic Recovery Planning Fund" into which shall be
39 deposited the sum of ¹[\$5] \$3.5¹ million from bond proceeds, to be
40 disbursed at the direction of the board and upon the recommendation
41 of the chief operating officer, to cover those planning and
42 administrative costs incurred in preparing the strategic revitalization
43 plan pursuant to section 38 of P.L. , c. (C.) (pending
44 before the Legislature as this bill), the capital improvement and
45 infrastructure plan prepared pursuant to section 42 of P.L. , c.
46 (C.) (pending before the Legislature as this bill), and such other

1 plans as are required to be prepared pursuant to P.L. , c. (C.)
2 (pending before the Legislature as this bill); and
3 f. the "Qualified Municipality Economic Opportunity Fund" into
4 which shall be deposited the sum of ¹[\$2.5] \$1.5¹ million, which shall
5 be used, in coordination with the job training provisions of the State's
6 school construction program, to create employment and
7 entrepreneurial opportunities through the completion of projects in the
8 central business district, entrepreneurial training, and grants and loans
9 to small business development in residential neighborhoods, and loans
10 for housing development.

11

12 52. (New section) There is created the "Higher Education and
13 Regional Health Care Development Fund" which shall be used to
14 provide grants, to non-profit educational institutions and regional
15 health care facilities, as provided hereunder.

16 a. Those grants to be provided to non-profit educational
17 institutions under this section shall be provided on a one-to-one
18 matching basis in order to encourage the development of student
19 housing, retail facilities and commercial enterprises in the central
20 business district of the qualified municipality, subject to those
21 conditions set forth in section 53 of P.L. , c. (C.) (pending
22 before the Legislature as this bill).

23 Any facility constructed using bond proceeds shall be located within
24 the central business district of the qualified municipality and shall be
25 co-located with other university buildings.

26 With respect to ¹[State universities] Rowan University¹, these
27 funds shall be made available on the condition that the university shall
28 offer at least two full four- year programs, thereby allowing students
29 to complete an entire course of study on the campus housed in the
30 central business district. In addition, any of these institutions may use
31 these matching funds in conjunction with land acquisition moneys
32 received by that university from the Delaware River Port Authority.

33 The bond proceeds shall be allocated as follows:

34 (1) the sum of \$11 million shall be made available to Rutgers, the
35 State University;

36 (2) the sum of \$5.1 million shall be made available to Rowan
37 University;

38 (3) the sum of \$9 million shall be made available to the University
39 of Medicine & Dentistry of New Jersey; and

40 (4) the sum of \$3.5 million shall be made available to Camden
41 County College.

42 Moneys shall be committed within four years of the effective date
43 of P.L. , c. (C.) (pending before the Legislature as this
44 bill).

45 b. Those grants to be provided to regional health care facilities
46 under this section shall be provided, on a matching basis, to regional

1 health care facilities situated within the qualified municipality, to allow
2 for facility expansion, including but not limited to, facilities for pre-
3 admission testing, occupational health, health-related educational
4 facilities such as a school of nursing and emergency room facilities,
5 subject to those conditions set forth in section 53 of P.L. , c.
6 (C.) (pending before the Legislature as this bill). Each health
7 care facility shall be required to raise one dollar for every three dollars
8 provided by the State. The bond proceeds shall be allocated as
9 follows:

10 (1) the sum of ¹~~[\$3]~~ \$4.5¹ million shall be made available to Our
11 Lady of Lourdes Medical Center;

12 (2) the sum of \$13.35 million shall be made available to Cooper
13 Hospital/University Medical Center; provided, however, that no funds
14 shall be made available to Cooper Hospital/University Medical Center
15 for the purpose of establishing or expanding family practice facilities.
16 Cooper Hospital/University Medical Center may make available a
17 portion of these funds to a federally-qualified health center operating
18 in the City of Camden;

19 (3) the sum of \$1 million shall be made available to Virtua Hospital
20 to allow for the establishment of an in-patient drug treatment facility;
21 and

22 (4) the sum of \$250,000 shall be made available to Partners in
23 Health to further community outreach efforts in underserved
24 communities and the promotion of programs for minority children, the
25 elderly, uninsured or underinsured families and disabled persons.

26 ¹[Notwithstanding any law to the contrary, any hospital in a
27 qualified municipality authorized to provide treatment services as a
28 Level I trauma center shall receive an annual subsidy payment in each
29 year that the qualified municipality is under rehabilitation and
30 economic recovery from the Health Care Subsidy Fund created
31 pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58), at a rate of
32 not less than the highest rate per dollar of audited, documented charity
33 care valued at the Medicaid rate received by any other hospital in the
34 State designated as a Level I trauma center.

35 For the purposes of this subsection, "Level I trauma center" means
36 any hospital so designated by the Department of Health and Senior
37 Services which maintains a minimum volume of major trauma cases
38 per year and is currently in receipt of verification from the Committee
39 on Trauma of the American College of Surgeons to that effect.]¹

40

41 53. (New section) Any entity which is otherwise tax-exempt
42 pursuant to Title 54 of the Revised Statutes and which receives
43 funding pursuant to the "Municipal Rehabilitation and Economic
44 Recovery Act," P.L. , c. (C.) (pending before the
45 Legislature as this bill) to finance the purchase of any real property or
46 construction of any improvement which would otherwise be tax-

1 exempt shall be subject to the following conditions:

2 a. The entity shall pay an annual service charge for a period of
3 20 years following the receipt of funding pursuant thereto, which shall
4 be negotiated by the tax-exempt entity and the chief operating officer
5 on behalf of the qualified municipality according to the formula set
6 forth pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12).

7 b. The board shall approve in advance any facility plans or other
8 such documentation produced by the tax-exempt entity which include
9 detailed information concerning the projects proposed to be funded
10 with the matching grants and the agreement negotiated by the chief
11 operating officer pursuant to subsection a. of this section.

12 The receipt of matching funds by such an entity pursuant to
13 P.L. , c. (C.) (pending before the Legislature as this bill)
14 shall be conditioned upon compliance with the provisions of this
15 section, as determined by the board.

16

17 ARTICLE 6. ECONOMIC DEVELOPMENT

18

19 54. (New section) As used in this section and section 55 of
20 P.L. , c. (C.) (pending before the Legislature as this bill):

21 a. "Business facility" means any factory, mill, plant, refinery,
22 warehouse, building, complex of buildings or structural components
23 of buildings, and all machinery, equipment and personal property
24 located within a qualified municipality, used in connection with the
25 operation of the business of a corporation that is subject to the tax
26 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and
27 all facility preparation and start-up costs of the taxpayer for the
28 business facility which it capitalizes for federal income tax purposes.

29 b. "Business relocation or business expansion property" means
30 improvements to real property and tangible personal property, but only
31 if that improvement or personal property is constructed or purchased
32 and placed in service or use by the taxpayer, for use as a component
33 part of a new or expanded business facility located in a qualified
34 municipality.

35 (1) Business relocation or business expansion property shall include
36 only:

37 (a) improvements to real property placed in service or use as a
38 business facility on or after the operative date of P.L. , c. (C.)
39 (pending before the Legislature as this bill) by the taxpayer;

40 (b) tangible personal property placed in service or use by the
41 taxpayer on or after the operative date of P.L. , c. (C.)(pending
42 before the Legislature as this bill), with respect to which depreciation,
43 or amortization in lieu of depreciation, is allowable in determining the
44 corporation business tax liability of the taxpayer under P.L.1945,
45 c.162, and which has a remaining recovery period of three or more
46 years at the time the property is placed in service or use in a qualified

1 municipality; or

2 (c) tangible personal property owned and used by the taxpayer at
3 a business location outside a qualified municipality which is moved
4 into a qualified municipality on or after the effective date of P.L. , c.
5 (C.)(pending before the Legislature as this bill), for use as a
6 component part of a new or expanded business facility located in the
7 qualified municipality; provided that the property is depreciable or
8 amortizable personal property for income tax purposes, and has a
9 remaining recovery period of three or more years at the time the
10 property is placed in service or use in a qualified municipality.

11 (2) Property purchased for business relocation or expansion shall
12 not include:

13 (a) repair costs, including materials used in the repair, unless for
14 federal income tax purposes, the cost of the repair must be capitalized
15 and not expensed;

16 (b) airplanes;

17 (c) property which is primarily used outside a qualified municipality
18 with that use being determined based upon the amount of time the
19 property is actually used both within and without the qualified
20 municipality;

21 (d) property which is acquired incident to the purchase of the stock
22 or assets of the seller.

23 (3) Property shall be deemed to have been purchased prior to a
24 specified date only if:

25 (a) the physical construction, reconstruction or erection of the
26 property was begun prior to the specified date, or such property was
27 constructed, reconstructed, erected or acquired pursuant to a written
28 contract as existing and binding on the purchase prior to the specified
29 date; or

30 (b) the machinery or equipment was owned by the taxpayer prior
31 to the specified date, or was acquired by the taxpayer pursuant to a
32 binding purchase contract which was in effect prior to the specified
33 date.

34 c. "Business relocation or expansion" means capital investment in
35 a new or expanded business facility in a qualified municipality.

36 d. "Controlled group" means one or more chains of corporations
37 connected through stock ownership with a common parent corporation
38 if stock possessing at least 50% of the voting power of all classes of
39 stock of each of the corporations is owned directly or indirectly by one
40 or more of the corporations; and the common parent owns directly
41 stock possessing at least 50% of the voting power of all classes of
42 stock of at least one of the other corporations.

43 e. "Director" means the Director of the Division of Taxation in the
44 Department of the Treasury.

45 f. "Expanded business facility" means any business facility, other
46 than a new business facility, resulting from acquisition, construction,

1 reconstruction, installation or erection of improvements or additions
2 to existing property if such improvements or additions are purchased
3 on or after the effective date of rehabilitation and economic recovery.

4 g. "Incentive payment" means: the amount of tax owed by a
5 taxpayer for a privilege period, as computed pursuant to section 5 of
6 P.L.1945, c.162 (C.54:10A-5), multiplied by a fraction, the numerator
7 of which is the average value of the taxpayer's business relocation or
8 business expansion property within a qualified municipality during the
9 period covered by its report, and the denominator of which is the
10 average value of all the taxpayer's real and tangible personal property
11 in New Jersey during such period which result is multiplied by
12 96 percent; provided, however, that for the purpose of determining
13 average value, the provisions with respect to depreciation as set forth
14 in subparagraph (F) of paragraph (2) of subsection (k) of section 4 of
15 P.L.1945, c.162 (C.54:10A-4) shall be taken into account for arriving
16 at such value; and provided further that incentive payments shall be
17 made for a period not to exceed 10 years, commencing on the date of
18 a taxpayer's first acquisition of business relocation or business
19 expansion property in the qualified municipality following the
20 operative date of P.L. , c. (C.) (pending before the Legislature
21 as this bill).

22 h. "New business facility" means a business facility which:

23 (1) is employed by a taxpayer in the conduct of a business which
24 is or will be taxable under P.L.1945, c.162 (C.54:10A-1 et seq.). A
25 business facility shall not be considered a new business facility in the
26 hands of a taxpayer if the taxpayer's only activity with respect to the
27 facility is to lease it to another person;

28 (2) is purchased by a taxpayer and is placed in service or use on or
29 after the effective date of rehabilitation and economic recovery;

30 (3) was not purchased by a taxpayer from a related person; and

31 (4) was not in service or use during the 90 day period immediately
32 prior to transfer of the title to the facility.

33 i. "Partnership" means a syndicate, group, pool, joint venture or
34 other unincorporated organization through or by means of which any
35 business, financial operation or venture is carried on, and which is not
36 a trust or estate, a corporation or a sole proprietorship. The term
37 "partner" includes a member in such a syndicate, group, pool, joint
38 venture or organization.

39 j. "Purchase" means, with respect to the determination of whether
40 business relocation or business expansion property was purchased, any
41 acquisition of property, including an acquisition pursuant to a lease,
42 but only if:

43 (1) the property is not acquired from a person whose relationship
44 to the person acquiring it would result in the disallowance of
45 deductions under section 267 or subsection (b) of section 707 of the
46 federal Internal Revenue Code of 1986, 26 U.S.C.s.267 or s.707;

1 (2) the property is not acquired by one member of a controlled
2 group from another member of the same controlled group; and

3 (3) the basis of the property for federal income tax purposes, in the
4 hands of the person acquiring it, is not determined:

5 (a) in whole or in part by reference to the federal adjusted basis of
6 such property in the hands of the person from whom it was acquired;

7 or

8 (b) under subsection (e) of section 1014 of the federal Internal
9 Revenue Code of 1986, 26 U.S.C. s.1014.

10 k. "Related person" means:

11 (1) a corporation, partnership, association or trust controlled by the
12 taxpayer;

13 (2) an individual, corporation, partnership, association or trust that
14 is in control of the taxpayer;

15 (3) a corporation, partnership, association or trust controlled by an
16 individual, corporation, partnership, association or trust that is in
17 control of the taxpayer; or

18 (4) a member of the same controlled group as the taxpayer.

19

20 55. (New section) a. There is established in the authority the
21 "Qualified Municipality Open For Business Incentive Program," the
22 purpose of which is to foster business investment in qualified
23 municipalities. Businesses that locate or expand in a qualified
24 municipality during the period that the municipality is under
25 rehabilitation and economic recovery shall be eligible to receive a
26 rebate from the "Corporation Business Tax Act (1945)," P.L.1945,
27 c.162 (C.54:10A-1 et seq.) as provided herein.

28 b. For each year in which a taxpayer is eligible for a rebate of a
29 portion of the incentive payment, the Director of the Division of
30 Taxation shall certify to the State Treasurer (1) that the taxpayer's
31 corporation business tax return has been filed; (2) that the taxpayer's
32 entire corporation business tax obligation has been satisfied; and (3)
33 the amount of the taxpayer's incentive payment entitlement. Upon
34 such certification, the treasurer shall certify to the executive director
35 of the authority the amount of the taxpayer's incentive payment and,
36 subject to the approval of the Director of the Division of Budget and
37 Accounting, transfer that incentive payment to the fund established
38 with the proceeds of those funds appropriated pursuant to subsection
39 b. of section ¹[70] 73¹ of P.L. , c. (pending before the Legislature
40 as this bill).

41 c. The executive director of the authority shall rebate to the
42 taxpayer up to 75% of the incentive payment paid by the taxpayer and
43 placed by the treasurer into a fund established using those funds
44 appropriated pursuant to subsection b. of section ¹[70] 73¹ of
45 P.L. , c. (pending before the Legislature as this bill) if the
46 taxpayer applies for a rebate within two years of deposit of the

1 incentive payment into the fund and establishes to the satisfaction of
2 the executive director of the authority that the taxpayer will utilize
3 those monies for business relocation or business expansion property.
4 The cumulative amount of monies distributed to the taxpayer pursuant
5 to this section shall not exceed the amount paid or to be paid by the
6 taxpayer for the business relocation or business expansion property. In
7 the event that the taxpayer does not establish its eligibility for a rebate
8 of a portion of the incentive payment within two years of its deposit
9 into the fund, the fund shall retain any remaining amount of the
10 incentive payment.

11

12 56. (New section) a. A taxpayer engaged in the conduct of
13 business within a qualified municipality and who is not receiving a
14 benefit under the "New Jersey Urban Enterprise Zones Act," P.L.1983,
15 c.303 (C.52:27H-60 et seq.), may apply to receive a tax credit against
16 the amount of tax otherwise imposed under the "Corporation Business
17 Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.) equal to:
18 \$2,500 for each new full-time position at that location in credit year
19 one and \$1,250 for each new full-time position at that location in
20 credit year two.

21 b. (1) The credit pursuant to subsection a. of this section for credit
22 year one shall be allowed for the privilege period in which or with
23 which credit year one ends; the credit pursuant to subsection a. of this
24 section for credit year two shall be allowed for the privilege period in
25 which or with which credit year two ends.

26 (2) An unused credit may be carried forward, if necessary, for use
27 in the five privilege periods following the privilege period for which
28 the credit is allowed.

29 (3) The order of priority of the application of the credit allowed
30 under this section and any other credits allowed by law shall be as
31 prescribed by the Director of the Division of Taxation. The amount
32 of the credit applied under this section against the tax imposed
33 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
34 period, together with any other credits allowed by law, shall not
35 exceed 50% of the tax liability otherwise due and shall not reduce the
36 tax liability to an amount less than the statutory minimum provided in
37 subsection (e) of section 5 of P.L.1945, c.162.

38 c. (1) Notwithstanding the provisions of subsection b. of this
39 section to the contrary, the credit allowed for credit year one may be
40 refundable at the close of the privilege period in which or with which
41 credit year two ends, pursuant to the requirements and limitations of
42 this subsection.

43 (2) That amount of the credit received for credit year one
44 remaining, if any, after the liabilities for the privilege period in which
45 or with which credit year two ends and for any prior privilege period
46 have been satisfied, multiplied by the sustained effort ratio, shall be an

1 overpayment for the purposes of section R.S.54:49-15 for the privilege
2 period in which or with which credit year two ends; that amount of the
3 credit received for credit year one remaining, if any, that is not an
4 overpayment pursuant to this paragraph may be carried forward
5 pursuant to subsection b. of this section.

6 d. The burden of proof shall be on the taxpayer to establish by clear
7 and convincing evidence that the taxpayer is entitled to the credits or
8 refund allowed pursuant to this section. The director shall by
9 regulation establish criteria for the determination of when new or
10 expanded operations have begun at a location. No taxpayer shall be
11 allowed more than a single 24 month continuous period in which
12 credits shall be allowed for activity at a location within a qualified
13 municipality pursuant to P.L. , c. (C.) (pending before the
14 Legislature as this bill).

15 e. For the purposes of this section:

16 "Credit year one" means the first twelve calendar months following
17 initial or expanded operations at a location within a qualified
18 municipality pursuant to P.L. , c. (C.) (pending before the
19 Legislature as this bill).

20 "Credit year two" means the twelve calendar months following
21 credit year one.

22 "Employee of the taxpayer" does not include an individual with an
23 ownership interest in the business, that individual's spouse or
24 dependants, or that individual's ancestors or descendants.

25 "Full time position" means a position filled by an employee of the
26 taxpayer for at least 140 hours per month on a permanent basis, which
27 does not include employment that is temporary or seasonal.

28 "New full time position" means a position that did not exist prior to
29 credit year one. New full time positions shall be measured by the
30 increase, from the twelve month period preceding credit year one to
31 the measured credit year, in the average number of full-time positions
32 and full-time position equivalents employed by the taxpayer at the
33 location within a qualified municipality pursuant to P.L. , c.
34 (C.) (pending before the Legislature as this bill). The hours of
35 employees filling part-time positions shall be aggregated to determine
36 the number of full-time position equivalents.

37 "Part-time position" means a position filled by an employee of the
38 taxpayer for at least 20 hours per week for at least 3 months during
39 the credit year.

40 "Sustained effort ratio" means the proportion that the credit year
41 two new full-time positions bears to the credit year one new full-time
42 positions, not to exceed one.

43

44 57. (New section) a. For the purposes of subsection b. of this
45 section, "residential property" shall include land, a dwelling house or
46 a condominium unit under the form of real property ownership

1 provided for under the "Condominium Act," P.L.1969, c.257
2 (C.46:8B-1 et seq.).

3 b. A taxpayer who shall not previously have occupied property
4 owned by the taxpayer as a principal residence and who, during the
5 taxable year, purchases residential property within a qualified
6 municipality for the purpose of occupying the property as the
7 taxpayer's principal residence shall be allowed in that taxable year, and
8 for four taxable years thereafter, a credit not to exceed \$5,000 against
9 the tax otherwise due under N.J.S.54A:1-1 et seq. The credit shall be
10 allowed beginning in any taxable year during the period of
11 rehabilitation and economic recovery.

12 No taxpayer filing either a single or a joint return shall be eligible
13 for a credit under this section: (1) if, in a prior taxable year, the
14 taxpayer or the taxpayer's spouse, either singly or jointly with each
15 other or with another, shall have owned and occupied as a principal
16 residence any residential property; or (2) if the taxpayer or the
17 taxpayer's spouse has received an annual stipend pursuant to section
18 18 of P.L. , c. (C.) (pending before the Legislature as this
19 bill).

20 In the case of a husband and wife who elect to file separate tax
21 returns, each shall, unless otherwise ineligible, be entitled to one-half
22 of the credit allowed.

23 If a taxpayer who shall have been allowed a credit under the
24 provisions of this section with respect to the purchase of residential
25 property fails to occupy the property as the taxpayer's principal
26 residence within one year after the date of the purchase, or terminates
27 occupation of the property as the taxpayer's principal residence within
28 10 years after the date of the purchase or the date on which such
29 occupation shall have commenced, whichever is later, the taxpayer
30 shall be liable for tax in an amount equal to the credit previously so
31 allowed.

32

33 ARTICLE 7. LABOR RELATIONS AND CONTRACTS

34

35 58. Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is amended to read
36 as follows:

37 1. The New Jersey Economic Development Authority shall adopt
38 rules and regulations requiring that not less than the prevailing wage
39 rate be paid to workers employed in the performance of construction
40 contracts undertaken in connection with any of its projects, those
41 projects which it undertakes pursuant to P.L. , c. (C.)
42 (pending before the Legislature as this bill) or school facilities
43 projects. The prevailing wage rate shall be the rate determined by the
44 Commissioner of Labor pursuant to the provisions of P.L.1963, c.150
45 (C.34:11-56.25 et seq.).

46 (cf: P.L.2000, c.72, s.47)

1 59. (New section) Not less than the prevailing wage rate shall be
2 paid to any workers employed in the performance of construction
3 contracts undertaken in connection with any projects undertaken
4 pursuant to P.L. , c. (C.) (pending before the Legislature
5 as this bill). The prevailing wage rate shall be the rate determined by
6 the Commissioner of Labor pursuant to the provisions of P.L.1963,
7 c.150 (C.34:11-56.25 et seq.).

8
9 60. (New section) In order to fulfill its obligation to establish an
10 affirmative action program for the hiring of minority and female
11 workers employed in the performance of construction contracts
12 undertaken in connection with a project undertaken or financed by the
13 authority pursuant to P.L. , c. (C.) (pending before the
14 Legislature as this bill), the authority shall comply with all
15 requirements for pre-apprenticeship and apprenticeship applicable to
16 the authority on or after the effective date of P.L. , c. (C.)
17 (pending before the Legislature as this bill).

18
19 61. (New section) For the purposes of section 3 of P.L.1977, c.85
20 (C.34:13A-16), when deciding the award in a dispute involving public
21 fire or police departments of the qualified municipality during the
22 rehabilitation term, the arbitrator or panel of arbitrators shall, when
23 considering the interests and welfare of the public and the lawful
24 authority of the employer, include in those assessments the fact that
25 the municipality is under rehabilitation pursuant to P.L. ,
26 c. (C.) (pending before the Legislature as this bill).

27
28 62. (New section) During the rehabilitation term, the qualified
29 municipality may enter into arrangements with other municipalities,
30 counties, local public authorities, or the State, for the purpose of
31 affording the municipality those benefits which may accrue pursuant
32 to any laws providing for contracted provision of goods or services.
33 Notwithstanding any other provision of law to the contrary all State
34 agencies are authorized to enter into such agreements or arrangements
35 with the qualified municipality during the rehabilitation term as are
36 necessary or useful in furthering the purposes of P.L. , c.
37 (C.) (pending before the Legislature as this bill).

38
39 63. (New section) All contracts and agreements entered into by the
40 qualified municipality during the rehabilitation term pursuant to
41 P.L. , c. (C.) (pending before the Legislature as this bill)
42 shall contain provisions stating that the director or chief operating
43 officer may, upon 30 days' notice, terminate the contract or agreement
44 for any reason without payment of penalty or damages. This section
45 shall not apply to collective bargaining agreements.

ARTICLE 8. MISCELLANEOUS

64. Section 2 of P.L.1991, c.266 (C.40:14B-23.1) is amended to read as follows:

2. a. As used in this section:

"Residential property" means any building or part of a building used, to be used or held for use as a home or residence, together with the land upon which it is situate. A residential property shall include single family dwellings, multifamily dwellings as defined under subsection (k) of section 3 of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76 (C.55:13A-1 et seq.), and other rental unit property, and individual residences within a horizontal property regime as defined pursuant to the "Horizontal Property Act," P.L.1963, c.168 (C.46:8A-1 et seq.), or a condominium as defined pursuant to the "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), units in a cooperative, and units in a mutual housing corporation;

"Cooperative" means a housing corporation or association which entitles the holder of a share or membership interest thereof to possess and occupy for dwelling purposes a house, apartment, manufactured or mobile home or other unit of housing owned or leased by the corporation or association, or to lease or purchase a unit of housing constructed or to be constructed by the corporation or association;

"Mutual housing corporation" means a corporation not-for-profit, incorporated under the laws of this State on a mutual or cooperative basis within the scope of section 607 of the "National Defense Housing Act," Pub. L. 76-849, (42 U.S.C. s. 1521 et seq.), as amended, which acquired a National Defense Housing Project pursuant to that act;

"Qualified resident" means a person who owns, rents or occupies residential property;

"Qualified entity" means a building or facility which is owned and used by:

(1) a public or private school, university, college or seminary for either classroom space or administrative office space;

(2) a church, synagogue or temple for holding religious services, or which is used to house church-, synagogue- or temple- related personnel;

(3) a clinic or hospital, including a residential building which is used to house personnel who are employed by the clinic or hospital;

(4) a nonprofit organization which operates under the provisions of Title 15A of the New Jersey Statutes, for the purposes for which the organization was created, or for administrative office space; or

(5) a business which has less than 10 full-time employees.

b. A city of the second class with a population of more than ~~[80,000]~~ 79,000 but less than 88,000 according to the latest federal decennial census, located in a county of the second class with a

1 population of more than 455,000 but less than 510,000 according to
2 the latest federal decennial census, and a county or municipal utilities
3 authority whose operations plant is located within the city's boundaries
4 may negotiate a host community benefit for qualified residents and
5 qualified entities within the city. The benefit may be applied against
6 the rate, fee or charge assessed pursuant to section 23 of P.L.1957,
7 c.183 (C.40:14B-23) or the connection fee or tapping fee assessed
8 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21), or both, at
9 the discretion of the county or municipal utilities authority. The
10 benefit shall be provided as a credit against the individual accounts of
11 the qualified resident or entity, and the county or municipal utilities
12 authority and the city shall negotiate the amount of the benefit. Upon
13 agreement of the parties, the governing body of the city shall adopt an
14 ordinance setting forth the specific requirements under the agreement.
15 In cases in which a qualified resident is not billed directly for the
16 county or municipal utilities authority's services, the city shall, as part
17 of the ordinance setting forth the specific requirements of the
18 agreement, establish procedures under which the owner of the
19 appropriate property shall insure that the qualified resident is
20 compensated for the amount of the credit.
21 (cf: P.L.1991, c.266, s.2)

22

23 65. Section 8 of P.L.1983, c.530 (C.55:14K-8) is amended to read
24 as follows:

25 8. a. Admission to housing projects constructed, improved or
26 rehabilitated under this act shall be limited to families whose gross
27 aggregate family income at the time of admission does not exceed six
28 times the annual rental or carrying charges, including the value or cost
29 to them of heat, light, water, sewerage, parking facilities and cooking
30 fuel, of the dwellings that may be furnished to such families, or seven
31 times those charges if there are three or more dependents. There may
32 be included in the carrying charges to any family for residence in any
33 mutual housing project constructed, improved or rehabilitated with a
34 loan from the agency an amount equal to 6% of the original cash
35 investment of the family in the mutual housing project and, to the
36 extent authorized by the agency where not included in the carrying
37 charges, the value or cost of repainting the apartment and replacing
38 any fixtures or appliances. Notwithstanding the provisions of this
39 section, no family or individual shall be eligible for admission to any
40 housing project constructed, improved or rehabilitated with a loan
41 from the agency, whose gross aggregate family income exceeds such
42 amount as shall be established from time to time by the agency, by
43 rules or regulations promulgated hereunder; except that with respect
44 to any project financed by an agency loan insured or guaranteed by the
45 United States of America or any agency or instrumentality thereof, the
46 agency may adopt the admission standards for such projects then

1 currently utilized or required by the guarantor or insurer.

2 The provisions of this subsection shall not apply to any housing
3 project situated in a qualified municipality that is constructed,
4 improved or rehabilitated on or after the effective date of P.L. , c.
5 (C.) (pending before the Legislature as this bill).

6 b. The agency shall by rules and regulations provide for the
7 periodic examination of the income of any person or family residing in
8 any housing project constructed, improved or rehabilitated with a loan
9 from the agency. If the gross aggregate family income of a family
10 residing in a housing project increases and the ratio to the current
11 rental or carrying charges of the dwelling unit becomes greater than
12 the ratio prescribed for admission in subsection a. of this section but
13 is not more than 25% above the family income so prescribed for
14 admission to the project, the owner or managing agent of the housing
15 project shall permit the family to continue to occupy the unit. The
16 agency or (with the approval of the agency) the housing sponsor of
17 any housing project constructed, improved or rehabilitated with a loan
18 from the agency, may terminate the tenancy or interest of any family
19 residing in the housing project whose gross aggregate family income
20 exceeds by 25% or more the amount prescribed herein and which
21 continues to do so for a period of six months or more; but no tenancy
22 or interest of any such family in any such housing project shall be
23 terminated except upon reasonable notice and opportunity to obtain
24 suitable alternate housing, in accordance with rules and regulations of
25 the agency; and any such family, with the approval of the agency, may
26 be permitted to continue to occupy the unit, subject to payment of a
27 rent or carrying charge surcharge to the housing sponsor in
28 accordance with a schedule of surcharges fixed by the agency. The
29 housing sponsor shall pay the surcharge to the municipality granting
30 tax exemption, but only up to an amount that together with payments
31 made to the municipality in lieu of taxes and for any land taxes equals
32 25% of the total rents or carrying charges of the housing project for
33 the current and any prior years that the project has been in operation.

34 The provisions of this subsection shall not apply to any housing
35 project situated in a qualified municipality that is constructed,
36 improved or rehabilitated on or after the effective date of P.L. , c.
37 (C.) (pending before the Legislature as this bill).

38 c. For projects on which the agency has made a loan and financed
39 the loan with the proceeds of bonds issued prior to January 1, 1973,
40 any remainder of the surcharge, or the total surcharge if tax exemption
41 has not been granted, shall be paid into the housing finance fund
42 securing the bonds issued to finance the project for the use of the
43 agency; for projects financed on or after January 1, 1973, any
44 remainder of the surcharge, or the total surcharge if tax exemption has
45 not been granted, shall be paid to the agency.

46 d. Any family residing in a mutual housing project required to

1 remove from the project because of excessive income as herein
2 provided shall be discharged from liability on any note, bond or other
3 evidence of indebtedness relating thereto and shall be reimbursed, in
4 accordance with the rules of the agency, for all sums paid by the
5 family to the housing sponsor on account of the purchase of stock or
6 debentures as a condition of occupancy or on account of the
7 acquisition of title for such purpose.

8 The provisions of this subsection shall not apply to any housing
9 project situated in a qualified municipality that is constructed,
10 improved or rehabilitated on or after the effective date of P.L. , c.
11 (C.) (pending before the Legislature as this bill).

12 e. The agency shall establish admission rules and regulations for
13 any housing project financed in whole or in part by loans authorized
14 hereunder which shall provide priority categories for person displaced
15 by urban renewal projects, highway programs or other public works,
16 persons living in substandard housing, persons and families who, by
17 reason of family income, family size or disabilities, have special needs,
18 elderly persons and families living under conditions violative of
19 minimum health and safety standards.

20 The provisions of this subsection shall not apply to any housing
21 project situated in a qualified municipality that is constructed,
22 improved or rehabilitated on or after the effective date of P.L. , c.
23 (C.) (pending before the Legislature as this bill).

24 (cf: P.L.1983, c.530, s.8)

25

26 66. (New section) Upon the enactment of P.L. , c. (C.)
27 (pending before the Legislature as this bill) and during the ¹[period
28 that a municipality is under]¹ rehabilitation¹ [and economic recovery]
29 term¹, there shall be a moratorium on regional contribution agreements
30 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.) in any qualified
31 municipality.

32

33 ¹67. (New section) a. Notwithstanding the provisions of any law
34 to the contrary, in the case of a Type II school district which is
35 contiguous with a qualified municipality and which has a nine-member
36 board of education, the Governor shall appoint three additional
37 members to the board of education upon the enactment of P.L. , c.
38 (C.)(now pending before the Legislature as this bill). The appointed
39 members shall be voting members of the board who shall serve at the
40 pleasure of the Governor for three year terms and they shall be eligible
41 for reappointment. Two members shall be residents of the qualified
42 municipality and one member shall be employed in the qualified
43 municipality.

44 b. At the first organizational meeting conducted pursuant to
45 N.J.S.18A:10-3 following the establishment of the qualified
46 municipality, the voting membership of the board of education shall be

1 comprised of the three members appointed by the Governor pursuant
2 to subsection a. of this section and any member of the board of
3 education as comprised prior to the establishment of a qualified
4 municipality with an unexpired term.

5 c. At the second organizational meeting conducted pursuant to
6 N.J.S.18A:10-3 following the establishment of the qualified
7 municipality, the voting membership of the board of education shall
8 be comprised of the three members appointed by the Governor
9 pursuant to subsection a. of this section, three members appointed by
10 the mayor of the qualified municipality with the advice and consent of
11 the city council and any member of the board of education as
12 comprised prior to the establishment of a qualified municipality with
13 an unexpired term. Members appointed by the mayor, with the advice
14 and consent of the city council shall serve three year terms and shall
15 be eligible for reappointment.

16 d. There shall be no school election of school board members
17 conducted in the first two years following the establishment of a
18 qualified municipality. In the third year following the establishment of
19 the qualified municipality, a school election of school board members
20 shall be conducted pursuant to P.L.1995, c.278 (C.19:60-1 et seq.)
21 and three members of the board of education shall be elected by the
22 voters to serve three year terms.

23 e. In the fourth year and each subsequent year thereafter, up until
24 the tenth year following the establishment of the qualified municipality,
25 members shall be appointed or elected as provided hereinabove upon
26 the expiration of the members' terms. In the tenth year following the
27 establishment of the qualified municipality, a school election of school
28 board members shall be conducted pursuant to P.L.1995, c.278
29 (C.19:60-1 et seq.) and three members of the board of education shall
30 be elected by the voters to fill the vacancies of the Governor's
31 appointees whose terms expire. The elected members shall serve
32 three year terms. In the eleventh year following the establishment of
33 the qualified municipality, a school election of school board members
34 shall be conducted pursuant to P.L.1995, c.278 (C.19:60-1 et seq.)
35 and three members of the board of education shall be elected by the
36 voters to fill the vacancies of the mayor's appointees whose terms
37 expire. The elected members shall serve three year terms. In the
38 twelfth year following the establishment of the qualified municipality
39 and each year thereafter successors to the members whose terms
40 expire shall be elected for three year terms as provided by law.

41 f. At all times the board of education and its membership shall
42 comply with the requirements of the "Open Public Meetings Act,"
43 P.L.1975, c.231 (C.10:4-6 et seq.) and the "School Ethics Act,"
44 P.L.1991, c.393 (C.18A:12-21 et seq.), and meet the requirements and
45 qualifications for board membership established pursuant to chapter 12
46 of Title 18A of the New Jersey Statutes.¹

1 ¹[67.] 68.¹ (New section) a. Notwithstanding the provisions of
2 Title 18A or any other law, rule, or regulation to the contrary, the
3 minutes of every meeting of the board of education of a school district
4 contiguous with a qualified municipality and constituted pursuant to
5 N.J.S.18A:9-3 shall be subject to the veto provisions set forth in
6 subsection b. of this section.

7 b. A true copy of the minutes of every meeting of a board of
8 education described in subsection a. of this section shall be forthwith
9 delivered by and under the certification of the secretary thereof to the
10 Governor. No action taken at that meeting of the board of education
11 shall have force or effect until 15 days after a copy of the minutes shall
12 have been so delivered unless during that 15-day period the Governor
13 shall approve those minutes, in which case the action shall become
14 effective upon that approval. If, in the 15-day period, the Governor
15 returns the copy of those minutes with a veto of any action taken by
16 the board of education or any member thereof at that meeting, the
17 action shall be null and void and of no effect.

18

19 ¹69. Section 4 of P.L.1974, c.80 (C.34:1B-4) is amended to read
20 as follows:

21 4. a. There is hereby established in, but not of, the Department of
22 the Treasury a public body corporate and politic, with corporate
23 succession, to be known as the "New Jersey Economic Development
24 Authority." The authority is hereby constituted as an instrumentality
25 of the State exercising public and essential governmental functions,
26 and the exercise by the authority of the powers conferred by the
27 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.) or section 6 of
28 P.L.2001, c.401 (C.34:1B-4.1) shall be deemed and held to be an
29 essential governmental function of the State.

30 b. The authority shall consist of the Commissioner of Banking and
31 Insurance, the Chief Executive Officer and Secretary of the New
32 Jersey Commerce and Economic Growth Commission, the
33 Commissioner of Labor, the Commissioner of Education, and the State
34 Treasurer, who shall be members ex officio, and eight public members
35 appointed by the Governor as follows: two public members (who shall
36 not be legislators) shall be appointed by the Governor upon
37 recommendation of the Senate President; two public members (who
38 shall not be legislators) shall be appointed by the Governor upon
39 recommendation of the Speaker of the General Assembly; and four
40 public members shall be appointed by the Governor, all for terms of
41 three years. In addition, a public member of the State Economic
42 Recovery Board established pursuant to section 36 of P.L. _____, c. _____
43 (C. _____) (pending before the Legislature as this bill) appointed by the
44 board, shall serve as a non-voting, ex officio member of the authority.
45 Each member shall hold office for the term of the member's
46 appointment and until the member's successor shall have been

1 appointed and qualified. A member shall be eligible for reappointment.
2 Any vacancy in the membership occurring other than by expiration of
3 term shall be filled in the same manner as the original appointment but
4 for the unexpired term only. In the event the authority shall by
5 resolution determine to accept the declaration of an urban growth zone
6 by any municipality, the mayor or other chief executive officer of such
7 municipality shall ex officio be a member of the authority for the
8 purpose of participating and voting on all matters pertaining to such
9 urban growth zone.

10 The Governor shall appoint three alternate members of the
11 authority, of which one alternate member (who shall not be a
12 legislator) shall be appointed by the Governor upon the
13 recommendation of the Senate President, and one alternate member
14 (who shall not be a legislator) shall be appointed by the Governor
15 upon the recommendation of the Speaker of the General Assembly;
16 and one alternate member shall be appointed by the Governor, all for
17 terms of three years. The chairperson may authorize an alternate
18 member, in order of appointment, to exercise all of the powers, duties
19 and responsibilities of such member, including, but not limited to, the
20 right to vote on matters before the authority.

21 Each alternate member shall hold office for the term of the
22 member's appointment and until the member's successor shall have
23 been appointed and qualified. An alternate member shall be eligible for
24 reappointment. Any vacancy in the alternate membership occurring
25 other than by the expiration of a term shall be filled in the same
26 manner as the original appointment but for the unexpired term only.
27 Any reference to a member of the authority in this act shall be deemed
28 to include alternate members unless the context indicates otherwise.

29 The terms of office of the members and alternate members of the
30 authority appointed by the Governor who are serving on July 18, 2000
31 shall expire upon the appointment by the Governor of eight public
32 members and three alternate members. The initial appointments of the
33 eight public members shall be as follows: the two members appointed
34 upon the recommendation of the President of the Senate and the two
35 members appointed upon the recommendation of the Speaker of the
36 General Assembly shall serve terms of three years; two members shall
37 serve terms of two years; and two members shall serve terms of one
38 year. The initial appointments of the alternate members shall be as
39 follows: the alternate member appointed upon the recommendation of
40 the President of the Senate shall serve a term of three years; the
41 alternate member appointed upon the recommendation of the Speaker
42 of the General Assembly shall serve a term of two years; and one
43 alternate member shall serve a term of one year. No member shall be
44 appointed who is holding elective office.

45 c. Each member appointed by the Governor may be removed from
46 office by the Governor, for cause, after a public hearing, and may be

1 suspended by the Governor pending the completion of such hearing.
2 Each member before entering upon his duties shall take and subscribe
3 an oath to perform the duties of the office faithfully, impartially and
4 justly to the best of his ability. A record of such oaths shall be filed in
5 the office of the Secretary of State.

6 d. A chairperson shall be appointed by the Governor from the
7 public members. The members of the authority shall elect from their
8 remaining number a vice chairperson and a treasurer thereof. The
9 authority shall employ an executive director who shall be its secretary
10 and chief executive officer. The powers of the authority shall be
11 vested in the members thereof in office from time to time and seven
12 members of the authority shall constitute a quorum at any meeting
13 thereof; provided, however, that the public member designated by the
14 State Economic Recovery Board pursuant to the "Municipal
15 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
16 (pending before the Legislature as this bill) shall not count toward the
17 quorum. Action may be taken and motions and resolutions adopted by
18 the authority at any meeting thereof by the affirmative vote of at least
19 seven members of the authority. No vacancy in the membership of the
20 authority shall impair the right of a quorum of the members to exercise
21 all the powers and perform all the duties of the authority.

22 e. Each member of the authority shall execute a bond to be
23 conditioned upon the faithful performance of the duties of such
24 member in such form and amount as may be prescribed by the Director
25 of the Division of Budget and Accounting in the Department of the
26 Treasury. Such bonds shall be filed in the office of the Secretary of
27 State. At all times thereafter the members and treasurer of the
28 authority shall maintain such bonds in full force and effect. All costs
29 of such bonds shall be borne by the authority.

30 f. The members of the authority shall serve without compensation,
31 but the authority shall reimburse its members for actual expenses
32 necessarily incurred in the discharge of their duties. Notwithstanding
33 the provisions of any other law, no officer or employee of the State
34 shall be deemed to have forfeited or shall forfeit any office or
35 employment or any benefits or emoluments thereof by reason of the
36 acceptance of the office of ex officio member of the authority or any
37 services therein.

38 g. Each ex officio member of the authority may designate an
39 officer or employee of the member's department to represent the
40 member at meetings of the authority, and each such designee may
41 lawfully vote and otherwise act on behalf of the member for whom the
42 person constitutes the designee. Any such designation shall be in
43 writing delivered to the authority and shall continue in effect until
44 revoked or amended by writing delivered to the authority.

45 h. The authority may be dissolved by act of the Legislature on
46 condition that the authority has no debts or obligations outstanding or

1 that provision has been made for the payment or retirement of such
2 debts or obligations. Upon any such dissolution of the authority, all
3 property, funds and assets thereof shall be vested in the State.

4 i. A true copy of the minutes of every meeting of the authority
5 shall be forthwith delivered by and under the certification of the
6 secretary thereof to the Governor. No action taken at such meeting
7 by the authority shall have force or effect until 10 days, Saturdays,
8 Sundays, and public holidays excepted, after the copy of the minutes
9 shall have been so delivered, unless during such 10-day period the
10 Governor shall approve the same in which case such action shall
11 become effective upon such approval. If, in that 10-day period, the
12 Governor returns such copy of the minutes with veto of any action
13 taken by the authority or any member thereof at such meeting, such
14 action shall be null and void and of no effect. The powers conferred
15 in this subsection i. upon the Governor shall be exercised with due
16 regard for the rights of the holders of bonds and notes of the authority
17 at any time outstanding, and nothing in, or done pursuant to, this
18 subsection i. shall in any way limit, restrict or alter the obligation or
19 powers of the authority or any representative or officer of the
20 authority to carry out and perform in every detail each and every
21 covenant, agreement or contract at any time made or entered into by
22 or on behalf of the authority with respect to its bonds or notes or for
23 the benefit, protection or security of the holders thereof.

24 j. On or before March 31 in each year, the authority shall make an
25 annual report of its activities for the preceding calendar year to the
26 Governor and the Legislature. Each such report shall set forth a
27 complete operating and financial statement covering the authority's
28 operations during the year. The authority shall cause an audit of its
29 books and accounts to be made at least once in each year by certified
30 public accountants and cause a copy thereof to be filed with the
31 Secretary of State and the Director of the Division of Budget and
32 Accounting in the Department of the Treasury.

33 k. The Director of the Division of Budget and Accounting in the
34 Department of the Treasury and the director's legally authorized
35 representatives are hereby authorized and empowered from time to
36 time to examine the accounts, books and records of the authority
37 including its receipts, disbursements, contracts, sinking funds,
38 investments and any other matters relating thereto and to its financial
39 standing.

40 l. No member, officer, employee or agent of the authority shall be
41 interested, either directly or indirectly, in any project or school
42 facilities project, or in any contract, sale, purchase, lease or transfer of
43 real or personal property to which the authority is a party.¹

44 (cf: P.L.2001, c.401, s.2)

45

46 ¹70. Section 3 of P.L. 1991, c.431 (C.40A:20-3) is amended to

1 read as follows:

2 3. As used in this act:

3 a. "Gross revenue" means annual gross revenue or gross shelter
4 rent or annual gross rents, as appropriate, and other income, for each
5 urban renewal entity designated pursuant to this act. The financial
6 agreement shall establish the method of computing gross revenue for
7 the entity, and the method of determining insurance, operating and
8 maintenance expenses paid by a tenant which are ordinarily paid by a
9 landlord, which shall be included in the gross revenue; provided,
10 however, that any federal funds received, whether directly or in the
11 form of rental subsidies paid to tenants, by a nonprofit corporation
12 that is the sponsor of a qualified subsidized housing project, shall not
13 be included in the gross revenue of the project for purposes of
14 computing the annual services charge for municipal services supplied
15 to the project.

16 b. "Limited-dividend entity" means an urban renewal entity
17 incorporated pursuant to Title 14A of the New Jersey Statutes, or
18 established pursuant to Title 42 of the Revised Statutes, for which the
19 profits and the entity are limited as follows. The allowable net profits
20 of the entity shall be determined by applying the allowable profit rate
21 to each total project unit cost, if the project is undertaken in units, or
22 the total project cost, if the project is not undertaken in units, for the
23 period commencing on the date on which the construction of the unit
24 or project is completed, and terminating at the close of the fiscal year
25 of the entity preceding the date on which the computation is made,
26 where:

27 "Allowable profit rate" means the percentage per annum arrived at
28 by adding 1 1/4% to the annual interest percentage rate payable on the
29 entity's initial permanent mortgage financing. If the initial permanent
30 mortgage is insured or guaranteed by a governmental agency, the
31 mortgage insurance premium or similar charge, if payable on a per
32 annum basis, shall be considered as interest for this purpose. If there
33 is no permanent mortgage financing the allowable profit rate shall be
34 arrived at by adding 1 1/4% per annum to the interest rate per annum
35 which the municipality determines to be the prevailing rate on
36 mortgage financing on comparable improvements in the county.

37 c. "Net profit" means the gross revenues of the urban renewal
38 entity less all operating and non-operating expenses of the entity, all
39 determined in accordance with generally accepted accounting
40 principles, but:

41 (1) there shall be included in expenses: (a) all annual service
42 charges paid pursuant to section 12 of P.L.1991, c.431
43 (C.40A:20-12); (b) all payments to the municipality of excess profits
44 pursuant to section 15 or 16 of P.L.1991, c.431 (C.40A:20-15 or
45 40A:20-16); (c) an annual amount sufficient to amortize the total
46 project cost over the life of the improvements, as set forth in the

1 financial agreement, which shall not be less than the terms of the
2 financial agreement; and (d) all reasonable annual operating expenses
3 of the urban renewal entity, including the cost of all management fees,
4 brokerage commissions, insurance premiums, all taxes or service
5 charges paid, legal, accounting, or other professional service fees,
6 utilities, building maintenance costs, building and office supplies, and
7 payments into repair or maintenance reserve accounts;

8 (2) there shall not be included in expenses either depreciation or
9 obsolescence, interest on debt, income taxes, or salaries, bonuses or
10 other compensation paid, directly or indirectly to directors, officers
11 and stockholders of the entity, or officers, partners or other persons
12 holding any proprietary ownership interest in the entity.

13 The urban renewal entity shall provide to the municipality an annual
14 audited statement which clearly identifies the calculation of net profit
15 for the urban renewal entity during the previous year. The annual
16 audited statement shall be prepared by a certified public accountant
17 and shall be submitted to the municipality within 90 days of the close
18 of the fiscal year.

19 d. "Nonprofit entity" means an urban renewal entity incorporated
20 pursuant to Title 15A of the New Jersey Statutes for which no part of
21 its net profits inures to the benefit of its members.

22 e. "Project" means any work or undertaking pursuant to a
23 redevelopment plan adopted pursuant to the "Local Redevelopment
24 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.), which has as
25 its purpose the redevelopment of all or any part of a redevelopment
26 area including any industrial, commercial, residential or other use, and
27 may include any buildings, land, including demolition, clearance or
28 removal of buildings from land, equipment, facilities, or other real or
29 personal properties which are necessary, convenient, or desirable
30 appurtenances, such as, but not limited to, streets, sewers, utilities,
31 parks, site preparation, landscaping, and administrative, community,
32 health, recreational, educational and welfare facilities.

33 f. "Redevelopment area" means an area determined to be in need
34 of redevelopment and for which a redevelopment plan has been
35 adopted by a municipality pursuant to the "Local Redevelopment and
36 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.).

37 g. "Urban renewal entity" means a limited-dividend entity, the New
38 Jersey Economic Development Authority or a nonprofit entity which
39 enters into a financial agreement pursuant to this act with a
40 municipality to undertake a project pursuant to a redevelopment plan
41 for the redevelopment of all or any part of a redevelopment area, or a
42 project necessary, useful, or convenient for the relocation of residents
43 displaced or to be displaced by the redevelopment of all or any part of
44 one or more redevelopment areas, or a low and moderate income
45 housing project.

46 h. "Total project unit cost" or "total project cost" means the

1 aggregate of the following items as related to a unit of a project, if the
 2 project is undertaken in units, or to the total project, if the project is
 3 not undertaken in units, all of which as limited by, and approved as
 4 part of the financial agreement: (1) cost of the land and improvements
 5 to the entity, whether acquired from a private or a public owner, with
 6 cost in the case of leasehold interests to be computed by capitalizing
 7 the aggregate rental at a rate provided in the financial agreement; (2)
 8 architect, engineer and attorney fees, paid or payable by the entity in
 9 connection with the planning, construction and financing of the
 10 project; (3) surveying and testing charges in connection therewith; (4)
 11 actual construction costs which the entity shall cause to be certified
 12 and verified to the municipality and the municipal governing body by
 13 an independent and qualified architect, including the cost of any
 14 preparation of the site undertaken at the entity's expense; (5)
 15 insurance, interest and finance costs during construction; (6) costs of
 16 obtaining initial permanent financing; (7) commissions and other
 17 expenses paid or payable in connection with initial leasing; (8) real
 18 estate taxes and assessments during the construction period; (9) a
 19 developer's overhead based on a percentage of actual construction
 20 costs, to be computed at not more than the following schedule:

21		
22	\$500,000 or less	- 10%
23		
24	\$500,000 through \$1,000,000	- \$50,000 plus 8% on excess above
25	\$500,000	
26		
27	\$1,000,001 through \$2,000,000	- \$90,000 plus 7% on excess
28	above \$1,000,000	
29		
30	\$2,000,001 through \$3,500,000	- \$160,000 plus 5.6667% on
31	excess above \$2,000,000	
32		
33	\$3,500,001 through \$5,500,000	- \$245,000 plus 4.25% on excess
34	above \$3,500,000	
35		
36	\$5,500,001 through \$10,000,000	- \$330,000 plus 3.7778% on
37	excess above \$5,500,000	
38		
39	over \$10,000,000	- 5%
40		

41 If the financial agreement so provides, there shall be excluded from
 42 the total project cost actual costs incurred by the entity and certified
 43 to the municipality by an independent and qualified architect or
 44 engineer which are associated with site remediation and cleanup of
 45 environmentally hazardous materials or contaminants in accordance
 46 with State or federal law.

1 i. "Housing project" means any work or undertaking to provide
2 decent, safe, and sanitary dwellings for families in need of housing; the
3 undertaking may include any buildings, land (including demolition,
4 clearance or removal of buildings from land), equipment, facilities, or
5 other real or personal properties or interests therein which are
6 necessary, convenient or desirable appurtenances of the undertaking,
7 such as, but not limited to, streets, sewers, water, utilities, parks; site
8 preparation; landscaping, and administrative, community, health,
9 recreational, educational, welfare, commercial, or other facilities, or
10 to provide any part or combination of the foregoing.

11 j. "Redevelopment relocation housing project" means a housing
12 project which is necessary, useful or convenient for the relocation of
13 residents displaced by redevelopment of all or any part of one or more
14 redevelopment areas.

15 k. "Low and moderate income housing project" means a housing
16 project which is occupied, or is to be occupied, exclusively by
17 households whose incomes do not exceed income limitations
18 established pursuant to any State or federal housing program.

19 l. "Qualified subsidized housing project" means a low and
20 moderate income housing project owned by a nonprofit corporation
21 organized under the provisions of Title 15A of the New Jersey
22 Statutes for the purpose of developing, constructing and operating
23 rental housing for senior citizens under section 202 of Pub.L. 86-372
24 (12 U.S.C. s.1701q) or rental housing for persons with disabilities
25 under section 811 of Pub.L. 101-625 (42 U.S.C. s.8013), or under any
26 other federal program that the Commissioner of Community Affairs by
27 rule may determine to be of a similar nature and purpose.¹
28 (cf: P.L.1994, c.87,s.1)

29

30 ¹[68.] 71.¹ (New section) If any section, subsection, paragraph,
31 sentence or other part of P.L. , c. (C.) (pending before the
32 Legislature as this bill) is adjudged unconstitutional or invalid, that
33 judgment shall not affect, impair or invalidate the remainder of this act,
34 but shall be confined in its effect to the section, subsection, paragraph,
35 sentence or other part of this act directly involved in the controversy
36 in which that judgment shall have been rendered.

37

38

ARTICLE 9. APPROPRIATIONS

39

40 ¹[69.] 72.¹ (New section) From the proceeds of bonds authorized
41 pursuant to section 47 of P.L. , c. (C.) (pending before the
42 Legislature as this bill), the New Jersey Economic Development
43 Authority shall deposit:

44 a. \$35 million into the "Residential Neighborhood Improvement
45 Fund" created pursuant to section 51 of P.L. , c. (C.)
46 (pending before the Legislature as this bill);

1 b. \$43 million into the "Demolition and Redevelopment Financing
2 Fund" created pursuant to section 51 of P.L. , c. (C.)
3 (pending before the Legislature as this bill);

4 c. \$45.8 million into the "Downtown Revitalization and Recovery
5 Fund" created pursuant to section 51 of P.L. , c. (C.)
6 (pending before the Legislature as this bill);

7 d. ¹[\$46.2] \$47.7¹ million into the "Higher Education and
8 Regional Health Care Development Fund" created pursuant to section
9 52 of P.L. , c. (C.) (pending before the Legislature as this
10 bill); and

11 e. ¹[\$5] \$3.5¹ million into the "Economic Recovery Planning
12 Fund" created pursuant to section 51 of P.L. , c. (C.)
13 (pending before the Legislature as this bill).

14 Notwithstanding this division of bond funds, up to 20% of the total
15 amount deposited into these funds may be reallocated among these
16 funds and subaccounts thereof, with the approval of the executive
17 director of the authority and the chief operating officer, in order to
18 serve the economic revitalization goals which P.L. , c. (C.)
19 (pending before the Legislature as this bill) seeks to promote.

20

21 ¹[70.] 73.¹ a. There is appropriated from the General Fund to the
22 Department of Community Affairs such sums as may be required for
23 rehabilitation aid to be allocated pursuant to subsection b. of section
24 26 of P.L. , c. (C.) (pending before the Legislature as this
25 bill).

26 b. There is appropriated from the General Fund to the Department
27 of the Treasury such sums as may be required to fund the buyout of
28 retirees who choose the retirement option set forth in section 19 of
29 P.L. , c. (C.) (pending before the Legislature as this bill) ¹and
30 those sums necessary to fund the incentives provided for in Article 6
31 of P.L. , c. (C.) (pending before the Legislature as this
32 bill)¹.

33 c. There is appropriated from the General Fund such sums as may
34 be required, not to exceed \$1,500,000, to the Department of
35 Community Affairs, Division of Local Government Services for the
36 costs of: the salaries of the chief operating officer and the staff thereto;
37 any salary differentials incurred in recruiting qualified personnel to
38 serve under the chief operating officer; the stipend provided to
39 encourage residency in qualified municipalities pursuant to section 18
40 of P.L. , c. (C.) (pending before the Legislature as this bill);
41 and the additional SAVER rebate provided under section 20 of
42 P.L. , c. (C.) (pending before the Legislature as this bill); all
43 subject to the approval of the Director of the Division of Budget and
44 Accounting in the Department of the Treasury.

45 d. There is appropriated from the General Fund to the Department
46 of Law and Public Safety the sum of \$1,500,000 for police services

1 and special initiatives in qualified municipalities.

2 ¹e. There is appropriated from the General Fund to the Department
3 of Health and Senior Services the sum of \$3 million to be made
4 available as an operating subsidy to the Neo-Natal Intensive Care Unit
5 of the Children's Regional Hospital at Cooper Hospital/Medical
6 Center.¹

7

8 ¹[71.] 74.¹ There is appropriated from the General Fund to the
9 Department of Labor the sum of ¹[\$2.5] \$1.5¹ million to capitalize
10 the "Qualified Municipality Economic Opportunity Fund" created
11 pursuant to section 51 of P.L. c. (C.) (pending before the
12 Legislature as this bill).

13

14 ¹[72.] 75.¹ This act shall take effect immediately¹, but in any case
15 shall be retroactive to June 30, 2002¹.

16

17

18

19

20 The Municipal Rehabilitation and Economic Recovery Act.

SENATE, No. 428

STATE OF NEW JERSEY
210th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2002 SESSION

Sponsored by:

Senator WAYNE R. BRYANT

District 5 (Camden and Gloucester)

Senator MARTHA W. BARK

District 8 (Burlington)

Co-Sponsored by:

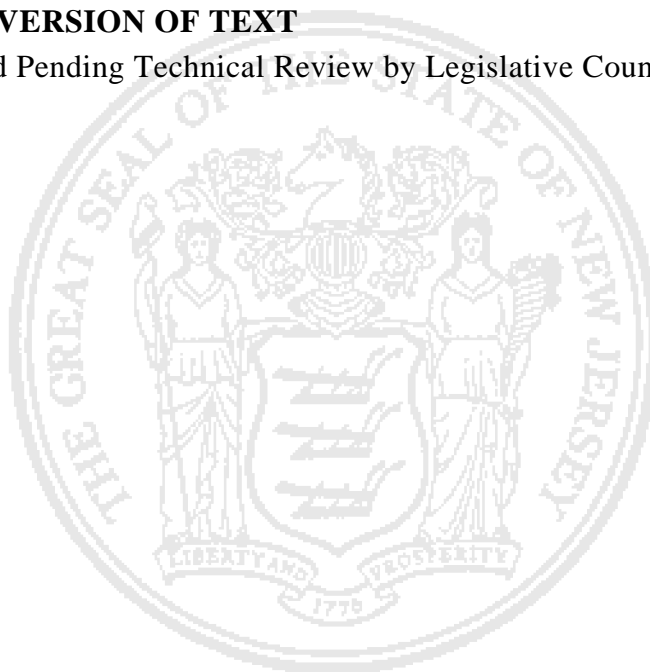
Senator Kyrillos

SYNOPSIS

Designated the "Camden Rehabilitation and Economic Recovery Act;" authorizes issuance of bonds and makes appropriations.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 6/7/2002)

1 AN ACT encouraging municipal rehabilitation and economic recovery
2 in certain fiscally distressed municipalities, amending P.L.1974,
3 c.80, P.L.1979, c.303 and P.L.1991, c.266, creating chapter
4 27BBB of Title 52 of the Revised Statutes, and making
5 appropriations.

6

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

9

10 ARTICLE 1. GENERAL PROVISIONS

11 1. (New section) This act shall be known and may be cited as the
12 "Camden Rehabilitation and Economic Recovery Act."

13

14 2. (New section) The Legislature finds and declares that:

15 a. There exists in Camden a continuing state of fiscal distress which
16 endures despite the imposition of a series of measures authorized
17 pursuant to law;

18 b. Economically impoverished, the City of Camden has a history of
19 high crime rates, including arson, that has necessitated the
20 maintenance of large police and fire departments, at enormous
21 taxpayer cost in a city without a sound tax base;

22 c. The past fifty years have witnessed the depopulation of the City
23 of Camden such that its population of 79,904 under the 2000 census
24 shows a loss of more than 40,000 persons compared to the city's
25 population at the end of the Second World War;

26 d. Spending power on the part of city residents is severely limited,
27 reflected by its per capita income which, at \$7,276, is the lowest in
28 New Jersey, and its median household income which, in 2000, was
29 only \$21,944, compared with the \$56,650 median for all households
30 in New Jersey; these figures indicate that local businesses suffer from
31 the lack of local disposable income, and that rebuilding the fortunes of
32 city residents in order to recreate a viable urban economy will require
33 a considerable period of time;

34 e. Notwithstanding the current prosperity which is unprecedented
35 in terms of its force and duration, Camden's unemployment rate of
36 over 13 percent is more than three times the rate for the rest of the
37 State;

38 f. While the rest of New Jersey has enjoyed a boom in land values,
39 Camden's ratable base has declined steadily during the 1990's, marked
40 by its low equalized value per capita which is about one-half that of
41 other cities;

42 g. Coupled with this economic deprivation is a city government
43 which is characterized by a well-documented lack of internal audit

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

Matter underlined thus is new matter.

1 controls, accountability and oversight, evidenced by the fact that
2 although real estate taxes comprise over two-thirds of locally
3 generated revenues, the city does not rigorously enforce collection and
4 currently receives only about 77 percent of its levy;

5 h. Although the State has experienced a period of tremendous
6 prosperity and economic growth over the past few years, the City of
7 Camden continues to languish without any obvious signs of
8 improvement;

9 i. The city has experienced a substantial budget deficit for many
10 years which has only been addressed through extraordinary payments
11 of State aid;

12 j. While State aid dollars which have been directed toward Camden
13 have served to address its structural deficits, they have not, and
14 cannot, function as an economic impetus toward the rebuilding of the
15 city;

16 k. The Camden County Municipal Utilities Authority has also
17 committed to providing extraordinary assistance to the economic
18 recovery of the city by offering to waive sewer hook up fees for a
19 certain period of time and to finance improvements to the city water
20 and sewer system, estimated at \$30 million;

21 l. Because a significant proportion of Camden's population lacks
22 adequate health insurance coverage, causing many to seek basic care
23 in the city's emergency rooms, the city's hospitals are heavily
24 dependent upon state assistance commonly referred to as "charity
25 care" for reimbursement. Recognizing this problem, the Delaware
26 River Port Authority has committed itself to providing assistance to a
27 federally qualified health organization designed to meet the needs of
28 this population;

29 m. Given the city's history of high crime rates, if economic
30 recovery is to be successful, it is vital the city residents feel that their
31 basic safety is assured; accordingly, the State has committed to assist
32 the city in maintaining not less than the 391 police officers employed
33 by the city on the effective date of P.L. , c. (C.) (pending
34 before the Legislature as this bill) during the period that the city is
35 under rehabilitation and economic recovery;

36 n. In order to ensure the long-term economic viability of the City
37 of Camden, it is critical that the Legislature encourage, to the extent
38 possible, the production of market-rate housing within the city so as
39 to expand the local tax base and provide a greater diversity of income
40 levels among the city's inhabitants;

41 o. When faced with analogous situations, other states have
42 employed extraordinary measures to provide leadership and oversight
43 for struggling cities and the necessary tools to spur an economic
44 revival within those cities; and

45 p. In light of the dire needs faced by the city and the lack of
46 progress in addressing those needs either governmentally or through

1 private sector initiative, and given the successful interventions on the
2 part of other states in analogous circumstances, it is incumbent upon
3 the State to take exceptional measures, on an interim basis, to rectify
4 certain governance issues faced by the city and to strategically invest
5 those sums of money necessary in order to assure the long-term
6 financial viability of the City of Camden.

7
8 3. (New section) The Legislature therefore resolves that
9 extraordinary measures are urgently called for in order to rehabilitate
10 the City of Camden and restore its economic vitality, without which
11 the city will continue to languish. Accordingly, this act establishes a
12 pilot program for a limited period of time during which considerable
13 sums of State money will be invested in the City of Camden with
14 appropriate State supervision by a chief operating officer who is
15 accountable to both city elected officials and the State. This pilot
16 program reflects the understanding that the enormity of the investment
17 required in the city and the level of State assistance to be provided to
18 the chief operating officer preclude the utilization of this approach
19 statewide; if, however, this approach is successful in reversing years
20 of decline in the City of Camden, it may then be applied in other
21 analogous situations.

22
23 4. (New section) As used in this act:

24 "Authority" means the New Jersey Economic Development
25 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

26 "Board" means the State Economic Recovery Board for the City of
27 Camden established pursuant to section 40 of P.L. , c. (C.)
28 (pending before the Legislature as this bill).

29 "Chief operating officer" means that person appointed pursuant to
30 P.L. , c. (C.) (pending before the Legislature as this bill)
31 responsible for reorganizing governmental operations of the City of
32 Camden in order to assure the delivery of essential municipal services
33 and the professional administration of that municipal government.

34 "Commissioner" means the Commissioner of Community Affairs.

35 "Director" means the Director of the Division of Local Government
36 Services in the Department of Community Affairs.

37 "Economic recovery term" means the period commencing with the
38 expiration of the term of the chief operating officer and terminating
39 five years thereafter.

40 "In consultation with" means with consideration of the input of, or
41 the advice of, the mayor, chief operating officer or director, as the
42 case may be, without regard to the form or manner of the consultation.

43 "Local Finance Board" means the Local Finance Board of the
44 Division of Local Government Services in the Department of
45 Community Affairs.

46 "Rehabilitation term" means that period during which the City of

1 Camden is under the direction of the chief operating officer appointed
2 pursuant to section 7 of P.L. , c. (C.) (pending before the
3 Legislature as this bill).

4 "Special arbitrator" means that judge designated by the Chief
5 Justice pursuant to section 5 of P.L. , c. (C.) (pending
6 before the Legislature as this bill).

7 "State supervision" means supervision pursuant to Article 4 of the
8 "Local Government Supervision Act (1947)," P.L.1947, c.151
9 (C.52:27BB-54 et seq.).

10 "Treasurer" or "State treasurer" means the Treasurer of the State
11 of New Jersey.

12 "Under rehabilitation and economic recovery" means that period
13 which coincides with the rehabilitation term and the economic
14 recovery term.

15

16

ARTICLE 2. GOVERNANCE

17 5. (New section) Upon the enactment of the "Camden
18 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
19 (pending before the Legislature as this bill), the Chief Justice shall
20 designate a Superior Court judge that sits within the vicinage of
21 Camden County as the special arbitrator as prescribed pursuant to
22 P.L. , c. (C.) (pending before the Legislature as this bill).
23 The special arbitrator shall, on an expedited basis, oversee the
24 resolution of any impasse brought before the special arbitrator by the
25 chief operating officer pursuant to sections 9, 11, 16 and 22, of
26 P.L. , c. (C.) (pending before the Legislature as this bill) or
27 by the mayor during the economic recovery term, as the case may be,
28 or with respect to any other impasse resulting from any action or
29 failure to act on the part of the mayor, during the rehabilitation term,
30 or the governing body. The special arbitrator shall use the following
31 criteria in dispute resolution, as appropriate to the particular
32 circumstances:

33 a. The action or failure to act would be adverse to the
34 rehabilitation or economic recovery of the city;

35 b. The action in question or failure to act would represent an
36 unsound decision in violation of the fiduciary responsibility of the city
37 officials;

38 c. The action or failure to act would be inconsistent with internal
39 financial controls or would violate prudent standards or practices of
40 municipal administration or would violate or compromise State laws,
41 rules or regulations under which the city operates.

42

43 6. (New section) a. Upon the effective date of the "Camden
44 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
45 (pending before the Legislature as this bill), the City of Camden shall
46 be under rehabilitation and economic recovery. This period shall begin

1 with the assumption of job responsibilities by the chief operating
2 officer pursuant to this section and terminate five years following the
3 end of the term of the chief operating officer. The period
4 corresponding with the term of the chief operating officer shall be
5 referred to hereinafter as the rehabilitation term. The period
6 commencing with the expiration of the term of the chief operating
7 officer and terminating five years thereafter shall be referred to
8 hereinafter as the economic recovery term.

9 b. During the economic recovery term, the mayor shall exercise
10 those powers delegated to the mayor pursuant to the form of
11 government, the charter and the administrative code of the
12 municipality, and those powers delegated to the mayor under general
13 law. In addition, during the economic recovery term, the mayor shall
14 retain the power to: (1) refer to the special arbitrator for resolution
15 any impasse which arises during that time, pursuant to sections 9, 11,
16 16 and 22, as the case may be, of P.L. , c. (C.) (pending
17 before the Legislature as this bill); and (2) veto the minutes of any
18 independent board or authority, including, but not limited to, the
19 housing authority, parking authority, redevelopment authority,
20 planning board and board of adjustment.

21 While the city is under rehabilitation and economic recovery, the
22 mayor shall retain the power to make those appointments to municipal
23 authorities, boards or commissions, as the case may be, which is
24 otherwise allocated to the mayor pursuant to law.

25 The mayor may retain staff for the purpose of advising the mayor
26 and aiding in the performance of constituent services.

27 c. Upon the assumption of job responsibilities by the chief
28 operating officer, the financial review board created pursuant to
29 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the
30 finances of the City of Camden shall cease to function and the
31 municipality shall cease to be under supervision pursuant to Article 4
32 of P.L.1947, c.151 (C.52:27BB-54 et seq.). All outstanding debts or
33 obligations previously incurred by the City of Camden with any
34 department, agency, authority or other agency or instrumentality of the
35 State, other than those debts or obligations represented by bonds or
36 other negotiable instruments, shall be assumed by the State, subject to
37 appropriation.

38 Notwithstanding the termination of the financial review board and
39 supervision, all memorandums of understanding entered into by the
40 city as a condition of receiving assistance under P.L.1987, c.75
41 (C.52:27D-118.24 et seq.) that require the city to implement any
42 government, administrative, operational efficiency or oversight
43 measures necessary for the fiscal recovery of the municipality as
44 recommended by the director and approved by the board shall continue
45 to have full force and effect.

1 7. (New section) a. Within 30 days following the enactment of
2 P.L. , c. (C.), the commissioner shall undertake a nationwide
3 search for candidates for the position of chief operating officer.
4 Following upon the search, the commissioner, in consultation with the
5 mayor, shall submit two nominees for the position to the mayor, who
6 shall select one of the candidates and submit that nomination to the
7 city council. Along with the names of the nominees, the commissioner
8 shall submit the curriculum vitae of each nominee. Each of the
9 nominees shall be qualified by training and experience for the position
10 and shall have at least 10 years of experience in the management or
11 supervision of government activities, three years of which may be
12 substituted by an advanced degree in business, law, or public
13 administration.

14 b. At the next council meeting occurring not less than 14 days
15 following the submission of nominees to the council by the mayor, the
16 council shall appoint one of the nominees as the chief operating officer
17 of the municipality. Selection shall be by a majority of the fully
18 authorized membership of the city council. In the event of a failure to
19 select one of the two nominees within seven days following the next
20 meeting of council pursuant to this subsection but not later than 30
21 days following the submission of the nominee by the mayor, the
22 commissioner shall make the appointment.

23 c. Pending the appointment of a chief operating officer or, in the
24 event of the death, resignation, removal or inability of the chief
25 operating officer to discharge the duties of that office, the functions,
26 powers and duties of the chief operating officer shall devolve upon the
27 director, for the time being, until a chief operating officer is appointed
28 or is able to discharge the duties of that office. In the event that the
29 chief operating officer appointed after the effective date of
30 P.L. , c. (C.) (pending before the Legislature as this bill) does
31 not serve out the chief operating officer's term of office for any reason,
32 the selection process shall be recommenced in accordance with the
33 provisions of this section.

34 d. The term of the chief operating officer shall terminate five years
35 following the assumption of duties on the part of the chief operating
36 officer. The chief operating officer may be a State employee in the
37 unclassified service of Title 11A, Civil Service, of the New Jersey
38 Statutes or may be hired under contract, as provided hereunder.
39 Notwithstanding any other provision of law, no person so appointed
40 shall acquire tenure.

41 If the chief operating officer is hired under contract, the person
42 hired shall meet the qualifications set forth herein, and it shall be clear
43 from the contract that the position is full-time and that the job site is
44 the City Hall of the City of Camden. If, for any reason, a person
45 engaged under contract is unable to fulfill the job responsibilities of
46 chief operating officer, the selection process shall be recommenced in

1 accordance with the provisions of this section.

2 If the chief operating officer is hired under contract, the contract
3 shall be available for public inspection in the office of the municipal
4 clerk.

5 e. Subject to the approval of the commissioner, the salary, benefits
6 and costs of the chief operating officer shall be fixed by the director
7 and adjusted from time to time as the director deems appropriate. The
8 salary, benefits, and costs of the chief operating officer shall be an
9 expense of the State.

10

11 8. (New section) a. At the end of four years following the
12 commencement of duties by the chief operating officer, the chief
13 operating officer shall submit a report to the Governor, each member
14 of the State Economic Recovery Board for the City of Camden, each
15 member of the Senate and General Assembly, the mayor and each
16 member of the governing body of the City of Camden. The report
17 shall evaluate progress made in rehabilitating the City of Camden and
18 the status of economic recovery efforts. The report shall include an
19 enumeration of any problems or hurdles encountered in rehabilitation
20 and economic recovery and, where applicable, recommendations for
21 any amendments to State law which would promote and encourage
22 rehabilitation and economic recovery. If the chief operating officer
23 anticipates that the rehabilitation term will be insufficient to achieve
24 rehabilitation goals, the chief operating officer shall include in the
25 report a detailed analysis of the causes for the municipality's inability
26 to reestablish local control and an assessment of the amount of time
27 necessary for the continuation of the period of the rehabilitation term.

28 In addition to the foregoing, the report shall include detailed
29 information as to how those funds appropriated pursuant to
30 P.L. , c. (C.) (pending before the Legislature as this bill) are
31 being spent and how those expenditures are serving to promote the
32 economic revitalization of the City of Camden.

33 b. Within 30 days of receipt of the report by members of the
34 Legislature, a hearing shall be held by the Senate Community and
35 Urban Affairs Committee and the Assembly Local Government
36 Committee, or their successors, to provide an opportunity for public
37 comment and discussion.

38

39 9. (New section) a. Upon the appointment of the chief operating
40 officer by the city council pursuant to subsection b. of section 7 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), all
42 the functions, powers and duties heretofore or hereafter assigned by
43 any statute, regulation, ordinance, resolution, charter or contract for
44 municipal operations, municipal organization and reorganization,
45 development and implementation of workforce training programs, and
46 the hiring and firing of department heads, managers and supervisory

1 employees shall be reallocated to the chief operating officer. The chief
2 operating officer shall exercise those functions, powers and duties in
3 consultation with the mayor as are hereinafter provided.

4 Notwithstanding the appointment of the chief operating officer by
5 the city council, the chief operating officer shall report to and serve at
6 the pleasure of the commissioner.

7 b. Except as otherwise provided in P.L. , c. (C.) (pending
8 before the Legislature as this bill), the chief operating officer shall
9 have the power to perform all acts and do all things consistent with
10 law necessary for the proper conduct, maintenance, rehabilitation and
11 supervision of the City of Camden. The chief operating officer may
12 propose ordinances, resolutions, rules, policies and guidelines, not
13 inconsistent with law, for the proper conduct, maintenance and
14 supervision of the municipality.

15 In addition, notwithstanding the provisions of the "Long Term Tax
16 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief
17 operating officer may negotiate financial agreements and otherwise
18 exercise the powers of the governing body pursuant thereto, including
19 making available municipal land in order to facilitate a project pursuant
20 to section 17 of P.L.1991, c.431 (C.40A:20-17). Any such
21 agreements negotiated by the chief operating officer shall be presented
22 to the city council for the information of the council members.

23 Ordinances and resolutions shall be adopted or amended as
24 provided by law except that the chief operating officer shall exercise
25 the functions, powers and duties of the chief executive officer.

26 c. The functions, powers and duties reallocated to the chief
27 operating officer pursuant to this section shall include, but not be
28 limited to those powers allocated to the mayor which are found in the
29 charter and administrative code of the municipality, Titles 40 and 40A
30 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1 et
31 seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local Fiscal
32 Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public Contracts
33 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), any specific form of
34 government law according to which the municipality is governed, and
35 such other sections or other laws necessary to the governance and
36 administration of a municipality, the control of litigation, and the
37 determination of service levels as provided in this section.

38 During the rehabilitation term, the chief operating officer shall
39 exercise the veto power of the mayor with respect to municipal
40 ordinances; provided, however, that the chief operating officer may
41 delegate the veto power to the mayor. In addition, during the
42 rehabilitation term, the chief operating officer shall have the power to
43 veto the minutes of any independent board or authority, including, but
44 not limited to, the housing authority, parking authority, redevelopment
45 authority, planning board and board of adjustment.

1 During the rehabilitation term, the chief operating officer may refer
2 any matter involving any action or failure to act to the special
3 arbitrator.

4 d. Subject to the approval of the director, the chief operating
5 officer may appoint a confidential secretary and executive assistant
6 who shall be State employees and serve in the unclassified service of
7 the Civil Service. The salary and benefits of these appointees shall be
8 fixed by the director and adjusted from time to time as the director
9 deems appropriate. The salary, benefits, and costs of these appointees
10 shall be an expense of the State.

11 These appointees shall serve at the pleasure of the chief operating
12 officer.

13
14 10. (New section) The chief operating officer may:

15 a. Sue in the municipality's corporate name and submit disputes and
16 controversies to arbitration and determination in the manner provided
17 by law;

18 b. Retain municipal corporation counsel and such other special
19 counsel as the chief operating officer may deem necessary to carry out
20 the functions, powers and duties set forth in P.L. , c. (C.)
21 (pending before the Legislature as this bill); and

22 c. Request the State Treasurer to provide no interest loans to the
23 municipality for cash flow purposes. Notwithstanding any other
24 provision of law relating to the transfer of sums appropriated to a
25 State agency, the treasurer is empowered to direct the Director of the
26 Division of Budget and Accounting to transfer from any State
27 department to any other State department sums as may be necessary
28 to provide a loan on the terms and conditions that the treasurer deems
29 appropriate.

30
31 11. (New section) Within 30 days of the assumption of job
32 responsibilities on the part of the chief operating officer, the chief
33 operating officer shall, in consultation with the mayor, recommend the
34 interim appointment of department heads and submit the list of
35 nominees to the council for confirmation. The department heads shall
36 include a business administrator, or functional equivalent thereof, who
37 shall not be the chief operating officer. The city council may only
38 reject a candidate by a 2/3 vote of the fully authorized membership of
39 the city council. In the event of an impasse in the appointment
40 process, the matter shall be decided by the special arbitrator, whose
41 decision shall not be subject to appeal. In making a determination
42 pursuant to this subsection, the special arbitrator shall uphold the
43 recommended appointment if, by any objective measure, the person
44 under consideration for that position is qualified by reason of
45 experience, education or training.

1 These interim appointees shall fulfill those responsibilities delegated
2 to them by the chief operating officer pending the completion of the
3 municipal management study by the chief operating officer pursuant to
4 section 12 of P.L. , c. (C.) (pending before the Legislature
5 as this bill).

6
7 12. (New section) a. Within 30 days following the submission of
8 interim department head appointments to the city council, the chief
9 operating officer, in consultation with the mayor, shall undertake the
10 preparation of a municipal management study which analyzes the
11 current state of all services provided by each municipal department and
12 the service levels provided in similarly situated municipalities and shall
13 call upon experts or State government officials, as necessary, in order
14 to identify the options available to achieve appropriate levels of
15 service. The study shall include police and fire services provided by
16 the municipality.

17 b. The study shall include reference to those studies previously
18 completed by the State during the period of supervision or the
19 operation of the financial review board, including the City of Camden
20 Multi-Year Recovery Plan for Fiscal Years 2001-2003 prepared by
21 Public Financial Management, November 2000, and any other relevant
22 studies.

23 c. The study shall be completed no later than nine months
24 following the appointment of the interim department heads.

25 d. The study shall include a review of the municipal organizational
26 plan, the management structure of each department, and the specific
27 personnel needs within each department and unit therein necessary to
28 achieve the levels of service identified in the study as appropriate for
29 the City of Camden.

30 With regard to public safety services, the study shall analyze the
31 current state of services provided in light of such performance
32 measures as calls per officer and call response time and make
33 recommendations for current and future staffing levels in order to
34 realize appropriate levels of service.

35 In addition, the study shall include an assessment of the current
36 state of computerization of municipal operations, the extent to which
37 technology and mechanization are used to increase the efficiency of
38 municipal operations, and, in particular, the extent to which
39 geographic information systems are used to assist in municipal
40 resource allocation, and recommendations for ways in which those
41 operations may be made more efficient and accessible to the public
42 through the use of computers and technological innovation, including
43 the use of geographic information systems.

44 e. Following from this review, the study shall include any
45 recommendations for the reorganization of municipal government
46 structure considered necessary in order to achieve the more efficient,

1 orderly, cost-effective and professional delivery of municipal services.

2 In addition, the study shall include an analysis and recommendations
3 concerning appropriate pay scales for department heads in order to
4 assist the chief operating officer in recruiting persons with the training
5 and experience necessary to effectuate their job responsibilities.

6 f. Notwithstanding any other law, rule or regulation to the
7 contrary, the municipal management study shall include an evaluation
8 of the qualification levels of departmental employees in light of their
9 assigned tasks and an identification of training opportunities to assist
10 those employees in better performing their assigned duties, including
11 a program of computer and technology training. The chief operating
12 officer may call upon the Commissioner of Personnel or other
13 appropriate State government appointees or officers in order to
14 perform this evaluation and provide appropriate training.

15 g. Upon completion, the study shall be distributed to the mayor,
16 each member of the city council and the Commissioner of Community
17 Affairs. In addition, the study shall be available for public inspection.

18 h. Following from the municipal management study, the chief
19 operating officer shall prepare the necessary amendments to the
20 municipality's administrative code and ordinance, including salary
21 ordinances, which follow from the recommendations in the study.
22 These ordinances and amendments should be included as an appendix
23 to the municipal management study.

24 The mayor and the city council shall be kept apprised of the
25 progress of the municipal management study and shall cooperate with
26 the chief operating officer and provide that information and
27 documentation necessary to assure the expeditious completion of the
28 study.

29

30 13. (New section) a. Upon the completion of the municipal
31 management study by the chief operating officer, the chief operating
32 officer shall make available for public inspection a copy of the study
33 in the office of the municipal clerk and each branch of the public
34 library within the municipality.

35 b. The chief operating officer shall cause notice to be published in
36 a newspaper circulating within the municipality that the study is
37 available for public inspection, not less than 14 days before the
38 meeting of the city council at which the study is to be voted on.

39 c. The municipal management study shall become the official
40 operating plan for the municipality unless the city council rejects the
41 study by a 2/3 vote of the fully authorized membership of the city
42 council within 30 days following the publication of notice pursuant to
43 subsection b. of this section. If the city council has not acted within
44 that 30 day period, the study shall be considered adopted.

1 d. Upon the adoption of the municipal management study, the chief
2 operating officer, in consultation with the director, shall establish a
3 salary scale for each department head. To the extent that the
4 established salaries exceed those paid by the city at the commencement
5 of the rehabilitation term, the State shall absorb the increased expense
6 for salaries and benefits during the rehabilitation term, and for two
7 years thereafter, subject to appropriation.

8 e. Once the chief operating officer has established the salary scale
9 and the municipal management study has been adopted, the chief
10 operating officer shall cause to be prepared proposed ordinances
11 effectuating the salary scales and those amendments to the
12 administrative code necessary to implement the municipal management
13 study.

14
15 14. (New section) For the purposes of Title 11A, Civil Service, of
16 the New Jersey Statutes, the chief operating officer shall act as the
17 appointing authority.

18 The Commissioner of Personnel, in conjunction with the chief
19 operating officer, shall design a remedial Human Resource Plan for the
20 City of Camden which best supports the efficient and effective delivery
21 of services to the residents of the municipality. This plan may include,
22 but need not be limited to, such measures as delegation of specified
23 personnel functions, pilot programs, and streamlined appointment
24 processes and shall remain in place during the rehabilitation term.

25 The Commissioner of Personnel may approve such additional
26 changes in the staffing and organization structure as are needed to
27 support the rehabilitation and economic recovery of the City of
28 Camden pursuant to P.L. , c. (C.) (pending before the
29 Legislature as this bill).

30
31 15. (New section) a. Notwithstanding any other provision of law
32 or contract, the chief operating officer may abolish positions in the
33 municipality not under the direct supervision of the municipal
34 governing body at any time. All of the functions, powers and duties
35 of such abolished positions shall be exercised by the chief operating
36 officer or those persons whom the chief operating officer designates
37 to exercise them during the rehabilitation term. The affected
38 individuals shall be given 60 days' notice of termination or pay for the
39 same period. The notice or payment shall be in lieu of any other claim
40 or recourse against the municipality based on law or contract or term
41 of office.

42 b. Notwithstanding any law, rule or regulation to the contrary, no
43 individual whose position is abolished by operation of this section shall
44 be entitled to assert a claim to any position or to placement upon a
45 preferred eligibility list for any position to which the individual may be
46 entitled by virtue of tenure or seniority within the municipality.

1 Nothing herein shall preclude an individual from asserting upon
2 separation from service any legal contractual right to health care
3 coverage, annuities, accrued vacation days, accrued sick leave,
4 insurance and approved tuition costs. No individual whose position is
5 abolished by operation of this subsection shall retain any right to
6 tenure or seniority in the positions abolished herein.

7 c. Notwithstanding any provision of P.L.1992, c.43 (C.34:15D-1
8 et seq.) to the contrary, the Department of Labor shall, if requested by
9 an employee, provide a training grant under the "Job Training
10 Partnership Act," Pub. L. 97-300 (29 U.S.C. s.1501 et seq), to each
11 person who applies pursuant to this section for a training grant to pay
12 for employment and training services as provided pursuant to section
13 6 of P.L.1992, c.43 (C.34:15D-6).

14

15 16. (New section) a. Following the completion of the municipal
16 management study, the chief operating officer shall, in consultation
17 with the mayor, recommend the appointment of department heads and
18 division heads, as the case may be, and submit the list of nominees to
19 the city council for approval. Any recommendations provided by the
20 chief operating officer pursuant to this subsection shall be made in
21 consultation with the mayor. Any person who has served as an interim
22 department head pursuant to section 11 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) shall be
24 eligible for appointment pursuant to this section. The city council may
25 only reject a candidate by a 2/3 vote of the fully authorized
26 membership of the city council. In the event of an impasse in the
27 appointment process, the matter shall be decided by the special
28 arbitrator, whose decision shall not be subject to appeal. In making a
29 determination pursuant to this subsection, the special arbitrator shall
30 uphold the recommended appointment if, by any objective measure,
31 the person under consideration for that position is the most qualified
32 by reason of experience, education or training.

33 Appointment as a department head or division head, as the case
34 may be, shall be for a period of time coinciding with the term of the
35 chief operating officer and an additional two years thereafter;
36 however, department heads and division heads may be removed for
37 cause by the Local Finance Board following a hearing before the
38 board.

39 b. Any person who has served as an employee in a position with
40 tenure rights during the rehabilitation term who is reappointed by the
41 mayor, with the advice and consent of the council, as appropriate,
42 following the termination of the rehabilitation term shall receive credit
43 for the years served during the period of rehabilitation for the purposes
44 of establishing eligibility for tenure, so long as their position otherwise
45 qualifies for tenure under general law.

1 17. (New section) Upon the adoption of the municipal
2 management study, the chief operating officer, working in conjunction
3 with the Commissioner of Personnel and in consultation with the
4 mayor, shall, within 60 days, transfer, assign or reclassify, as the case
5 may be, those positions recommended for such action in the study.

6 The residency requirement established pursuant to municipal
7 ordinance shall be waived for those positions which are at the
8 supervisory, management level or above and which are in the
9 unclassified service of Title 11A, Civil Service, of the New Jersey
10 Statutes.

11
12 18. (New section) Any person hired in a position for which the
13 residency requirement has been waived or as a police officer or
14 firefighter after the adoption of the municipal management study, and
15 who purchases a home in the City of Camden and occupies that home
16 as a principal residence shall, subject to appropriation, receive an
17 annual stipend of 10 percent of their base salary upon proper claim
18 made therefor each year to the Department of Community Affairs, so
19 long as the claim is made during the rehabilitation term. The
20 department shall pay the stipend upon satisfactory proof by the
21 applicant that the dwelling for which the stipend is being paid
22 continues to be occupied as a principal residence by the applicant. An
23 employee may receive this stipend for a period of five years; however,
24 the requirement that the dwelling be occupied as a principal residence
25 shall extend to the period of rehabilitation and economic recovery.
26 Any person who does not continue to occupy the residence for which
27 that person receives the stipend for the entirety of the period of
28 rehabilitation and economic recovery shall be required to reimburse the
29 State for the entire amount of the stipend received.

30 A municipal tax lien shall attach on the property for which the
31 stipend is being paid, at the time the annual stipend is paid by the State
32 in the amount of stipend received by the applicant. The lien shall have
33 the same status and shall be given the same effect as municipal liens
34 established under R.S.54:5-9. The lien shall remain on the property
35 until the expiration of the period of rehabilitation and economic
36 recovery, or until the entire amount of the stipend paid to the applicant
37 has been reimbursed back to the State, should the applicant not
38 continue to occupy the residence for the entire period of rehabilitation
39 and economic recovery. The amount of the stipend to be reimbursed
40 to the State shall also be a personal debt of the applicant, and both the
41 lien and the debt shall be recoverable in the name of the State by
42 means of any remedy available at law.

43 The chief operating officer shall each year compile a list of those
44 employees eligible to receive the stipend, which shall be used by the
45 department to verify eligibility. An employee who receives the stipend
46 shall be ineligible to receive the income tax credit authorized pursuant

1 to section 59 of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3 The commissioner shall annually submit a list to the State Treasurer
4 of those persons who receive the stipend.

5
6 19. (New section) Notwithstanding the provisions of any other
7 law, rule or regulation to the contrary, a city employee who is a
8 member of the Public Employees' Retirement System and is otherwise
9 eligible for retirement may, upon the recommendation of the chief
10 operating officer with the approval of the director, receive an incentive
11 payment for the termination of the employee's employment with the
12 city.

13 As used in this section, "incentive payment" shall mean a lump sum
14 payment of 20 percent of the employee's annual base salary, exclusive
15 of overtime.

16 An employee shall only be eligible for an incentive payment
17 pursuant to this section if that person applies for this termination
18 benefit within 60 days of the effective date of P.L. , c. (C.)
19 (pending before the Legislature as this bill). Payment shall be made
20 not sooner than upon the receipt of the first pension check by the city
21 employee.

22 This election to retire on the part of the city employee shall be
23 communicated by the member to the retirement system pursuant to
24 Title 43 of the Revised Statutes; however, once the employee has
25 elected to retire, that decision shall be final.

26
27 20. (New section) A resident of Camden who has paid property
28 taxes for the tax year on a homestead that is owned as such and who
29 is eligible to receive an NJ SAVER rebate pursuant to P.L.1999, c.63
30 (C.54:4-8.58a et al.) shall, subject to appropriation, receive an NJ
31 SAVER rebate in an amount equal to 150% of the amount otherwise
32 owed that resident pursuant to section 4 of P.L.1999, c.63 (C.54:4-
33 8.58b) during the time that the city is under rehabilitation and
34 economic recovery.

35
36 21. (New section) a. The chief operating officer shall conduct
37 monthly meetings with the mayor, department heads and the executive
38 directors of any independent boards or authorities created by the
39 municipality or which otherwise operate in the name of the
40 municipality. Meetings may be held more frequently, as necessary, at
41 the call of the chief operating officer.

42 b. During the rehabilitation term, the chief operating officer may
43 veto the minutes of any independent board or authority, including, but
44 not limited to, the housing authority, parking authority, redevelopment
45 authority, planning board and board of adjustment. The mayor shall
46 retain this power during the economic recovery term.

1 c. A true copy of the minutes of every meeting of any independent
2 board or authority, including, but not limited to, the housing authority,
3 parking authority, redevelopment authority, planning board and board
4 of adjustment, shall be prepared and forthwith delivered to the chief
5 operating officer or mayor, as the case may be. No action taken at any
6 such meeting shall have force or effect until 10 days, exclusive of
7 Saturdays, Sundays and public holidays, after the copy of the minutes
8 shall have been so delivered. If, in that 10-day period, the chief
9 operating officer or mayor returns the copy of the minutes with a veto
10 of any action taken by the board or authority at the meeting, that
11 action shall be null and void and of no force and effect. Following the
12 completion of the 10-day period, those actions not vetoed shall be
13 considered approved.

14 d. To ensure the expeditious consideration of any decision by the
15 planning board and zoning board of adjustment or any other
16 independent board or authority on the part of the chief operating
17 officer or mayor, as appropriate, the secretary of each board or
18 authority shall forward a copy of each resolution adopted by each
19 board or authority within five business days following the adoption
20 thereof. For the purposes of the exercise of the veto power by the
21 chief operating officer or mayor pursuant to subsection c. of this
22 section, the 10-day period shall commence upon the receipt, by the
23 chief operating officer or mayor, as appropriate, of those resolutions.
24

25 22. (New section) a. Within three business days following each
26 meeting of the city council, a copy of each ordinance and resolution
27 which has been adopted by the council shall be forwarded to the chief
28 operating officer or mayor, as the case may be, who shall have 10 days
29 from the receipt thereof to veto the ordinance or resolution, as the
30 case may be. Any veto action by the chief operating officer or mayor
31 shall be submitted to the president of the city council within 10 days
32 of the veto. Within five business days thereafter, the council may
33 override the veto by a two-thirds vote of the fully authorized
34 membership thereof.

35 If, in the opinion of the chief operating officer, the action is
36 contrary to the rehabilitation of economic recovery goals which
37 justified the rehabilitation declaration, the chief operating officer can
38 submit the action to the special arbitrator, who shall allow the action
39 only upon a finding that the action is consistent with the rehabilitation
40 and economic recovery of the City of Camden. The decision of the
41 special arbitrator shall not be subject to appeal.

42 b. The chief operating officer shall have full access to all municipal
43 records and to municipal information from all officials and employees
44 of the municipality. If the chief operating officer believes that an
45 official or employee of the municipality is not answering the questions
46 of the chief operating officer accurately or completely or is not

1 furnishing information requested by the chief operating officer, the
2 chief operating officer may notify the official or employee in writing
3 to furnish answers to questions or to furnish documents or records, or
4 both. If the official or employee refuses, the chief operating officer
5 may seek a subpoena in the Superior Court, in a summary manner, to
6 compel testimony and furnish records and documents.

7
8 23. (New section) The city council, in conjunction with the
9 Eagleton Institute of Politics and the Rand Institute at Rutgers, The
10 State University, shall hire a non-partisan, professional staff to assist
11 the city council in the execution of its governmental functions and shall
12 provide the staff with the computer hardware and software necessary
13 to perform their assigned tasks. Computer equipment shall be
14 provided at State expense. The staff members shall possess expertise
15 in areas of municipal government operation, including but not limited
16 to, municipal law, planning, social services, public health, public
17 finance and public works administration. Candidates for appointment
18 shall possess a college degree which is relevant to the position which
19 may include, but not be limited to, business, law and public
20 administration. Although a candidate may possess a law degree, staff
21 members shall serve as subject matter experts to the council and shall
22 not serve as legal counsel.

23 The Eagleton Institute and the Rand Institute shall also provide
24 comprehensive training for members of the city council and the non-
25 partisan, professional staff to better enable them to discharge their
26 representative functions in the public interest. The State shall
27 adequately compensate the Eagleton Institute and the Rand Institute
28 for their services, subject to appropriation.

29
30 24. (New section) Unless otherwise provided pursuant to
31 P.L. , c. (C.) (pending before the Legislature as this bill), the
32 city council shall retain all functions, powers and duties prescribed to
33 it pursuant to the charter and administrative code of the municipality,
34 Titles 40 and 40A generally and specifically in the "Local Bond Law,"
35 N.J.S.40A:2-1 et seq., the "Local Budget Law," N.J.S.40A:4-1 et seq.,
36 the "Local Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the "Local
37 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the
38 "New Jersey Water Supply Public-Private Contracting Act," P.L.1995,
39 c.101 (C.58:26-19 et seq.), any specific form of government law
40 according to which the municipality is governed, and such other
41 sections or other laws which govern municipal operation or
42 administration.

43 The city council shall set the schedule and agenda for meetings of
44 the city council, which shall be duly advertised pursuant to the "Open

1 Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). Meetings
2 shall be presided over by the council president.

3
4 25. (New section) a. The director may provide for oversight or
5 audit of the activities of the City of Camden and report the findings to
6 the Local Finance Board and the chief operating officer. The cost of
7 providing oversight and audit functions shall be borne by the State.
8 The power to negotiate collective bargaining agreements pursuant to
9 section 20 of P.L.1981, c.211 (C.52:27BB-66.1) shall be vested in the
10 chief operating officer. Collective bargaining agreements entered into
11 by the municipality prior to the commencement of the rehabilitation
12 term shall remain in force as provided in those agreements, except
13 when otherwise expressly provided in P.L. , c. (C.) (pending
14 before the Legislature as this bill).

15 b. The director may make grants to a municipality under
16 rehabilitation, using such funds as may be available to the director, for
17 the purposes of conducting studies or engaging consultants as may be
18 authorized by P.L. , c. (C.) (pending before the Legislature as
19 this bill) to assist in rehabilitation, or those that the director and the
20 chief operating officer or mayor, as appropriate, determine are
21 necessary to the rehabilitation of the municipality. Grants may be
22 made subject to conditions deemed necessary by the director.

23

24 26. (New section) a. During the rehabilitation term, the chief
25 operating officer shall not increase the municipal portion of the general
26 tax rate over the rate established for the year during which the
27 rehabilitation took effect.

28 b. The chief operating officer shall, in consultation with the mayor,
29 annually prepare a budget pursuant to the provisions of the "Local
30 Budget Law," N.J.S.40A:4-1 et seq. This budget shall conform in all
31 respects with the requirements of the "Local Budget Law,"
32 N.J.S.40A:4-1 et seq. and shall be subject to the limitations on
33 spending by municipalities set forth in P.L.1976, c.68 (C.40A:4-45.1
34 et seq.). The Local Finance Board may grant exceptions to the
35 spending limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et seq.)
36 upon application by the chief operating officer, if the Local Finance
37 Board finds such exceptions to be necessary for the rehabilitation of
38 the municipality.

39 c. Upon the preparation of the budget, the chief operating officer,
40 in consultation with the mayor, shall fix: a date, place and time for the
41 holding of a public hearing upon the budget; the amounts of money
42 necessary to be appropriated for the use of the municipality for the
43 ensuing year; and the various items and purposes for which the same
44 are to be appropriated. The hearing shall be held in accordance with
45 the provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq.;
46 however, the hearing shall be held at least 28 days after the date on

1 which the budget is advertised. Notice of hearing, contents of the
2 notice and the format and purpose of the hearing shall be as provided
3 in that law. As part of the budget request, the chief operating officer
4 may include provision for anticipation of rehabilitation aid if other
5 revenues are insufficient to meet the revenues needed to offset total
6 appropriations.

7 d. If the budget proposed by the chief operating officer includes a
8 provision for rehabilitation aid, the chief operating officer shall apply
9 to the director for approval of the amount and shall supply the director
10 with documentation justifying the need. The director shall then
11 recommend an amount to the State Treasurer. The treasurer, after
12 consideration of the recommendation, shall determine the amount of
13 the rehabilitation aid to be requested.

14 e. During the period that the city is under rehabilitation and
15 economic recovery, the commissioner shall ensure that those
16 appropriations in the city budget or departmental budget, as the case
17 may be, necessary for the rehabilitation and economic recovery of the
18 City of Camden either appropriated pursuant to the "Camden
19 Rehabilitation and Economic Recovery Act," P.L. c. , (C.)
20 (pending before the Legislature as this bill) anticipated by the
21 programs established pursuant thereto, or otherwise necessary to
22 assure the city's rehabilitation and revitalization, are fully funded and
23 continued during the entire period of rehabilitation and economic
24 recovery.

25

26 27. (New section) During the rehabilitation term, all ordinances
27 authorizing the issuance of debt shall be subject to approval of the
28 Local Finance Board. Provisions of the "Local Bond Law,"
29 N.J.S.40A:2-1 et seq., with regard to the introduction of bond
30 ordinances shall be followed, and approval of the chief operating
31 officer shall serve as approval of the bond ordinance for publication.
32 After a public hearing held by the city council and approval of a bond
33 ordinance by the chief operating officer, the chief operating officer
34 shall apply to the Local Finance Board for approval of the bond
35 ordinance. No bond ordinance shall take effect without the approval
36 of the Local Finance Board. Amendments to existing bond ordinances
37 that do not increase the amount of bonded indebtedness may be
38 approved by the chief operating officer without the approval of the
39 Local Finance Board.

40

41 28. (New section) The chief operating officer shall annually
42 provide to the Local Finance Board an assessment of the progress of
43 the City of Camden toward achieving municipal rehabilitation and
44 economic recovery. The director shall formally report annually to the
45 Local Finance Board, the commissioner, the Attorney General, the
46 treasurer, the Governor, each member of the city council, including the

1 mayor or other chief executive officer, and each member of the
2 Legislature on the municipality's progress towards achieving these
3 goals. The reports may also include recommendations to the
4 Legislature by the chief operating officer for specific changes to the
5 law that the chief operating officer believes would facilitate the goal
6 of rehabilitating the City of Camden.

7

8 29. (New section) The mayor and chief operating officer shall
9 establish a community advisory committee in order to provide an
10 efficient means of eliciting citizen input in the rehabilitation and
11 economic recovery and community development of the City of
12 Camden. The community advisory committee shall consist of
13 13 members as follows: three to be appointed by the Commissioner
14 of Community Affairs; three by the city council; and three by the chief
15 operating officer. The mayor shall serve as an ex officio member of
16 the committee and shall appoint an additional three members.

17 Membership of the committee shall include representatives of the
18 municipality's neighborhood, business, labor, faith-based, civic, and
19 public interest organizations. No fewer than three members of the
20 committee shall represent private businesses situated within the City
21 of Camden.

22 The committee shall meet not less than twice a year, at the pleasure
23 of the chief operating officer, and shall assist the chief operating
24 officer in the conduct of the municipal management study pursuant to
25 section 12 of P.L. , c. (C.) (pending before the Legislature
26 as this bill) and such other functions as are assigned to it by the chief
27 operating officer.

28

29 30. (New section) a. All State departments and agencies, to the
30 extent not inconsistent with law and within budget constraints, shall
31 cooperate with the chief operating officer and respond to requests for
32 such information and assistance as are necessary to accomplish the
33 purposes of P.L. , c. (C.) (pending before the Legislature as
34 this bill).

35 b. Notwithstanding any law or regulation to the contrary, during
36 the period of rehabilitation and economic recovery, each State
37 department, agency, or authority shall supersede existing priority
38 setting or ranking systems to place applications from the City of
39 Camden in the highest priority or ranking category for award of
40 grants, benefits, or other considerations that would benefit the
41 municipality. This shall be done to the greatest extent possible to
42 benefit the municipality.

43

44 31. (New section) The State shall not be liable in tort, contract or
45 in the nature of tort for any action or inaction involving the
46 rehabilitation or revitalization of the municipality. The chief operating

1 officer, assistant chief operating officer, and any State officer or
2 employee involved in the rehabilitation or revitalization of the
3 municipality shall not be liable in tort, contract or in the nature of tort
4 personally or as State employees for any action or inaction involving
5 the rehabilitation or revitalization of the municipality.

6 This section shall not be construed to preclude an aggrieved person
7 from maintaining an action in tort, contract or in the nature of tort
8 against the chief operating officer or a State officer or employee
9 involved in the rehabilitation or revitalization of the municipality, as
10 municipal employees. For purposes of those actions the chief
11 operating officer, appointees of the chief operating officer pursuant to
12 subsection d. of section 9 of P.L. , c. (C.) (pending before
13 the Legislature as this bill), and any State officer or employee involved
14 in the rehabilitation shall be deemed officers or employees of the
15 municipality and shall be entitled to the defenses and immunities as
16 provided under the "New Jersey Tort Claims Act," N.J.S.59:1-1 et
17 seq. and the "New Jersey Contractual Liability Act," N.J.S.59:13-1 et
18 seq. for public employees and shall be entitled to defense and
19 indemnification by the municipality as provided to other municipal
20 employees.

21

22 32. (New section) The commissioner shall utilize available
23 mechanisms, such as the Urban Coordinating Council, to coordinate
24 and facilitate communications between the chief operating officer and
25 the various State departments and agencies.

26

27 33. (New section) a. Notwithstanding that the City of Camden
28 has been placed under rehabilitation and economic recovery under
29 P.L. , c. (C.) (pending before the Legislature as this bill), the
30 City of Camden shall remain a body corporate and politic in the same
31 manner as existed prior to rehabilitation and economic recovery.

32 b. Nothing in P.L. , c. (C.) (pending before the Legislature
33 as this bill) shall be construed to interrupt the holding of regular
34 elections of the city council, mayor or other chief executive officer.

35

36 34. (New section) Notwithstanding any law, rule or regulation to
37 the contrary, the governing body of any municipality in which a free
38 public library has been established pursuant to R.S.40:54-1 et seq.
39 situated in a county in which a free county library has been established
40 pursuant to R.S.40:33-1 et seq. may enter into an agreement with the
41 governing body of the county, acting on behalf of the county library
42 commission, for the county library to assume responsibility for the
43 administration and operation of the municipal library system. The
44 agreement shall provide for those financial arrangements necessary in
45 order to assure a smooth transition from municipal to county operation
46 and the transfer of library personnel from the municipal, to the county

1 library system.

2

3 ARTICLE 3. DEMOLITION, CAPITAL IMPROVEMENT AND
4 INFRASTRUCTURE

5 35. (New section) a. The chief operating officer, in consultation
6 with the mayor and the State Economic Recovery Board for the City
7 of Camden established pursuant to section 40 of P.L. , c. (C.)
8 (pending before the Legislature as this bill) shall, within six months of
9 the appointment of the board, oversee the preparation of a capital
10 improvement and infrastructure plan for the City of Camden.

11 The first section of the plan shall be a water and sewer subplan
12 which shall be completed within one year. The water and sewer
13 subplan shall provide a detailed blueprint for the separation of storm
14 drains from the sewer system throughout the city, which improvements
15 shall be completed within four years. In addition, the water and sewer
16 subplan shall coordinate the overlay of municipal roads following the
17 separation of underground lines and designate those roads which
18 require reconstruction and allocate administrative and financial
19 responsibility among various agencies for effectuating the plan. Funds
20 shall be earmarked by the appropriate State agencies from the
21 Transportation Trust Fund and the New Jersey Environmental
22 Infrastructure Trust created pursuant to section 4 of P.L.1985, c.334
23 (C.58:11B-4), in order to accomplish the work plan set forth in the
24 water and sewer subplan.

25 The capital improvement and infrastructure plan shall include those
26 features of the municipal capital improvement program authorized
27 pursuant to section 20 of P.L.1975, c.291 (C.40:55D-29). In addition,
28 the plan shall specifically incorporate: a time frame for making any
29 improvements necessary in the public water system to accommodate
30 proposed redevelopment in the city and surrounding areas; a parks and
31 open public space subplan which encompasses projects to improve the
32 streetscapes, parks, public spaces, and any other relevant aspects of
33 the public environment; and an analysis of public building needs,
34 including administrative offices of the City of Camden, firehouses,
35 police stations, libraries, and any other municipal government
36 functions in light of the organizational and functional analysis of
37 municipal government operations contained in the municipal
38 management study.

39 The capital improvement and infrastructure plan shall recognize the
40 plans of Camden County, the Delaware River Port Authority, the State
41 Department of Transportation, the New Jersey Transit Corporation,
42 Rutgers University, and any other public and non-profit entities which
43 operate in the City of Camden.

44 Any municipal plan which affects the physical development of the
45 city and is adopted by the municipality or any agency or
46 instrumentality thereof after the adoption of the capital improvement

1 and infrastructure plan shall be consistent with that plan.

2 b. The capital improvement and infrastructure plan shall be adopted
3 upon an affirmative vote of a majority of the full authorized
4 membership of the city council.

5
6 36. (New section) In addition to the municipal management study,
7 the chief operating officer in consultation with the mayor, shall cause
8 to be conducted a property tax collection audit in order to ascertain
9 those properties which are in arrears with regard to property taxes and
10 subject to tax sale or foreclosure. The study shall identify the
11 ownership of those properties, the length of time during which taxes
12 have been in arrears, and the likelihood that the properties might be
13 developed individually or assembled with adjacent properties for
14 demolition or redevelopment.

15 Following the completion of the property tax collection audit, the
16 chief operating officer shall submit the study to the Commissioner of
17 Community Affairs, who shall designate the New Jersey Economic
18 Development Authority or the State Economic Recovery Board for the
19 City of Camden to assist in the preparation of a demolition funding
20 plan.

21 The State shall provide the necessary level of funding to allow for
22 the demolition of unsafe structures and clearing of those lots for future
23 development.

24 Those moneys which have been, or which may hereafter be
25 appropriated for demolition under P.L.1999, c.144 from the "Urban
26 and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund"
27 for the City of Camden shall be reappropriated to the State Economic
28 Recovery Board for the City of Camden or the New Jersey Economic
29 Development Authority, as appropriate.

30
31 37. (New section) The governing body of the City of Camden shall
32 convey to the board, for the period of rehabilitation and economic
33 recovery, its right, title and interest in any real property, acquired
34 through the purchase of any tax sale certificate covering that real
35 property whose rights of redemption have been foreclosed under the
36 In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-104.29
37 et seq.), so long as the liens have previously been offered by the city
38 at a public tax lien sale. The board may enter contracts for property
39 tax lien management services pursuant to sections 65 through 69 of
40 P.L. , c. (C.) (pending before the Legislature as this bill).

41

42 **ARTICLE 4. REDEVELOPMENT MANAGEMENT**

43 38. (New section) The New Jersey Economic Development
44 Authority shall enter with the Delaware River Port Authority
45 established under R.S.32:3-2 into a management agreement which sets
46 forth the terms and conditions under which the Delaware River Port

1 Authority will assume project management responsibilities pursuant to
2 the "Camden Rehabilitation and Economic Recovery
3 Act," P.L. , c. (C.) (pending before the Legislature as this bill).
4 The Delaware River Port Authority shall, subject to such a
5 management agreement, oversee the expenditure of those revenues
6 made available out of: (1) the Interior Gateway Fund; (2) the Camden
7 Aquarium Initiative Fund; (3) the Camden Brownfields Redevelopment
8 Fund; and (4) the Commercial Corridor Improvement Fund created
9 pursuant to section 50 of P.L. , c. (C.) (pending before the
10 Legislature as this bill) subject to the terms and conditions which
11 otherwise govern the Delaware River Port Authority pursuant to law.
12

13 39. Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is amended to read
14 as follows:

15 1. The New Jersey Economic Development Authority shall adopt
16 rules and regulations requiring that not less than the prevailing wage
17 rate be paid to workers employed in the performance of construction
18 contracts undertaken in connection with any of its projects, those
19 projects which it undertakes pursuant to P.L. , c. (C.)
20 (pending before the Legislature as this bill) or school facilities
21 projects. The prevailing wage rate shall be the rate determined by the
22 Commissioner of Labor pursuant to the provisions of P.L.1963, c.150
23 (C.34:11-56.25 et seq.).
24 (cf: P.L.2000, c.72, s.47)
25

26 40. (New section) In order to facilitate the rehabilitation and
27 economic recovery of the City of Camden, there is created a subsidiary
28 corporation of the New Jersey Economic Development Authority,
29 which shall be known as the State Economic Recovery Board for the
30 City of Camden. The board shall operate for the period during which
31 the city is under rehabilitation and economic recovery and for a period
32 of two years thereafter. Any outstanding debts or obligations which
33 remain at the termination of board operation shall be assumed by the
34 authority and any accounts payable to the board shall be due and
35 payable to the authority.

36 The board shall consist of 11 voting members, as follows: the
37 mayor of the City of Camden; the chief operating officer; the State
38 Treasurer; the Commissioner of Community Affairs; the chairperson
39 of the authority; the director of the Camden County Board of Chosen
40 Freeholders, as provided hereunder, all of whom shall serve ex officio
41 and may select a designee to serve in their stead; one member of the
42 Senate chosen by the Senate President and one member of the
43 Assembly chosen by the Assembly Speaker who shall both serve ex
44 officio; and three public members to be appointed by the Governor, at
45 least one of whom shall be a city resident. In addition, the Senior
46 Community Builder in the State office of the federal Department of

1 Housing and Urban Development shall serve as an ex officio, non-
2 voting member of the board.

3 Each public member shall serve for a term of five years. Vacancies
4 in the public membership of the board shall be filled in the same
5 manner as the original appointments are made and a member may be
6 eligible for reappointment. Vacancies occurring other than by
7 expiration of a term shall be filled for the unexpired term. Each ex
8 officio member shall serve for the period during which the city is under
9 rehabilitation and economic recovery and for a period of two years
10 thereafter.

11 The board shall be chaired by the chairperson of the authority or the
12 designee of the chairperson.

13 The voting authority of the director of the Camden County Board
14 of Chosen Freeholders shall not become effective until the filing with
15 the Secretary of State of an agreement entered into by the chief
16 operating officer, acting on behalf of the city, and the county, detailing
17 the financial commitment of the county to the redevelopment of the
18 infrastructure of the city and a proposed construction schedule for the
19 completion thereof.

20

21 41. (New section) The duties of the board shall include, but not be
22 limited to:

23 a. in consultation with the chief operating officer and the mayor,
24 the preparation of the capital improvement and infrastructure master
25 plan, identification of resources necessary to assure its implementation,
26 marshaling of efforts of public and private entities which operate
27 within Camden, and performance of any other tasks requested by the
28 chief operating officer to assure the efficient use of, and maximum
29 access to, public resources in order to assure the economic recovery
30 of the City of Camden;

31 b. the making of grants, matching grants or loans, as appropriate,
32 to finance, in whole or in part, projects which further economic
33 recovery goals of the "Camden Rehabilitation and Economic Recovery
34 Act," P.L. , c. (C.) (pending before the Legislature as this
35 bill), and which are consistent with the capital improvement and
36 infrastructure master plan, out of: (1) the Neighborhood
37 Redevelopment Fund; (2) the Camden Higher Education Economic
38 Development Fund; (3) the Camden Regional Health Care Facilities
39 Fund; and (4) the Neighborhood Revitalization Fund; and

40 c. the review and approval of plans submitted by Rutgers, the State
41 University, Rowan University, the University of Medicine & Dentistry
42 of New Jersey, Camden County College or any other institution of
43 higher education as a prerequisite for the receipt of funding out of the
44 "Camden Higher Education Economic Development Fund" created
45 pursuant to section 51 of P.L. , c. (C.) (pending before the
46 Legislature as this bill) and by Our Lady of Lourdes Medical Center

1 and Cooper Hospital/University Medical Center as a prerequisite for
2 the receipt of funding out of the "Camden Regional Health Care
3 Facilities Fund" created pursuant to section 52 of P.L. , c.
4 (C.) (pending before the Legislature as this bill). The approval of
5 these plans shall not be unreasonably or arbitrarily withheld.

6
7 42. (New section) Except as otherwise limited in this act, the
8 board shall have power:

9 a. to sue and be sued;

10 b. to have a seal and alter the same at pleasure;

11 c. to make and execute contracts and all other instruments
12 necessary or convenient for the exercise of its powers and functions
13 under this act;

14 d. to make and alter bylaws for its organization and internal
15 management and, subject to agreements with noteholders or
16 bondholders, to make rules and regulations with respect to its projects,
17 operations, properties and facilities;

18 e. to acquire, hold and dispose of real or personal property for its
19 corporate purposes;

20 f. to appoint officers, agents and employees, prescribe their duties
21 and fix their compensation;

22 g. to acquire or contract to acquire from any individual,
23 partnership, trust, association or corporation, or any public agency, by
24 grant, purchase or otherwise, real or personal property or any interest
25 therein; to own, hold, clear, improve, rehabilitate and develop, and to
26 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
27 dispose of or encumber the same;

28 h. to acquire, construct, reconstruct, rehabilitate, improve, alter or
29 repair or provide for construction, reconstruction, rehabilitation,
30 improvement, alteration or repair of any project;

31 i. to sell, lease, assign, transfer, convey, exchange, mortgage, or
32 otherwise dispose of or encumber any project, and in the case of the
33 sale of any project, to accept a purchase money mortgage in
34 connection therewith; and to lease, repurchase or otherwise acquire
35 and hold any project which the board has theretofore sold, leased or
36 otherwise conveyed, transferred or disposed of;

37 j. to grant options to purchase any project or to renew any leases
38 entered into by it in connection with any of its projects, on such terms
39 and conditions as it may deem advisable;

40 k. to prepare or cause to be prepared plans, specifications, designs
41 and estimates of costs for the construction, reconstruction,
42 rehabilitation, improvement, alteration or repair of any project, and
43 from time to time to modify such plans, specifications, designs or
44 estimates;

45 l. to manage any project, whether then owned or leased by the
46 board, and to enter into agreements with any individual, partnership,

- 1 trust, association or corporation, or with any public agency, for the
2 purpose of causing any project to be managed;
- 3 m. to provide advisory, consultative, training and educational
4 services, technical assistance and advice to any individual, partnership,
5 trust, association or corporation, or to any public agency, in order to
6 carry out the purposes of P.L. , c. (C.) (pending before the
7 Legislature as this bill);
- 8 n. to issue, purchase, pledge and sell stock in projects of the board
9 on such terms and conditions as the board may deem advisable;
- 10 o. subject to the provisions of any contract with noteholders, to
11 consent to the modification, with respect to rate of interest, time of
12 payment or any installment of principal or interest, security, or any
13 other terms, of any loan, mortgage, commitment, contract or
14 agreement of any kind to which the board is a party;
- 15 p. in connection with any property on which it has made a mortgage
16 loan, to foreclose on the property or commence any action to protect
17 or enforce any right conferred upon it by any law, mortgage, contract
18 or other agreement, and to bid for or purchase the property at any
19 foreclosure or at any other sale, or acquire or take possession of the
20 property; and in such event the board may complete, administer, pay
21 the principal of and interest on any obligations incurred in connection
22 with the property, dispose of and otherwise deal with the property, in
23 such manner as may be necessary or desirable to protect the interests
24 of the board therein;
- 25 q. to invest any funds held in reserve or sinking funds, or any
26 moneys not required for immediate use and disbursement, at the
27 discretion of the board, in obligations of this State or of the United
28 States, or obligations the principal and interest of which are
29 guaranteed by this State or the United States;
- 30 r. to procure insurance against any loss in connection with its
31 property and other assets and operations, in such amounts and from
32 such insurers as it deems desirable;
- 33 s. to engage the services of consultants on a contract basis for
34 rendering professional and technical assistance and advice;
- 35 t. to contract for and to accept any gifts or grants or loans of funds
36 or property or financial or other aid in any form from the federal
37 government or any agency or instrumentality thereof, or from the State
38 or a municipality or any agency or instrumentality thereof, or from any
39 other source, and, subject to the provisions of this act and any other
40 applicable law, to comply with the terms and conditions thereof;
- 41 u. to establish, levy and collect, in connection with any civic project
42 or utilities project managed or operated by the board, whether then
43 owned or leased by the board, user fees and facility charges;

- 1 v. to do any and all things necessary or convenient to carry out its
2 purposes and exercise the powers given and granted in this act;
3 w. to borrow money or secure credit against the assets of the board
4 on a temporary, short-term, interim or long-term basis;
5 x. to make short-term loans or advances to developers for
6 construction in anticipation of the issuance of permanent loans; and
7 y. to exercise sole authority for investment, reinvestment or
8 expenditure of its revenues, fund balances and appropriations
9 consistent with the purposes of this act on projects and investments
10 utilizing revenues from the sale of government obligation bonds, which
11 projects shall be subject to the approval of the State Treasurer, and the
12 Treasurer's actions shall be based solely on the treasurer's fiduciary
13 role to ensure that all applicable federal and State tax laws are adhered
14 to regarding the investment of bond funds.

15

16 43. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as
17 follows:

18 5. The authority shall have the following powers:

19 a. To adopt bylaws for the regulation of its affairs and the conduct
20 of its business;

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

22 c. To sue and be sued;

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

39 e. To enter into contracts with a person upon such terms and
40 conditions as the authority shall determine to be reasonable, including,
41 but not limited to, reimbursement for the planning, designing,
42 financing, construction, reconstruction, improvement, equipping,
43 furnishing, operation and maintenance of the project or the school
44 facilities project and to pay or compromise any claims arising
45 therefrom;

- 1 f. To establish and maintain reserve and insurance funds with
2 respect to the financing of the project or the school facilities project;
- 3 g. To sell, convey or lease to any person all or any portion of a
4 project or school facilities project, for such consideration and upon
5 such terms as the authority may determine to be reasonable;
- 6 h. To mortgage, pledge or assign or otherwise encumber all or any
7 portion of a project , school facilities project or revenues, whenever
8 it shall find such action to be in furtherance of the purposes of this act
9 and P.L.2000, c.72 (C.18A:7G-1 et al.);
- 10 i. To grant options to purchase or renew a lease for any of its
11 projects or school facilities projects on such terms as the authority may
12 determine to be reasonable;
- 13 j. To contract for and to accept any gifts or grants or loans of
14 funds or property or financial or other aid in any form from the United
15 States of America or any agency or instrumentality thereof, or from
16 the State or any agency, instrumentality or political subdivision
17 thereof, or from any other source and to comply, subject to the
18 provisions of this act and P.L.2000, c.72 (C.18A:7G-1 et al.), with the
19 terms and conditions thereof;
- 20 k. In connection with any application for assistance under this act
21 or P.L.2000, c.72 (C.18A:7G-1 et al.) or commitments therefor, to
22 require and collect such fees and charges as the authority shall
23 determine to be reasonable;
- 24 l. To adopt, amend and repeal regulations to carry out the
25 provisions of this act and P.L.2000, c.72 (C.18A:7G-1 et al.);
- 26 m. To acquire, purchase, manage and operate, hold and dispose of
27 real and personal property or interests therein, take assignments of
28 rentals and leases and make and enter into all contracts, leases,
29 agreements and arrangements necessary or incidental to the
30 performance of its duties;
- 31 n. To purchase, acquire and take assignments of notes, mortgages
32 and other forms of security and evidences of indebtedness;
- 33 o. To purchase, acquire, attach, seize, accept or take title to any
34 project or school facilities project by conveyance or by foreclosure,
35 and sell, lease, manage or operate any project or school facilities
36 project for a use specified in this act and P.L.2000, c.72 (C.18A:7G-1
37 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 this act and
40 P.L.2000, c.72 (C.18A:7G-1 et al.);
- 41 q. To extend credit or make loans to any person for the planning,
42 designing, acquiring, constructing, reconstructing, improving,
43 equipping and furnishing of a project or school facilities project, which
44 credits or loans may be secured by loan and security agreements,
45 mortgages, leases and any other instruments, upon such terms and
46 conditions as the authority shall deem reasonable, including provision

1 for the establishment and maintenance of reserve and insurance funds,
2 and to require the inclusion in any mortgage, lease, contract, loan and
3 security agreement or other instrument, such provisions for the
4 construction, use, operation and maintenance and financing of a
5 project or school facilities project as the authority may deem necessary
6 or desirable;

7 r. To guarantee up to 90% of the amount of a loan to a person, if
8 the proceeds of the loan are to be applied to the purchase and
9 installation, in a building devoted to industrial or commercial
10 purposes, or in an office building, of an energy improvement system;

11 s. To employ consulting engineers, architects, attorneys, real estate
12 counselors, appraisers, and such other consultants and employees as
13 may be required in the judgment of the authority to carry out the
14 purposes of this act and P.L.2000, c.72 (C.18A:7G-1 et al.), and to fix
15 and pay their compensation from funds available to the authority
16 therefor, all without regard to the provisions of Title 11A of the New
17 Jersey Statutes;

18 t. To do and perform any acts and things authorized by this act and
19 P.L.2000, c.72 (C.18A:7G-1 et al.) under, through or by means of its
20 own officers, agents and employees, or by contract with any person;

21 u. To procure insurance against any losses in connection with its
22 property, operations or assets in such amounts and from such insurers
23 as it deems desirable;

24 v. To do any and all things necessary or convenient to carry out its
25 purposes and exercise the powers given and granted in this act and
26 P.L.2000, c.72 (C.18A:7G-1 et al.);

27 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
28 maintain or repair or provide for the construction, reconstruction,
29 improvement, alteration, equipping or maintenance or repair of any
30 development property and lot, award and enter into construction
31 contracts, purchase orders and other contracts with respect thereto,
32 upon such terms and conditions as the authority shall determine to be
33 reasonable, including, but not limited to, reimbursement for the
34 planning, designing, financing, construction, reconstruction,
35 improvement, equipping, furnishing, operation and maintenance of any
36 such development property and the settlement of any claims arising
37 therefrom and the establishment and maintenance of reserve funds with
38 respect to the financing of such development property;

39 x. When authorized by the governing body of a municipality
40 exercising jurisdiction over an urban growth zone, to construct, cause
41 to be constructed or to provide financial assistance to projects in an
42 urban growth zone which shall be exempt from the terms and
43 requirements of the land use ordinances and regulations, including, but
44 not limited to, the master plan and zoning ordinances, of such
45 municipality;

- 1 y. To enter into business employment incentive agreements as
2 provided in the "Business Employment Incentive Program Act,"
3 P.L.1996, c.26 (C.34:1B-124 et al.);
- 4 z. To undertake school facilities projects and to enter into
5 agreements or contracts, execute instruments, and do and perform all
6 acts or things necessary, convenient or desirable for the purposes of
7 the authority to carry out any power expressly provided pursuant to
8 P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.2000, c.72 (C.18A:7G-1
9 et al.), including, but not limited to, entering into contracts with the
10 State Treasurer, the Commissioner of Education, districts and any
11 other entity which may be required in order to carry out the provisions
12 of P.L.2000, c.72 (C.18A:7G-1 et al.);
- 13 aa. To enter into leases, rentals or other disposition of a real
14 property interest in and of any school facilities project to or from any
15 local unit pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.);
- 16 bb. To make and contract to make loans or leases and to make
17 grants to local units to finance the cost of school facilities projects and
18 to acquire and contract to acquire bonds, notes or other obligations
19 issued or to be issued by local units to evidence the loans or leases, all
20 in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et
21 al.);
- 22 cc. Subject to any agreement with holders of its bonds issued to
23 finance a project or school facilities project, obtain as security or to
24 provide liquidity for payment of all or any part of the principal of and
25 interest and premium on the bonds of the authority or for the purchase
26 upon tender or otherwise of the bonds, lines of credit, letters of credit,
27 reimbursement agreements, interest rate exchange agreements,
28 currency exchange agreements, interest rate floors or caps, options,
29 puts or calls to hedge payment, currency, rate, spread or similar
30 exposure or similar agreements, float agreements, forward agreements,
31 insurance contract, surety bond, commitment to purchase or sell
32 bonds, purchase or sale agreement, or commitments or other contracts
33 or agreements, and other security agreements or instruments in any
34 amounts and upon any terms as the authority may determine and pay
35 any fees and expenses required in connection therewith; [and]
- 36 dd. To charge to and collect from local units, the State and any
37 other person, any fees and charges in connection with the authority's
38 actions undertaken with respect to school facilities projects, including,
39 but not limited to, fees and charges for the authority's administrative,
40 organization, insurance, operating and other expenses incident to the
41 financing, construction and placing into service and maintenance of
42 school facilities projects; and
- 43 ee. To oversee and monitor progress on the part of the Delaware
44 River Port Authority and the State Economic Recovery Board for the
45 City of Camden created pursuant to section 40 of P.L. _____, c. _____
46 (C. _____) (pending before the Legislature as this bill) in carrying out

1 the revitalization, economic development and restoration projects
 2 authorized pursuant to the "Camden Rehabilitation and Economic
 3 Recovery Act," P.L. , c. (C.) (pending before the Legislature
 4 as this bill) and otherwise fulfilling their responsibilities pursuant
 5 thereto.

6 (cf: P.L.2000, c.72, s.46)

7

8 ARTICLE 8. FUNDING AND FUND MANAGEMENT

9 44. (New section) As used in this article:

10 "Bonds" means bonds, notes or other obligations issued by the
 11 authority pursuant to P.L. , c. (C.) (pending before the
 12 Legislature as this bill); and

13 "Refunding bonds" means bonds, notes or other obligations issued
 14 to refinance bonds, notes or other obligations previously issued by the
 15 authority pursuant to section 45 of P.L. , c. (C.) (pending
 16 before the Legislature as this bill).

17

18 45. (New section) Notwithstanding the provisions of any law, rule,
 19 regulation or order to the contrary:

20 a. The authority shall have the power, pursuant to the provisions
 21 of P.L. , c. (C.) (pending before the Legislature as this bill)
 22 and P.L.1974, c.80 (C.34:1B-1 et seq.), to issue bonds and refunding
 23 bonds, incur indebtedness and borrow money secured, in whole or in
 24 part, by money received pursuant to sections 46 and 47 of P.L. ,
 25 c. (C.) (pending before the Legislature as this bill), for the
 26 purpose of making the deposits described in section 48 of P.L. ,
 27 c. (C.) (pending before the Legislature as this bill). The total
 28 outstanding principal amount of the bonds shall not exceed
 29 \$173,600,000. In computing the foregoing limitation as to amount,
 30 there shall be excluded all bonds which shall be issued for (i) costs
 31 incurred in connection with the issuance of the bonds and (ii)
 32 refunding purposes, provided that the refunding shall be determined by
 33 the authority to result in a debt service savings. The authority may
 34 establish reserve or other funds to further secure bonds and refunding
 35 bonds.

36 b. The authority may, in any resolution authorizing the issuance of
 37 bonds or refunding bonds, pledge the contract with the State
 38 Treasurer, provided for in section 47 of P.L. , c. (C.)
 39 (pending before the Legislature as this bill), or any part thereof, for the
 40 payment or redemption of the bonds or refunding bonds, and covenant
 41 as to the use and disposition of money available to the authority for
 42 payments of bonds and refunding bonds. All costs associated with the
 43 issuance of bonds and refunding bonds by the authority for the
 44 purposes set forth in P.L. , c. (C.) (pending before the
 45 Legislature as this act) may be paid by the authority from amounts it
 46 receives from the proceeds of the bonds or refunding bonds and from

1 amounts it receives pursuant to sections 46 and 47 of
2 P.L. , c. (C.) (pending before the Legislature as this bill),
3 which costs may include, but are not limited to, any costs relating to
4 the issuance of the bonds or refunding bonds and costs attributable to
5 the agreements described in subsection c. of this section. The bonds
6 or refunding bonds shall be authorized by resolution, which shall
7 stipulate the manner of execution and form of the bonds whether the
8 bonds are in one or more series, the date or dates of issue, time or
9 times of maturity, which shall not exceed 40 years, the rate or rates of
10 interest payable on the bonds, which may be at fixed rates or variable
11 rates, and which interest may be current interest or may accrue, the
12 denomination or denominations in which the bonds are issued,
13 conversion or registration privileges, the sources and medium of
14 payment and place or places of payment, terms of redemption,
15 privileges of exchangeability or interchangeability, and entitlement to
16 priorities of payment or security in the amounts to be received by the
17 authority pursuant to sections 46 and 47 of P.L. , c. (C.)
18 (pending before the Legislature as this bill). The bonds may be sold
19 at a public or private sale at a price or prices determined by the
20 authority. The authority is authorized to enter into any agreements
21 necessary or desirable to effectuate the purposes of this section,
22 including agreements to sell bonds or refunding bonds to any persons
23 and to comply with the laws of any jurisdiction relating thereto.

24 c. In connection with any bonds or refunding bonds issued
25 pursuant to P.L. , c. (C.) (pending before the Legislature as
26 this bill), the authority may also enter into any revolving credit
27 agreement, agreement establishing a line of credit or letter of credit,
28 reimbursement agreement, interest rate exchange agreement, currency
29 exchange agreement, interest rate floor or cap, options, puts or calls
30 to hedge payment, currency, rate, spread or similar exposure, or
31 similar agreements, float agreements, forward agreements, insurance
32 contract, surety bond, commitment to purchase or sell bonds, purchase
33 or sale agreement, or commitments or other contracts or agreements
34 and other security agreements approved by the authority.

35 d. No resolution adopted by the authority authorizing the issuance
36 of bonds or refunding bonds pursuant to P.L. , c. (C.)
37 (pending before the Legislature as this bill) shall be adopted or
38 otherwise made effective without the approval in writing of the State
39 Treasurer. Except as provided by subsection i. of section 4 of
40 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued
41 without obtaining the consent of any department, division,
42 commission, board, bureau or agency of the State, other than the
43 approval as required by this subsection, and without any other
44 proceedings or the occurrence of any other conditions or other things
45 other than those proceedings, conditions or things which are
46 specifically required by P.L. , c. (C.) (pending before the

- 1 Legislature as this bill).
- 2 e. Bonds and refunding bonds issued by the authority pursuant to
3 P.L. , c. (C.) (pending before the Legislature as this bill)
4 shall be special and limited obligations of the authority payable from,
5 and secured by, such funds and moneys determined by the authority in
6 accordance with this section. Neither the members of the authority
7 nor any other person executing the bonds or refunding bonds shall be
8 personally liable with respect to payment of interest and principal on
9 these bonds or refunding bonds. Bonds or refunding bonds issued
10 pursuant to the provisions of P.L. , c. (C.) (pending before
11 the Legislature as this bill) shall not be a debt or liability of the State
12 or any agency or instrumentality thereof, except as otherwise provided
13 by this subsection, either legal, moral or otherwise, and nothing
14 contained in P.L. , c. (C.) (pending before the Legislature as
15 this bill) shall be construed to authorize the authority to incur any
16 indebtedness on behalf of or in any way to obligate the State or any
17 political subdivision thereof, and all bonds and refunding bonds issued
18 by the authority shall contain a statement to that effect on their face.
- 19 f. The authority is authorized to engage, subject to the approval of
20 the State Treasurer and in such manner as the State Treasurer shall
21 determine, the services of financial advisors and experts, placement
22 agents, underwriters, appraisers, and such other advisors, consultants
23 and agents as may be necessary to effectuate the purposes of
24 P.L. , c. (C.) (pending before the Legislature as this bill).
- 25 g. The proceeds from the sale of the bonds, other than refunding
26 bonds, issued pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill), after payment of any costs related to the
28 issuance of such bonds, shall be applied to the purposes set forth in
29 section 48 of P.L. , c. (C.) (pending before the Legislature
30 as this bill).
- 31 h. All bonds or refunding bonds issued by the authority are deemed
32 to be issued by a body corporate and politic of the State for an
33 essential governmental purpose, and the interest thereon and the
34 income derived from all funds, revenues, incomes and other moneys
35 received for or to be received by the authority and pledged and
36 available to pay or secure the payment on bonds or refunding bonds
37 and the interest thereon, shall be exempt from all taxes levied pursuant
38 to the provisions of Title 54 of the Revised Statutes or Title 54A of
39 the New Jersey Statutes, except for transfer, inheritance and estate
40 taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.
- 41 i. The State hereby pledges and covenants with the holders of any
42 bonds or refunding bonds issued pursuant to the provisions of P.L. ,
43 c. (C.) (pending before the Legislature as this bill), that it will
44 not limit or alter the rights or powers vested in the authority by
45 P.L. , c. (C.) (pending before the Legislature as this bill), nor
46 limit or alter the rights or powers of the State Treasurer in any manner

1 which would jeopardize the interest of the holders or any trustee of
2 such holders, or inhibit or prevent performance or fulfillment by the
3 authority or the State Treasurer with respect to the terms of any
4 agreement made with the holders of these bonds or refunding bonds or
5 agreements made pursuant to subsection e. of this section, except that
6 the failure of the Legislature to appropriate moneys for any purpose
7 of P.L. , c. (C.) (pending before the Legislature as this bill)
8 shall not be deemed a violation of this section.

9 j. Notwithstanding any restriction contained in any other law, rule,
10 regulation or order to the contrary, the State and all political
11 subdivisions of this State, their officers, boards, commissioners,
12 departments or other agencies, all banks, bankers, trust companies,
13 savings banks and institutions, building and loan associations, saving
14 and loan associations, investment companies and other persons
15 carrying on a banking or investment business, and all executors,
16 administrators, guardians, trustees and other fiduciaries, and all other
17 persons whatsoever who now are or may hereafter be authorized to
18 invest in bonds or other obligations of the State, may properly and
19 legally invest any sinking funds, moneys or other funds, including
20 capital, belonging to them or within their control, in any bonds or
21 refunding bonds issued by the authority under the provisions of
22 P.L. , c. (C.) (pending before the Legislature as this bill);
23 and said bonds and refunding bonds are hereby made securities which
24 may properly and legally be deposited with, and received by any State
25 or municipal officers or agency of the State, for any purpose for which
26 the deposit of bonds or other obligations of the State is now, or may
27 hereafter be authorized by law.

28

29 46. (New section) a. The State Treasurer shall, in each State
30 fiscal year, pay from the General Fund to the authority, in accordance
31 with a contract or contracts between the State Treasurer and the
32 authority, authorized pursuant to section 47 of P.L. , c.
33 (C.) (pending before the Legislature as this bill), an amount
34 equivalent to the amount due to be paid in such State fiscal year to pay
35 the debt service incurred for such State fiscal year on the bonds or
36 refunding bonds of the authority issued pursuant to P.L. , c.
37 (C.) (pending before the Legislature as this bill) and any additional
38 costs authorized by section 45 of P.L. , c. (C.) (pending
39 before the Legislature as this bill); and

40 b. In addition to such terms and conditions as are agreed upon
41 pursuant to section 47 of P.L. , c. (C.) (pending before the
42 Legislature as this bill), the contract or contracts shall provide that all
43 such payments from the General Fund shall be subject to, and
44 dependent upon, appropriations being made from time to time by the
45 Legislature for these purposes.

46

1 47. (New section) The State Treasurer and the authority are
2 authorized to enter into one or more contracts to implement the
3 payment arrangement that is provided for in section 46 of P.L. , c.
4 (C.) (pending before the Legislature as this bill). The contract or
5 contracts shall provide for payment by the State Treasurer of the
6 amounts required to be paid pursuant to section 46 of P.L. , c.
7 (C.) (pending before the Legislature as this bill) and shall set forth
8 the procedure for the transfer of moneys for the purpose of paying
9 such moneys. The contract or contracts shall contain such terms and
10 conditions as are determined by the parties, and shall include, but not
11 be limited to, terms and conditions necessary pursuant to P.L. ,
12 c. (C.) (pending before the Legislature as this bill); provided,
13 however, that notwithstanding any other provision of any law, rule,
14 regulation or order to the contrary, the authority shall be paid only
15 such funds as shall be determined by the contract or contracts and
16 further provided that the incurrence of any obligation of the State
17 under the contract or contracts, including any payments to be made
18 thereunder from the General Fund, shall be subject to and dependent
19 upon appropriations being made from time to time by the Legislature
20 for the purposes of P.L. , c. (C.) (pending before the
21 Legislature as this bill).

22

23 48. (New section) a. The New Jersey Economic Development
24 Authority shall establish and maintain a series of special funds as
25 provided in sections 49 through 52 of P.L. , c. (C.) (pending
26 before the Legislature as this bill) into which shall be deposited such
27 moneys: (1) as shall be paid to the funds by the State Treasurer; (2) as
28 shall be appropriated by the State for the purpose of such funds; (3)
29 as shall be deposited into the funds in accordance with section 70 of
30 P.L. , c. (C.) (pending before the Legislature as this bill) and
31 (4) any other moneys or funds of the authority which it determines to
32 deposit therein. Moneys in the funds may be invested in such
33 obligations as the authority may approve and interest or other earnings
34 on such investments shall be credited to the funds.

35 b. In addition to the powers of the authority set forth in section 5
36 of P.L.1974, c.80 (C.34:1B-5) and other powers which may be
37 conferred on the authority or the executive director by P.L. ,
38 c. (C.) (pending before the Legislature as this bill), the
39 authority, by resolution, shall have the power to: (1) pay all or part of
40 the cost of an eligible project; and (2) make loans, guarantees, equity
41 investments, and grants, or provide other forms of financing for an
42 eligible project.

1 c. The purpose of the special funds established pursuant to
2 subsection a. of this section shall be to provide grants and loans of a
3 sufficient scale and visibility to expand and sustain economic activity
4 in the City of Camden, both within the central business district and in
5 order to encourage revitalization of the city's neighborhoods outside
6 of the central business district through the rehabilitation, acquisition,
7 demolition and redevelopment of property within those
8 neighborhoods, the improvement of city-owned water supply and
9 distribution facilities, and, where necessary, the remediation of
10 brownfields sites to foster redevelopment. Grants shall be made
11 available to the City of Camden in order to strengthen the provision of
12 municipal services through capital construction and reconstruction of
13 public buildings and financial assistance necessary to allow for the
14 purchase of equipment considered vital to the sustenance of municipal
15 public services, particularly public safety.

16

17 49. (New section) The State Economic Recovery Board for the
18 City of Camden shall administer the following funds as provided
19 pursuant to section 41 of P.L. , c. (C.) (pending before the
20 Legislature as this bill):

21 a. the "Neighborhood Revitalization Fund," into which shall be
22 deposited the sum of \$27 million from bond proceeds, to be disbursed
23 at the discretion of the executive director and upon the
24 recommendation of the chief operating officer, of which \$10 million
25 which shall be used to make grants, matching grants or loans, to
26 support water and sewer improvements not funded by the county, and
27 the remaining \$17 million shall be used to make grants, matching
28 grants or loans to support the removal of litter and clean community
29 activities, the development of tot-lots, community gardens, landscape
30 amenities, small scale demolitions, streetscape improvements, property
31 acquisition, and restoration in neighborhoods outside of the central
32 business district;

33 b. the "Neighborhood Redevelopment Fund," into which shall be
34 deposited the sum of \$42 million from bond proceeds, which shall be
35 used to provide grants, matching grants or loans to support
36 neighborhood rehabilitation, land acquisition, brownfields remediation,
37 demolition and redevelopment;

38 c. the "Camden Higher Education Economic Development Fund"
39 established pursuant to section 51 of P.L. , c. (C.) (pending
40 before the Legislature as this bill); and

41 d. the "Camden Regional Health Care Facilities Fund" established
42 pursuant to section 52 of P.L. , c. (C.) (pending before the
43 Legislature as this bill).

44

45 50. (New section) The Delaware River Port Authority shall
46 administer the following funds as provided pursuant to section 38 of

1 P.L. , c. (C.) (pending before the Legislature as this bill):

2 a. the Interior Gateway Fund, into which shall be deposited the
3 sum of \$23.5 million from bond proceeds, which shall be used to make
4 grants, matching grants or loans, at the discretion of the executive
5 director and upon the recommendation of the chief operating officer,
6 to support streetscape improvements, facade restoration, street
7 signage improvements, street resurfacing, demolition and restoration
8 of commercial structures, property acquisition, and redevelopment
9 projects;

10 b. the Camden Brownfields Redevelopment Fund, into which shall
11 be deposited the sum of \$5 million from bond proceeds, which shall be
12 used to provide grants, matching grants or loans to support
13 brownfields remediation in order to foster redevelopment;

14 c. the Commercial Corridor Improvement Fund, into which shall
15 be deposited the sum of \$5 million from bond proceeds, which shall be
16 used to provide grants, matching grants or loans to support
17 streetscape improvements, facade restoration, street signage
18 improvements, street resurfacing, small scale demolition and
19 restoration of commercial structures situated outside of the central
20 business district and outside the waterfront area; and

21 d. the "Camden Aquarium Initiative Fund," into which shall be
22 deposited the sum of \$30 million from bond proceeds to be made
23 available for the expansion and upgrade of the aquarium by a private
24 developer. Moneys from the fund shall be made available on a
25 matching basis, with three dollars of State money to be made available
26 for every dollar raised by a private developer. The receipt of funds by
27 a private developer shall be subject to those conditions set forth
28 pursuant to section 58 of P.L. , c. (C.) (pending before the
29 Legislature as this bill).

30 Funds paid out of the "Camden Aquarium Initiative Fund" may be
31 used for debt retirement; however, any funds used for that purpose
32 shall not be subject to the matching requirement pursuant to this
33 subsection.

34

35 51. (New section) There is created in the New Jersey Economic
36 Development Authority the "Camden Higher Education Economic
37 Development Fund" which shall be used to provide grants, on a one-
38 to-one matching basis, to non-profit educational institutions in order
39 to encourage the development of student housing, retail facilities and
40 commercial enterprises in the central business district of the City of
41 Camden, subject to those conditions set forth in section 58 of
42 P.L. , c. (C.) (pending before the Legislature as this bill).

43 Any facility constructed using bond proceeds shall be located within
44 the central business district of the City of Camden and shall be co-
45 located with other university buildings.

1 With respect to Rowan University, these funds shall be made
2 available on the condition that the university shall offer at least two
3 full four- year programs, thereby allowing students to complete an
4 entire course of study on the campus housed in the central business
5 district. In addition, Rowan University may use these matching funds
6 in conjunction with land acquisition moneys received by that university
7 from the Delaware River Port Authority.

8 The bond proceeds shall be allocated as follows:

9 a. the sum of \$11 million shall be made available to Rutgers, the
10 State University;

11 b. the sum of \$5 million shall be made available to Rowan
12 University;

13 c. the sum of \$9 million shall be made available to the University
14 of Medicine & Dentistry of New Jersey; and

15 d. the sum of \$3.5 million shall be made available to Camden
16 County College.

17 Moneys shall be committed within four years of the effective date
18 of P.L. , c. (C.) (pending before the Legislature as this
19 bill).

20
21 52. (New section) There is created in the New Jersey Economic
22 Development Authority the "Camden Regional Health Care Facilities
23 Fund" into which shall be deposited the sum of \$12.6 million from
24 bond proceeds which shall be used to provide grants, on a matching
25 basis, to regional health care facilities situated within the City of
26 Camden, to allow for facility expansion, including but not limited to,
27 facilities for pre-admission testing, occupational health, health-related
28 educational facilities such as a school of nursing, emergency room
29 facilities and such ancillary facilities as a heliport, subject to those
30 conditions set forth in sections 41 and 58 of P.L. , c. (C.)
31 (pending before the Legislature as this bill). Each health care facility
32 shall be required to raise one dollar for every three dollars provided by
33 the State. The bond proceeds shall be allocated as follows:

34 a. the sum of \$3 million shall be made available to Our Lady of
35 Lourdes Medical Center; and

36 b. the sum of \$9.6 million shall be made available to Cooper
37 Hospital/University Medical Center; provided, however, that no funds
38 shall be made available to Cooper Hospital/University Medical Center
39 for the purpose of establishing or expanding family practice facilities.
40 Cooper Hospital/University Medical Center may make available a
41 portion of these funds to a federally-qualified health center operating
42 in the City of Camden.

43
44 53. (New section) There is created in the Department of Labor the
45 "Camden Economic Opportunity Fund," into which shall be deposited
46 the sum of \$2.5 million, which shall be used, in coordination with the

1 job training provisions of the State's school construction program, to
2 create employment and entrepreneurial opportunities through the
3 completion of the Gateway project, entrepreneurial training, and
4 grants and loans to small business development in South Camden, and
5 loans for housing development.

6
7 ARTICLE 6. ECONOMIC DEVELOPMENT

8 54. (New section) Notwithstanding the provisions of the "New
9 Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60
10 et seq.), upon the effective date of P.L. , c. (C.) (pending
11 before the Legislature as this bill), and for the duration of the period
12 of rehabilitation and economic recovery, all reduced rate revenues
13 collected within the urban enterprise zone in the city of Camden shall
14 be deposited into the enterprise zone assistance fund created pursuant
15 to section 29 of P.L.1983, c.303 (C.52:27H-88). Upon the termination
16 of the period of rehabilitation and economic recovery, the disposition
17 of reduced rate revenues collected within the urban enterprise zone
18 shall be governed by the provisions of general law.

19
20 55. (New section) As used in this section and section 56 of
21 P.L. , c. (C.) (pending before the Legislature as this bill):

22 a. "Business facility" means any factory, mill, plant, refinery,
23 warehouse, building, complex of buildings or structural components
24 of buildings, and all machinery, equipment and personal property
25 located within the City of Camden, used in connection with the
26 operation of the business of a corporation that is subject to the tax
27 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and
28 all facility preparation and start-up costs of the taxpayer for the
29 business facility which it capitalizes for federal income tax purposes.

30 b. "Business relocation or business expansion property" means
31 improvements to real property and tangible personal property, but only
32 if that improvement or personal property is constructed or purchased
33 and placed in service or use by the taxpayer, for use as a component
34 part of a new or expanded business facility located in the City of
35 Camden.

36 (1) Business relocation or business expansion property shall
37 include only:

38 (a) improvements to real property placed in service or use as a
39 business facility on or after the operative date of P.L. , c. (C.)
40 (pending before the Legislature as this bill) by the taxpayer;

41 (b) tangible personal property placed in service or use by the
42 taxpayer on or after the operative date of P.L. , c. (C.)(pending
43 before the Legislature as this bill), with respect to which depreciation,
44 or amortization in lieu of depreciation, is allowable in determining the
45 corporation business tax liability of the taxpayer under P.L.1945,
46 c.162, and which has a remaining recovery period of three or more

1 years at the time the property is placed in service or use in the City of
2 Camden; or

3 (c) tangible personal property owned and used by the taxpayer at
4 a business location outside the City of Camden which is moved into
5 the City of Camden on or after the effective date of P.L. , c.
6 (C.)(pending before the Legislature as this bill), for use as a
7 component part of a new or expanded business facility located in the
8 City of Camden; provided that the property is depreciable or
9 amortizable personal property for income tax purposes, and has a
10 remaining recovery period of three or more years at the time the
11 property is placed in service or use in the City of Camden.

12 (2) Property purchased for business relocation or expansion shall
13 not include:

14 (a) repair costs, including materials used in the repair, unless for
15 federal income tax purposes, the cost of the repair must be capitalized
16 and not expensed;

17 (b) airplanes;

18 (c) property which is primarily used outside the City of Camden
19 with that use being determined based upon the amount of time the
20 property is actually used both within and without the City of Camden;

21 (d) property which is acquired incident to the purchase of the stock
22 or assets of the seller.

23 (3) Property shall be deemed to have been purchased prior to a
24 specified date only if:

25 (a) the physical construction, reconstruction or erection of the
26 property was begun prior to the specified date, or such property was
27 constructed, reconstructed, erected or acquired pursuant to a written
28 contract as existing and binding on the purchase prior to the specified
29 date; or

30 (b) the machinery or equipment was owned by the taxpayer prior
31 to the specified date, or was acquired by the taxpayer pursuant to a
32 binding purchase contract which was in effect prior to the specified
33 date.

34 c. "Business relocation or expansion" means capital investment in
35 a new or expanded business facility in the City of Camden.

36 d. "Controlled group" means one or more chains of corporations
37 connected through stock ownership with a common parent corporation
38 if stock possessing at least 50% of the voting power of all classes of
39 stock of each of the corporations is owned directly or indirectly by one
40 or more of the corporations; and the common parent owns directly
41 stock possessing at least 50% of the voting power of all classes of
42 stock of at least one of the other corporations.

43 e. "Director" means the Director of the Division of Taxation in the
44 Department of the Treasury.

45 f. "Expanded business facility" means any business facility, other
46 than a new business facility, resulting from acquisition, construction,

1 reconstruction, installation or erection of improvements or additions
2 to existing property if such improvements or additions are purchased
3 on or after the effective date of rehabilitation and economic recovery.

4 g. "Incentive payment" means: the amount of tax owed by a
5 taxpayer for a privilege period, as computed pursuant to section 5 of
6 P.L.1945, c.162 (C.54:10A-5), multiplied by a fraction, the numerator
7 of which is the average value of the taxpayer's business relocation or
8 business expansion property within the City of Camden during the
9 period covered by its report, and the denominator of which is the
10 average value of all the taxpayer's real and tangible personal property
11 wherever situated during such period which result is multiplied by 96
12 percent; provided, however, that for the purpose of determining
13 average value, the provisions with respect to depreciation as set forth
14 in subparagraph (F) of paragraph (2) of subsection (k) of section 4 of
15 P.L.1945, c.162 (C.54:10A-4) shall be taken into account for arriving
16 at such value; and provided further that incentive payments shall be
17 made for a period not to exceed 10 years, commencing on the date of
18 a taxpayer's first acquisition of business relocation or business
19 expansion property in the City of Camden following the operative date
20 of P.L. , c. (C.) (pending before the Legislature as this bill).

21 h. "New business facility" means a business facility which:

22 (1) is employed by a taxpayer in the conduct of a business which
23 is or will be taxable under P.L.1945, c.162 (C.54:10A-1 et seq.). A
24 business facility shall not be considered a new business facility in the
25 hands of a taxpayer if the taxpayer's only activity with respect to the
26 facility is to lease it to another person;

27 (2) is purchased by a taxpayer and is placed in service or use on or
28 after the effective date of rehabilitation and economic recovery;

29 (3) was not purchased by a taxpayer from a related person; and

30 (4) was not in service or use during the 90 day period immediately
31 prior to transfer of the title to the facility.

32 i. "Partnership" means a syndicate, group, pool, joint venture or
33 other unincorporated organization through or by means of which any
34 business, financial operation or venture is carried on, and which is not
35 a trust or estate, a corporation or a sole proprietorship. The term
36 "partner" includes a member in such a syndicate, group, pool, joint
37 venture or organization.

38 j. "Purchase" means, with respect to the determination of whether
39 business relocation or business expansion property was purchased, any
40 acquisition of property, including an acquisition pursuant to a lease,
41 but only if:

42 (1) the property is not acquired from a person whose relationship
43 to the person acquiring it would result in the disallowance of
44 deductions under section 267 or subsection (b) of section 707 of the
45 federal Internal Revenue Code of 1986, 26 U.S.C.s.267 or s.707;

46 (2) the property is not acquired by one member of a controlled

- 1 group from another member of the same controlled group; and
2 (3) the basis of the property for federal income tax purposes, in the
3 hands of the person acquiring it, is not determined:
4 a) in whole or in part by reference to the federal adjusted basis of
5 such property in the hands of the person from whom it was acquired;
6 or
7 (b) under subsection (e) of section 1014 of the federal Internal
8 Revenue Code of 1986, 26 U.S.C. s.1014.
9 k. "Related person" means:
10 (1) a corporation, partnership, association or trust controlled by
11 the taxpayer;
12 (2) an individual, corporation, partnership, association or trust that
13 is in control of the taxpayer;
14 (3) a corporation, partnership, association or trust controlled by an
15 individual, corporation, partnership, association or trust that is in
16 control of the taxpayer; or
17 (4) a member of the same controlled group as the taxpayer.

18

19 56. (New section) a. There is established in the New Jersey
20 Economic Development Authority in but not of the Department of the
21 Treasury the "Camden Open For Business Incentive Program," the
22 purpose of which is to foster business investment in the City of
23 Camden. Businesses that locate or expand in the City of Camden
24 during the period that the city is under rehabilitation and economic
25 recovery shall be eligible to receive a rebate from the "Corporation
26 Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.) as
27 provided herein.

28 b. For each year in which a taxpayer is eligible for a rebate of a
29 portion of the incentive payment, the Director of the Division of
30 Taxation shall certify to the State Treasurer (1) that the taxpayer's
31 corporation business tax return has been filed; (2) that the taxpayer's
32 entire corporation business tax obligation has been satisfied; and (3)
33 the amount of the taxpayer's incentive payment entitlement. Upon
34 such certification, the treasurer shall certify to the executive director
35 of the New Jersey Economic Development Authority the amount of
36 the taxpayer's incentive payment and, subject to the approval of the
37 Director of the Division of Budget and Accounting, transfer that
38 incentive payment to the fund established with the proceeds of those
39 funds appropriated pursuant to subsection b. of section 71 of P.L. ,
40 c. (pending before the Legislature as this bill).

41 c. The executive director of the New Jersey Economic
42 Development Authority shall rebate to the taxpayer up to 75% of the
43 incentive payment paid by the taxpayer and placed by the treasurer
44 into a fund established using those funds appropriated pursuant to
45 subsection b. of section 71 of P.L. , c. (pending before the
46 Legislature as this bill) if the taxpayer applies for a rebate within two

1 years of deposit of the incentive payment into the fund and establishes
2 to the satisfaction of the executive director of the New Jersey
3 Economic Development Authority that the taxpayer will utilize those
4 monies for business relocation or business expansion property. The
5 cumulative amount of monies distributed to the taxpayer pursuant to
6 this section shall not exceed the amount paid or to be paid by the
7 taxpayer for the business relocation or business expansion property. In
8 the event that the taxpayer does not establish its eligibility for a rebate
9 of a portion of the incentive payment within two years of its deposit
10 into the fund, the fund shall retain any remaining amount of the
11 incentive payment.

12

13 57. (New section) a. A taxpayer engaged in the conduct of
14 business within the City of Camden and who is not receiving a benefit
15 under the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
16 (C.52:27H-60 et seq.), may apply to receive a tax credit against the
17 amount of tax otherwise imposed under the "Corporation Business
18 Tax Act (1945)," P.L. 1945, c. 162 (C. 54:10A-1 et seq.) equal to:
19 \$2,500 for each new full-time position at that location in credit year
20 one and \$1,250 for each new full-time position at that location in
21 credit year two.

22 b. (1) The credit pursuant to subsection a. of this section for credit
23 year one shall be allowed for the privilege period in which or with
24 which credit year one ends; the credit pursuant to subsection a. of this
25 section for credit year two shall be allowed for the privilege period in
26 which or with which credit year two ends.

27 (2) An unused credit may be carried forward, if necessary, for use
28 in the five privilege periods following the privilege period for which
29 the credit is allowed.

30 (3) The order of priority of the application of the credit allowed
31 under this section and any other credits allowed by law shall be as
32 prescribed by the Director of the Division of Taxation. The amount
33 of the credit applied under this section against the tax imposed
34 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
35 period, together with any other credits allowed by law, shall not
36 exceed 50% of the tax liability otherwise due and shall not reduce the
37 tax liability to an amount less than the statutory minimum provided in
38 subsection (e) of section 5 of P.L.1945, c.162.

39 c. (1) Notwithstanding the provisions of subsection b. of this
40 section to the contrary, the credit allowed for credit year one may be
41 refundable at the close of the privilege period in which or with which
42 credit year two ends, pursuant to the requirements and limitations of
43 this subsection.

44 (2) That amount of the credit received for credit year one
45 remaining, if any, after the liabilities for the privilege period in which
46 or with which credit year two ends and for any prior privilege period

1 have been satisfied, multiplied by the sustained effort ratio, shall be an
2 overpayment for the purposes of section R.S.54:49-15 for the privilege
3 period in which or with which credit year two ends; that amount of the
4 credit received for credit year one remaining, if any, that is not an
5 overpayment pursuant to this paragraph may be carried forward
6 pursuant to subsection b. of this section.

7 d. The burden of proof shall be on the taxpayer to establish by
8 clear and convincing evidence that the taxpayer is entitled to the
9 credits or refund allowed pursuant to this section. The director shall
10 by regulation establish criteria for the determination of when new or
11 expanded operations have begun at a location. No taxpayer shall be
12 allowed more than a single 24 month continuous period in which
13 credits shall be allowed for activity at a location within the City of
14 Camden pursuant to P.L. , c. (C.) (pending before the
15 Legislature as this bill).

16 e. For the purposes of this section:

17 "Credit year one" means the first twelve calendar months following
18 initial or expanded operations at a location within the City of Camden
19 pursuant to P.L. , c. (C.) (pending before the Legislature as
20 this bill).

21 "Credit year two" means the twelve calendar months following
22 credit year one.

23 "Employee of the taxpayer" does not include an individual with an
24 ownership interest in the business, that individual's spouse or
25 dependants, or that individual's ancestors or descendants.

26 "Full time position" means a position filled by an employee of the
27 taxpayer for at least 140 hours per month on a permanent basis, which
28 does not include employment that is temporary or seasonal.

29 "New full time position" means a position that did not exist prior to
30 credit year one. New full time positions shall be measured by the
31 increase, from the twelve month period preceding credit year one to
32 the measured credit year, in the average number of full-time positions
33 and full-time position equivalents employed by the taxpayer at the
34 location within the City of Camden pursuant to P.L. , c. (C.)
35 (pending before the Legislature as this bill). The hours of employees
36 filling part-time positions shall be aggregated to determine the number
37 of full-time position equivalents.

38 "Part-time position" means a position filled by an employee of the
39 taxpayer for at least 20 hours per week for at least 3 months during
40 the credit year.

41 "Sustained effort ratio" means the proportion that the credit year
42 two new full-time positions bears to the credit year one new full-time
43 positions, not to exceed one.

1 58. (New section) Any entity which is otherwise tax-exempt
2 pursuant to Title 54 of the Revised Statutes and which receives
3 funding pursuant to the "Camden Rehabilitation and Economic
4 Recovery Act," P.L. , c. (C.) (pending before the
5 Legislature as this bill) to finance the purchase of any real property or
6 construction of any improvement which would otherwise be tax-
7 exempt shall be subject to the following conditions:

8 a. The entity shall pay an annual service charge for a period of
9 20 years following the receipt of funding pursuant thereto, which shall
10 be negotiated by the tax-exempt entity and the City of Camden
11 according to the formula set forth pursuant to section 12 of P.L.1991,
12 c.431 (C.40A:20-12).

13 b. The board shall approve in advance any facility plans or other
14 such documentation produced by the tax-exempt entity which include
15 detailed information concerning the projects proposed to be funded
16 with the matching grants.

17 The receipt of matching funds by such an entity pursuant to
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 shall be conditioned upon compliance with the provisions of this
20 section, as determined by the board.

21

22 59. (New section) a. For the purposes of subsection b. of this
23 section, "residential property" shall include land, a dwelling house or
24 a condominium unit under the form of real property ownership
25 provided for under the "Condominium Act," P.L.1969, c.257
26 (C.46:8B-1 et seq.).

27 b. A taxpayer who shall not previously have occupied property
28 owned by the taxpayer as a principal residence and who, during the
29 taxable year, purchases residential property within the City of Camden
30 for the purpose of occupying the property as the taxpayer's principal
31 residence shall be allowed in that taxable year, and for four taxable
32 years thereafter, a credit not to exceed \$5,000 against the tax
33 otherwise due under N.J.S.54A:1-1 et seq. The credit shall be allowed
34 beginning in any taxable year during the period of rehabilitation and
35 economic recovery.

36 No taxpayer filing either a single or a joint return shall be eligible
37 for a credit under this section: (1) if, in a prior taxable year, the
38 taxpayer or the taxpayer's spouse, either singly or jointly with each
39 other or with another, shall have owned and occupied as a principal
40 residence any residential property; or (2) if the taxpayer or the
41 taxpayer's spouse has received an annual stipend pursuant to section
42 18 of P.L. , c. (C.) (pending before the Legislature as this
43 bill).

44 In the case of a husband and wife who elect to file separate tax
45 returns, each shall, unless otherwise ineligible, be entitled to one-half
46 of the credit allowed.

1 If a taxpayer who shall have been allowed a credit under the
2 provisions of this section with respect to the purchase of residential
3 property fails to occupy the property as the taxpayer's principal
4 residence within one year after the date of the purchase, or terminates
5 occupation of the property as the taxpayer's principal residence within
6 10 years after the date of the purchase or the date on which such
7 occupation shall have commenced, whichever is later, the taxpayer
8 shall be liable for tax in an amount equal to the credit previously so
9 allowed.

10
11 ARTICLE 6. LABOR RELATIONS AND CONTRACTS

12 60. (New section) For the purposes of section 3 of P.L.1977, c.85
13 (C.34:13A-16), when deciding the award in a dispute involving public
14 fire or police departments of the City of Camden during the
15 rehabilitation term, the arbitrator or panel of arbitrators shall, when
16 considering the interests and welfare of the public and the lawful
17 authority of the employer, include in those assessments the fact that
18 the municipality is under rehabilitation pursuant to P.L. ,
19 c. (C.) (pending before the Legislature as this bill).

20
21 61. (New section) During the rehabilitation term, the City of
22 Camden may enter into arrangements with other municipalities,
23 counties, local public authorities, or the State, for the purpose of
24 affording the municipality those benefits which may accrue pursuant
25 to any laws providing for contracted provision of goods or services.
26 Notwithstanding any other provision of law to the contrary all State
27 agencies are authorized to enter into such agreements or arrangements
28 with the City of Camden during the rehabilitation term as are necessary
29 or useful in furthering the purposes of P.L. , c.
30 (C.) (pending before the Legislature as this bill).

31
32 62. (New section) All contracts and agreements entered into by
33 the City of Camden during the rehabilitation term pursuant to
34 P.L. , c. (C.) (pending before the Legislature as this bill)
35 shall contain provisions stating that the director or chief operating
36 officer may, upon 30 days' notice, terminate the contract or agreement
37 for any reason without payment of penalty or damages. This section
38 shall not apply to collective bargaining agreements.

39
40 ARTICLE 7. MISCELLANEOUS

41 63. Section 2 of P.L.1991, c.266 (C.40:14B-23.1) is amended to
42 read as follows:

43 2. a. As used in this section:

44 "Residential property" means any building or part of a building
45 used, to be used or held for use as a home or residence, together with
46 the land upon which it is situate. A residential property shall include

1 single family dwellings, multifamily dwellings as defined under
2 subsection (k) of section 3 of the "Hotel and Multiple Dwelling Law,"
3 P.L.1967, c.76 (C.55:13A-1 et seq.), and other rental unit property,
4 and individual residences within a horizontal property regime as
5 defined pursuant to the "Horizontal Property Act," P.L.1963, c.168
6 (C.46:8A-1 et seq.), or a condominium as defined pursuant to the
7 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), units in a
8 cooperative, and units in a mutual housing corporation;

9 "Cooperative" means a housing corporation or association which
10 entitles the holder of a share or membership interest thereof to possess
11 and occupy for dwelling purposes a house, apartment, manufactured
12 or mobile home or other unit of housing owned or leased by the
13 corporation or association, or to lease or purchase a unit of housing
14 constructed or to be constructed by the corporation or association;

15 "Mutual housing corporation" means a corporation not-for-profit,
16 incorporated under the laws of this State on a mutual or cooperative
17 basis within the scope of section 607 of the "National Defense
18 Housing Act," Pub. L. 76-849, (42 U.S.C. s. 1521 et seq.), as
19 amended, which acquired a National Defense Housing Project
20 pursuant to that act;

21 "Qualified resident" means a person who owns, rents or occupies
22 residential property;

23 "Qualified entity" means a building or facility which is owned and
24 used by:

25 (1) a public or private school, university, college or seminary for
26 either classroom space or administrative office space;

27 (2) a church, synagogue or temple for holding religious services,
28 or which is used to house church-, synagogue- or temple- related
29 personnel;

30 (3) a clinic or hospital, including a residential building which is
31 used to house personnel who are employed by the clinic or hospital;

32 (4) a nonprofit organization which operates under the provisions
33 of Title 15A of the New Jersey Statutes, for the purposes for which
34 the organization was created, or for administrative office space; or

35 (5) a business which has less than 10 full-time employees.

36 b. A city of the second class with a population of more than
37 ~~[80,000]~~ 79,000 but less than 88,000 according to the latest federal
38 decennial census, located in a county of the second class with a
39 population of more than 455,000 but less than 510,000 according to
40 the latest federal decennial census, and a county or municipal utilities
41 authority whose operations plant is located within the city's boundaries
42 may negotiate a host community benefit for qualified residents and
43 qualified entities within the city. The benefit may be applied against
44 the rate, fee or charge assessed pursuant to section 23 of P.L.1957,
45 c.183 (C.40:14B-23) or the connection fee or tapping fee assessed
46 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21), or both, at

1 the discretion of the county or municipal utilities authority. The
2 benefit shall be provided as a credit against the individual accounts of
3 the qualified resident or entity, and the county or municipal utilities
4 authority and the city shall negotiate the amount of the benefit. Upon
5 agreement of the parties, the governing body of the city shall adopt an
6 ordinance setting forth the specific requirements under the agreement.
7 In cases in which a qualified resident is not billed directly for the
8 county or municipal utilities authority's services, the city shall, as part
9 of the ordinance setting forth the specific requirements of the
10 agreement, establish procedures under which the owner of the
11 appropriate property shall insure that the qualified resident is
12 compensated for the amount of the credit.

13 (cf: P.L.1991, c.266, s.2)

14

15 64. (New section) As used in sections 65 through 69 of P.L. ,
16 c. (C.) (pending before the Legislature as this bill):

17 "Property" means parcels of land and their improvements on which
18 the municipality holds a tax lien, or which were acquired by the
19 municipality through the property tax foreclosure process, and
20 including such parcels that the municipality possesses and for which it
21 acts as a receiver pursuant to section 1 of P.L.1942, c.54
22 (C.54:5-53.1).

23 "Qualified municipality" means a municipality that is qualified to
24 receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
25 municipality under the supervision of the Local Finance Board
26 pursuant to the provisions of the "Local Government Supervision Act
27 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality that
28 has issued qualified bonds pursuant to the provisions of the "Municipal
29 Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.) or a
30 municipality identified by the director to be facing serious fiscal
31 distress.

32

33 65. (New section) Notwithstanding any other provision of law to
34 the contrary, the governing body of a qualified municipality, by
35 resolution, may enter contracts for property tax lien management
36 services with organizations for the purpose of assisting the qualified
37 municipality in managing its property. For the purposes of this
38 section, property tax lien management services shall be comprehensive
39 in nature given the needs of the qualified municipality, and shall
40 include the following activities as necessary for a comprehensive
41 program of property tax lien management:

42 a. Developing and administering an asset management and
43 disposition plan for properties owned by the municipality;

44 b. Developing and administering activities to encourage and assist
45 property owners in satisfying their obligations and retaining their
46 properties, which shall include, but not be limited to working with

1 lenders and non-profit agencies to develop programs that help
2 residential taxpayers address their credit problems and related service
3 programs;

4 c. Educating property owners about financial alternatives in
5 addressing back taxes, including making installment payments pursuant
6 to R.S.54:5-65 et seq.;

7 d. Recommending and managing possession and receivership,
8 foreclosure, and property sale activities;

9 e. Assembling and marketing properties to potential buyers and
10 developers through public sale of properties to be sold, or by
11 assignment sale of tax liens pursuant to N.J.S.54:5-112 and
12 N.J.S.54:5-113;

13 f. Developing a database of information relating to all properties
14 for which the qualified municipality holds a lien, where at the
15 conclusion of the contract, the contents of the database shall be
16 provided to that municipality in an electronic format that can be used
17 by the municipality;

18 g. Providing regular reports to the governing body of the qualified
19 municipality and the tax collector on the status of property tax lien
20 management activities and the information obtained through the
21 management process;

22 h. Managing property owned by the qualified municipality in
23 preparation for its sale, assignment, or possession; or

24 i. Other similar programs and activities as approved by the
25 director.

26

27 66. (New section) Contracts for property tax lien management
28 services shall include compensation to the contractor based on any
29 combination of the following mechanisms:

30 a. A percentage of proceeds earned by the qualified municipality
31 from the outright sale of property or from an assignment sale;

32 b. A percentage of the proceeds from installment agreements
33 entered into through the efforts of the contractor;

34 c. A percentage of the proceeds from the management of
35 properties assigned to the contractor as part of possession and
36 receivership, or preparing for a sale or assignment; or

37 d. A fixed amount for general services affecting all parcels whose
38 tax lien is owned by the municipality, which may, at the option of the
39 municipality, be either prorated and charged against such properties as
40 a municipal charge, or be appropriated as if it were subject to the
41 provisions of sections 1 through 5 of P.L.1961, c.22 (C.40A:4-55.1
42 through 40A:5-55.5).

43

44 67. (New section) Contracts for property tax lien management
45 shall be approved by the governing body of the qualified municipality
46 and shall then be submitted to the director for approval. The mayor

1 or other chief executive officer shall not execute the contract until the
2 director approves the contract. If the director neither approves nor
3 returns the contract with recommendations for amendment within
4 45 days of the director's receipt of the contract, then the contact shall
5 be deemed as approved.

6
7 68. (New section) The municipal tax collector of the qualified
8 municipality shall provide the property tax lien management service
9 contractors with any and all information as the tax collector may have
10 available that is related to tax liens, and shall make available records
11 of the tax collector's office accessible to the contractor as the
12 contractor may require. Nothing P.L. , c. (C.) (pending
13 before the Legislature as this bill) shall supersede the responsibility of
14 the tax collector to collect and record property tax receipts and
15 manage those responsibilities statutorily assigned to the tax collector.

16
17 69. (New section) Notwithstanding the provisions of the "Local
18 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) to the
19 contrary, contracts for property tax lien management services shall be
20 considered as a professional service and may be entered into for a
21 period not to exceed three years.

22
23 ARTICLE 9. APPROPRIATIONS

24 70. (New section) From the proceeds of bonds authorized
25 pursuant to section 45 of P.L. , c. (C.) (pending before the
26 Legislature as this bill), the New Jersey Economic Development
27 Authority shall deposit:

28 a. \$42 million into the "Neighborhood Redevelopment Fund"
29 created pursuant to section 49 of P.L. , c. (C.) (pending
30 before the Legislature as this bill);

31 b. \$28.5 million into the "Camden Higher Education Economic
32 Development Fund" created pursuant to section 51 of P.L. , c.
33 (C.) (pending before the Legislature as this bill);

34 c. \$12.6 million into the "Camden Regional Health Care Facilities
35 Fund" created pursuant to section 52 of P.L. , c. (C.)
36 (pending before the Legislature as this bill);

37 d. \$27 million into the "Neighborhood Revitalization Fund" created
38 pursuant to section 49 of P.L. , c. (C.) (pending before the
39 Legislature as this bill);

40 e. \$23.5 million into the "Interior Gateway Project Fund" created
41 pursuant to section 50 of P.L. , c. (C.) (pending before the
42 Legislature as this bill)

43 f. \$30 million into the "Camden Aquarium Initiative Fund" created
44 pursuant to section 50 of P.L. , c. (C.) (pending before the
45 Legislature as this bill)

1 g. \$5 million into the "Camden Brownfields Redevelopment Fund"
2 created pursuant to section 50 of P.L. , c. (C.) (pending
3 before the Legislature as this bill); and

4 h. \$5 million into the "Commercial Corridor Improvement Fund"
5 created pursuant to section 50 of P.L. , c. (C.) (pending
6 before the Legislature as this bill).

7 Notwithstanding this division of bond funds, up to 20% of the total
8 amount deposited into these funds may be reallocated among these
9 funds and subaccounts thereof, with the approval of the executive
10 director of the authority and the chief operating officer, in order to
11 serve the economic revitalization goals which P.L. , c. (C.)
12 (pending before the Legislature as this bill) seeks to promote.

13
14 71. a. There is appropriated from the General Fund to the
15 Department of Community Affairs such sums as may be required for
16 rehabilitation aid to be allocated pursuant to subsection c. of section
17 26 of P.L. , c. (C.) (pending before the Legislature as this
18 bill).

19 b. There is appropriated from the General Fund to the Department
20 of the Treasury such sums as may be required for incentive payments
21 to be allocated pursuant to section 19 of P.L. , c. (C.)
22 (pending before the Legislature as this bill).

23 c. There is appropriated from the General Fund such sums as may
24 be required, not to exceed \$1,500,000, to the Department of
25 Community Affairs, Division of Local Government Services for the
26 costs of: the salaries of the chief operating officer and the staff thereto;
27 any salary differentials incurred in recruiting qualified personnel to
28 serve under the chief operating officer; the buyout of retirees who
29 choose the retirement option set forth in section 19 of P.L. , c.
30 (C.) (pending before the Legislature as this bill); and the additional
31 SAVER rebate provided under section 20 of P.L. , c.
32 (C.) (pending before the Legislature as this bill); all subject to the
33 approval of the Director of the Division of Budget and Accounting in
34 the Department of the Treasury.

35 d. There is appropriated from the General Fund to the Faith-Based
36 Community Development Initiative in the Department of Community
37 Affairs the sum of \$2.5 million to be used by the City of Camden in
38 accordance with program guidelines promulgated by the department
39 and pursuant to P.L. c. (C.)(pending before the Legislature as
40 this bill).

41 e. There is appropriated from the General Fund to the Department
42 of Labor the sum of \$2.5 million to capitalize the "Camden Economic
43 Opportunity Fund" created pursuant to section 53 of P.L.
44 c. (C.) (pending before the Legislature as this bill).

45
46 72. This act shall take effect immediately.

STATEMENT

1
2
3 This bill, designated the "Camden Rehabilitation and Economic
4 Recovery Act," establishes a comprehensive framework within which
5 the rehabilitation and economic recovery of Camden may occur.

6 Based on the premise that good governance and economic viability
7 are inextricably linked, this bill embraces a multifaceted approach
8 toward encouraging the achievement of economic self-sufficiency on
9 the part of the City of Camden, recognizing that this will not happen
10 without extraordinary measures on the part of the State.

11 Although the Constitution expressly prohibits special legislation, the
12 various measures contained in the bill are conceived as a pilot
13 program, recognizing that the level of resources and State involvement
14 preclude the initial use of this approach statewide. It is anticipated
15 that the successful implementation of these measures in Camden will
16 result in the emulation of this approach in other similarly situated
17 municipalities in New Jersey and across the country.

18 The bill requires the Commissioner of Community Affairs, within
19 60 days following the bill's enactment and in consultation with the
20 mayor, to undertake a nationwide search in order to recruit a chief
21 operating officer, who shall be qualified by training and experience for
22 the position, according to criteria set forth in the bill. The term of the
23 chief operating officer shall terminate five years following the
24 assumption of duties of that person. The chief operating officer may
25 either be a State employee in the unclassified service or a contractor,
26 so long as there is an identifiable person assigned to the post who
27 works full-time in Camden City Hall. Subject to the approval of the
28 commissioner, the salary, benefits and costs of the chief operating
29 officer shall be fixed by the Director of the Division of Local
30 Government Services.

31 The period during which the City of Camden is under the direction
32 of the chief operating officer is referred to in the bill as the
33 rehabilitation term. During the rehabilitation term, all of the functions,
34 powers and duties assigned either before or after the bill's enactment
35 by any statute, regulation, ordinance, resolution, charter or contract
36 for municipal operations, municipal organization and reorganization,
37 including the hiring and firing of department heads, are reallocated to
38 the chief operating officer, who shall exercise those responsibilities in
39 consultation with the mayor.

40 In certain instances, impasses in decision making may be referred
41 to a special arbitrator who is designated in the bill as the assignment
42 judge of the vicinage of Camden County. The bill specifically calls
43 upon the special arbitrator to resolve impasses which arise with regard
44 to council ratification of interim and subsequent department head
45 appointments by the chief operating officer, and the override by city
46 council of the chief operating officer's veto of an ordinance. In

1 addition, the chief operating officer is granted blanket power to refer
2 disputes to the special arbitrator for resolution. The bill sets forth
3 criteria to guide the special arbitrator in making his or her
4 determinations.

5 Upon the assumption of job responsibilities by the chief financial
6 officer, the financial review board created pursuant to section 5 of
7 P.L.1999, c.156 (C.52:27D-118.30a) to oversee the finances of the
8 City of Camden shall cease to function and the municipality shall cease
9 to be under supervision pursuant to Article 4 of P.L.1947, c.151
10 (C.52:27BB-54 et seq.). All outstanding debts or obligations
11 previously incurred by the City of Camden with any State agency shall
12 be assumed by the State. Notwithstanding the termination of
13 supervision and of the financial review board, all memorandums of
14 understanding entered into by the city as a condition of receiving
15 assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.) that
16 require the city to implement any government, administrative,
17 operational efficiency or oversight measures necessary for the fiscal
18 recovery of the municipality as recommended by the director and
19 approved by the board shall continue to have full force and effect,
20 except for those that place a limitation on the hiring, promotion or
21 transfer of personnel.

22 The bill establishes a subsidiary of the New Jersey Economic
23 Development Authority (EDA) to be known as the State Economic
24 Recovery Board for the City of Camden which is to consist of 11
25 voting members, including the mayor of the City of Camden, the chief
26 operating officer, the State Treasurer, the Commissioner of
27 Community Affairs, the chairperson of the EDA, the director of the
28 Camden County Board of Chosen Freeholders, a member of the Senate
29 and the General Assembly, and three public members. The board is to
30 be chaired by the chairperson of the EDA and the voting authority of
31 the Camden County Board of Chosen Freeholders shall not become
32 effective until an agreement between the city and the county has been
33 concluded establishing the financial commitment of the county to the
34 city's redevelopment.

35 The board is called upon to assist in the preparation of the capital
36 improvement and infrastructure master plan and to marshal resources
37 necessary to assure its implementation.

38 The board is also charged with the review and approval of the plans
39 of the various entities designated as eligible for funding under the bill
40 as a condition for receiving those funds. Additionally, the board is to
41 serve as a critical link between the city government and those State
42 and nonprofit entities receiving funding under the bill through the bond
43 issue and direct appropriations.

44 The chief operating officer shall convene a community advisory
45 committee in order to provide an efficient means of eliciting citizen
46 input in the rehabilitation and economic recovery and community

1 development of the City of Camden. This committee would consist of
2 13 members, to include the mayor, ex officio, three appointees of the
3 Commissioner of Community Affairs, three appointees of the city
4 council and three appointees of the chief operating officer.

5 At the end of the four years following the commencement of duties
6 by the chief operating officer, the chief operating officer is required to
7 submit a report to the Governor, members of the State Economic
8 Recovery Board for the City of Camden, each member of the Senate
9 and General Assembly, the mayor and each member of the governing
10 body of the City of Camden evaluating progress made in rehabilitating
11 the City of Camden and the status of economic recovery efforts.

12 The bill requires the preparation of a series of plans to guide the
13 rehabilitation of city government and the upgrade of urban
14 infrastructure in order to facilitate revitalization with emphasis not
15 only on the central business district, but the city's residential
16 neighborhoods.

17 Upon the assumption of duties of the part of the chief operating
18 officer, the chief operating officer is required to undertake the
19 preparation of a municipal management study which analyzes the
20 current state of all services provided by each municipal department and
21 the service levels provided in similarly situated municipalities. The
22 study shall include police and fire services provided by the municipality
23 and shall include reference to those studies previously completed by
24 the State during the period of supervision.

25 The study shall also include recommendations for the reorganization
26 of municipal government structure, and any training deemed necessary
27 for the existing city workforce, including a program of computer and
28 technology training. The bill authorizes the relaxation of the residency
29 requirement which currently pertains to the city workforce, but
30 provides financial incentives to encourage municipal employees to live
31 in the City of Camden. The municipal management study shall be used
32 as the basis for any recommended changes in municipal organization,
33 to be effectuated by amendments to the municipality's administrative
34 code and ordinance, including salary ordinances.

35 Additionally, the bill requires the board, in consultation with the
36 mayor and the chief operating officer, to oversee the preparation of a
37 capital improvement and infrastructure plan for the city, which
38 includes a detailed blueprint for the separation of storm drains from
39 the sewer system throughout the city. The plan is also to include those
40 features of the municipal capital improvement program authorized
41 under existing law, incorporating a time frame for making
42 improvements necessary in the public water system to accommodate
43 proposed redevelopment in the city and surrounding areas.

44 The bill requires the chief operating officer to undertake a property
45 tax collection audit in order to identify those properties which are in
46 arrears or subject to tax foreclosure. Following completion of the

1 audit, the chief operating officer shall submit the study to the
2 Commissioner of Community Affairs, who shall designate the EDA or
3 the State Economic Recovery Board for the City of Camden to assist
4 in the preparation of a demolition funding plan. The bill calls for the
5 reappropriation of demolition moneys allocated to the city to the
6 Delaware River Port Authority (DRPA) or the EDA and requires the
7 conveyance of certain city properties acquired through tax sale to the
8 DRPA during the period of rehabilitation and economic recovery.

9 The bill contains a comprehensive and all-embracing series of
10 financial incentives designed to rebuild the city's infrastructure,
11 enhance the quality of life through the funding of amenities such as the
12 aquarium expansion, build upon and promote the resources that are
13 already present in the City of Camden, such as the hospitals and
14 universities, promote business development and expansion through
15 various tax incentives, and encourage people of all incomes to buy
16 houses in the City of Camden by increasing the NJ SAVER rebate for
17 people who do, and allowing an income tax credit for those who make
18 Camden their home.

19 The bill authorizes the issuance of \$173.6 million in bonds on the
20 part of the New Jersey Economic Development Authority in order to
21 capitalize a series of funds, the bill's principal source of moneys to
22 allow for grants and loans of a sufficient scale and visibility to expand
23 and sustain economic activity in the City of Camden. The fund is to
24 be divided as follows:

25 (1) the Interior Gateway Fund (\$23.5 million) to be used to make
26 grants, matching grants or loans to support streetscape improvements,
27 facade restoration, street resurfacing, demolition, property acquisition
28 and redevelopment projects;

29 (2) the Neighborhood Revitalization Fund (\$27 million) to be used
30 to make grants, matching grants or loans to support clean community
31 activities, water and sewer improvements, and various neighborhood-
32 based activities outside of the central business district;

33 (3) the Neighborhood Redevelopment Fund (\$42 million) to be
34 used to provide grants, matching grants or loans to support
35 neighborhood rehabilitation, land acquisition, demolition and
36 redevelopment;

37 (4) the Camden Brownfields Redevelopment Fund (\$5 million) to
38 provide grants, matching grants or loans to support brownfields
39 remediation in order to foster redevelopment;

40 (5) the Commercial Corridor Improvement Fund (\$5 million) to
41 provide grants, matching grants or loans to support streetscape
42 improvements, facade restoration, street signage improvements and
43 restoration of commercial structures situated outside the central
44 business district; and

45 (6) the Camden Aquarium Initiative Fund (\$30 million) to make
46 funds available, on a matching basis, for the expansion and upgrade of

1 the aquarium, including the retirement of existing debt.

2 The bill supports existing institutions of higher education through
3 the creation of the \$28.5 million "Camden Higher Education Economic
4 Development Fund" to provide matching grants, on a one-to-one
5 matching basis, to non-profit educational institutions in order to
6 encourage the development of student housing, retail facilities and
7 commercial enterprises in the central business district of the City of
8 Camden.

9 The bill supports existing health care facilities through the creation
10 of the \$12.6 million "Camden Regional Health Care Facilities Fund"
11 to provide matching grants to regional health care facilities to allow
12 for facility expansion, including but not limited to, facilities for pre-
13 admission testing, occupational health and emergency room facilities.

14 The bill authorizes the EDA to enter into a management agreement
15 with the Delaware River Port Authority to authorize that entity to
16 assume project management responsibilities under the bill.

17 The bill creates within the Department of Labor the \$2.5 million
18 "Camden Economic Opportunity Fund" in order to allow for the
19 creation of a job training program designed specifically to address the
20 unique conditions which pertain within the City of Camden.

21 The bill also calls for the targeting of \$2.5 million by the
22 Department of Community Affairs to the City of Camden as part of its
23 existing Faith-Based Community Development Initiative and makes the
24 necessary appropriation.

25 The bill appropriates the sum of \$1.5 million to the Department of
26 Community Affairs to cover the various increased responsibilities
27 assigned to that department in implementing this bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 428**

STATE OF NEW JERSEY

DATED: JUNE 17, 2002

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 428.

This substitute bill, designated the "Municipal Rehabilitation and Economic Recovery Act," establishes a comprehensive framework within which the rehabilitation and economic recovery of qualified municipalities may occur.

The substitute defines "qualified municipality" to mean a municipality that has been subject to the supervision of a financial review board under the "Special Municipal Aid Act," to the supervision of the Local Finance Board pursuant to the "Local Government Supervision Act (1947)," and which, according to its most recently adopted municipal budget on the substitute's effective date, is dependent upon State aid and other State revenues for not less than 55 percent of its total budget. Currently, the only municipality which falls within this definition is the City of Camden.

The substitute requires the Governor to recruit a chief operating officer, qualified by training and experience, for the qualified municipality. The salary, benefits and costs of the chief operating officer shall be fixed by the Director of the Division of Local Government Services and shall be consistent with the salary and benefits of the executive director of any regional authority or other such entity with jurisdiction in the qualified municipality. The chief operating officer shall serve at the pleasure of the Governor.

During the rehabilitation term, all of the functions, powers and duties assigned either before or after the substitute's enactment by any statute, regulation, ordinance, resolution, charter or contract for municipal operations, municipal organization and reorganization, including the hiring and firing of department heads, are reallocated to the chief operating officer, who shall exercise those responsibilities in consultation with the mayor.

Upon the assumption of job responsibilities by the chief financial officer, the financial review board created to oversee the finances of the qualified municipality shall cease to function and the municipality will no longer be under supervision pursuant to Article 4 of P.L.1947, c.151 (C.52:27BB-54 et seq.). All outstanding debts or obligations

incurred by the qualified municipality or the New Jersey Housing and Mortgage Finance Agency as of 30 days following the substitute's effective date with any subsidiary of that authority with jurisdiction in a qualified municipality, other than those debts or obligations represented by bonds or other negotiable instruments, are forgiven under the terms of the substitute.

The substitute establishes a subsidiary of the New Jersey Economic Development Authority (EDA) to be known as the State Economic Recovery Board for the qualified municipality. The board is to consist of 15 voting members and shall include the mayor of the qualified municipality, a representative of the municipal governing body of the qualified municipality, the chief operating officer, the State Treasurer, the Commissioner of Community Affairs, the chairperson of the EDA, a representative of the regional partnership, the director of the freeholder board of the county in which the qualified municipality is situated, all of whom shall serve ex officio and may select a designee to serve in their stead; one public member to be chosen by the Senate President, one public member to be chosen by the Assembly Speaker, and five public members to be appointed by the Governor, to include one representative of organized labor and one representing the business community. Of the public members appointed by the Governor, at least three shall be municipal residents and terms of public members shall be five years. The Governor is charged with the designation of the board chair.

The board will be called upon to assist in the preparation of the capital improvement and infrastructure master plan, a strategic revitalization plan, and to marshal resources necessary to assure its implementation. The staff of the New Jersey Economic Development Authority is to serve as staff to the board.

The strategic revitalization plan is to be undertaken concurrently with the capital improvement and infrastructure master plan and is to be completed by not later than six months after the first meeting of the board.

The chief operating officer shall convene a community advisory committee in order to provide an efficient means of eliciting citizen input in the rehabilitation and economic recovery and community development of the qualified municipality.

The substitute also establishes a regional partnership to assure regional coordination and cooperation in the revitalization and economic recovery of the qualified municipality. The regional partnership shall consist of the mayor of the qualified municipality and of other municipalities within the county, as provided in the substitute, the county freeholder director, the director of the Office of State Planning, one representative of the New Jersey Regional Coalition, and four public members, of whom two shall be appointed by the Governor, one by the Senate President and one by the Speaker of the General Assembly.

In addition to appointing a representative to the State Economic Recovery Board, the regional partnership is charged with assisting in the formulation of long range strategies to address regional issues, including public safety, economic development, housing, and environmental issues with the goal of improving the quality of life within the region.

The chief operating officer is required to undertake the preparation of a municipal management study which analyzes the current state of all services provided by each municipal department and the service levels provided in similarly situated municipalities.

The study shall include recommendations for the reorganization of municipal government structure.

The substitute requires the chief operating officer to undertake a property tax collection audit in order to identify those properties which are in arrears or subject to tax foreclosure. Following the audit, the chief operating officer shall submit the study to the Commissioner of Community Affairs, who shall designate the EDA or the State Economic Recovery Board to assist in the preparation of a demolition funding plan.

The substitute increases the amount of the NJ SAVER rebate for eligible property taxpayers.

The provisions of this substitute bill are identical to those of Assembly Committee Substitute for Assembly Bill No. 2054, now pending before the Legislature.

FISCAL IMPACT:

The substitute authorizes the issuance of \$175 million in bonds on the part of the New Jersey Economic Development Authority in order to capitalize a series of funds, the substitute's principal source of moneys to allow for grants and loans of a sufficient scale and visibility to expand and sustain economic activity in the qualified municipality. The fund is to be divided as follows:

(1) the Residential Neighborhood Improvement Fund, at \$35 million, to be used to make grants, matching grants or loans to support water and sewer improvements not funded by the county, the removal of litter and clean community activities, the development of tot-lots, community gardens, landscape amenities, small scale demolitions, streetscape improvements, property acquisition, and neighborhood restoration outside of the central business district;

(2) the Demolition and Redevelopment Financing Fund, at \$43 million, to be used to support neighborhood rehabilitation, land acquisition, brownfields remediation, demolition and redevelopment;

(3) the Downtown Revitalization and Recovery Fund, at \$45.8 million, to support streetscape improvements, street resurfacing, demolition and restoration of commercial structures, property acquisition, redevelopment projects, brownfields remediation in order to foster redevelopment, industrial and port redevelopment, of which

\$25 million shall be used to support the development of entertainment and cultural facilities such as aquariums;

(4) the Higher Education and Regional Health Care Development Fund, at \$46.2 million, to support Rutgers (\$11 million), Rowan University (\$5.1 million), the University of Medicine & Dentistry of New Jersey (\$9 million), Camden County College (\$3.5 million), Our Lady of Lourdes Medical Center (\$3 million), Cooper Hospital/University Medical Center (\$13.35 million), Virtua Hospital (\$1 million), and Partners in Health (\$250,000).

The substitute creates within the Department of Labor the \$2.5 million "Qualified Municipality Economic Opportunity Fund" in order to allow for the creation of a job training program designed specifically to address the unique conditions which pertain within qualified municipalities.

The substitute creates various incentive programs to benefit qualified municipalities, including a stipend to encourage municipal employees to assume municipal residency, an early buyout incentive for certain municipal employees, and an additional SAVER rebate to certain municipal residents. In addition, the substitute contains various programs to encourage businesses to expand in qualified municipalities.

The substitute assures that not less than the prevailing wage shall be paid to any workers employed in the performance of construction contracts undertaken thereunder.

The substitute establishes a floor in connection with reimbursement from the Health Care Subsidy Fund for certain hospitals situated in qualifying municipalities, to be backed by annual subsidy payments during the period that the municipality is under rehabilitation and economic recovery.

The substitute would impose a moratorium on the acceptance of housing units financed by regional contribution agreements in any qualified municipality during the time that the municipality is under rehabilitation and economic recovery.

Finally, the substitute confers veto power upon the chief operating officer with respect to authority, board and commission minutes analogous to that power reserved for the Governor with respect to State authorities under current law. Similarly, the substitute grants the Governor veto power over board of education minutes in school districts contiguous with qualified municipalities.

STATEMENT TO
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 428

with Senate Floor Amendments
(Proposed By Senator BRYANT)

ADOPTED: JUNE 24, 2002

These amendments make the following changes to the committee substitute.

- C change the name of the regional planning body created in the bill from the "regional partnership" to the "regional impact council" and correct every reference to this entity in order to reflect the name change;
- C change from 30 to 60 days after the effective date of the bill the period within which all outstanding debts or obligations incurred by a qualified municipality or the New Jersey Housing and Mortgage Finance Agency with any subsidiary of that agency are to be forgiven, as provided in subsection 6c. of the bill;
- C require that a copy of the municipal management study and strategic revitalization plan be distributed to each member of the Senate and General Assembly;
- C clarify that the commissioner shall ensure that during the period that a qualified municipality is under rehabilitation and economic recovery, those appropriations in the municipal budget necessary for the improvement of internal audit mechanisms and controls are present on an annual basis. This reflects a narrowing of earlier language which would have required that those sums be included in the municipal or departmental budget necessary to assure the municipality's rehabilitation and revitalization;
- C insert language to provide that: a majority of the entire authorized membership of the State Economic Recovery Board shall constitute a quorum at any meeting thereof; the board shall adopt a project list by a simple majority of the members present; and in order to rescind a project already on the list, a two-thirds vote of the fully authorized membership of the board is required;
- C establish non-voting membership on the board of the New Jersey Economic Development Authority for one public member of the State Economic Recovery Board, who shall be designated by the board, serve ex officio, and not be counted in computing the quorum provided for in existing law;
- C make various changes to clarify that although the State Economic Recovery Board will oversee the various funds created in the bill, it will be the responsibility of the NJEDA to make those grants, matching grants or loans anticipated thereunder;
- C carve \$25 million out of the "Downtown Revitalization and

Recovery Fund" for the purpose of financing the expansion and upgrade of an aquarium in a qualified municipality by a private developer. Moneys to be made available shall be on a matching basis, except that those moneys used for debt retirement shall not be subject to the matching requirement;

- C remove language in the bill that would have effectively established a floor in connection with charity care funding in certain hospitals situated in qualified municipalities;
- C change the period of the moratorium on regional contribution agreements in qualified municipalities from the period that a municipality is under rehabilitation and economic recovery to the period of the rehabilitation term, effectively decreasing the period of the moratorium from ten to five years;
- C provide for a board of education in a Type II school district which is contiguous with a qualified municipality that is comprised of one-third Governor's appointments, one-third mayor's appointments, with advice and consent of the city counsel, and one-third members elected by the voters. In the twelfth year following the designation of the qualified municipality, the membership of the board shall be returned to its configuration prior to the establishment of the qualified municipality, an elected board of education;
- C increase from \$46.2 to \$47.7 million that amount to be deposited into the "Higher Education and Regional Health Care Development Fund" to accommodate an extra \$1.5 million for Our Lady of Lourdes Medical Center, decrease from \$5 to \$3.5 million that amount made available for administrative and planning costs out of the "Economic Recovery Planning Fund", diminish to \$1.5 from \$2.5 million that amount to be appropriated into the "Qualified Municipality Economic Opportunity Fund" for job training, and add a general fund appropriation of \$3 million to be made available as an operating subsidy to the Neo-Natal Intensive Care Unit of the Children's Regional Hospital at Cooper Hospital/Medical Center; and
- C require that the New Jersey Economic Development Authority submit a copy of the financing plan to the Joint Budget and Oversight Committee prior to approving it.

ASSEMBLY, No. 2054

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MARCH 14, 2002

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblywoman NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Assemblyman GEORGE F. GEIST

District 4 (Camden and Gloucester)

SYNOPSIS

Designated the "Camden Rehabilitation and Economic Recovery Act;" authorizes issuance of bonds and makes appropriations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/18/2002)

1 AN ACT encouraging municipal rehabilitation and economic recovery
2 in certain fiscally distressed municipalities, amending P.L.1974,
3 c.80, P.L.1979, c.303 and P.L.1991, c.266, creating chapter
4 27BBB of Title 52 of the Revised Statutes, and making
5 appropriations.

6

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

9

10 ARTICLE 1. GENERAL PROVISIONS

11 1. (New section) This act shall be known and may be cited as the
12 "Camden Rehabilitation and Economic Recovery Act."

13

14 2. (New section) The Legislature finds and declares that:

15 a. There exists in Camden a continuing state of fiscal distress which
16 endures despite the imposition of a series of measures authorized
17 pursuant to law;

18 b. Economically impoverished, the City of Camden has a history of
19 high crime rates, including arson, that has necessitated the
20 maintenance of large police and fire departments, at enormous
21 taxpayer cost in a city without a sound tax base;

22 c. The past fifty years have witnessed the depopulation of the City
23 of Camden such that its population of 79,904 under the 2000 census
24 shows a loss of more than 40,000 persons compared to the city's
25 population at the end of the Second World War;

26 d. Spending power on the part of city residents is severely limited,
27 reflected by its per capita income which, at \$7,276, is the lowest in
28 New Jersey, and its median household income which, in 2000, was
29 only \$21,944, compared with the \$56,650 median for all households
30 in New Jersey; these figures indicate that local businesses suffer from
31 the lack of local disposable income, and that rebuilding the fortunes of
32 city residents in order to recreate a viable urban economy will require
33 a considerable period of time;

34 e. Notwithstanding the current prosperity which is unprecedented
35 in terms of its force and duration, Camden's unemployment rate of
36 over 13 percent is more than three times the rate for the rest of the
37 State;

38 f. While the rest of New Jersey has enjoyed a boom in land values,
39 Camden's ratable base has declined steadily during the 1990's, marked
40 by its low equalized value per capita which is about one-half that of
41 other cities;

42 g. Coupled with this economic deprivation is a city government
43 which is characterized by a well-documented lack of internal audit

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

Matter underlined thus is new matter.

1 controls, accountability and oversight, evidenced by the fact that
2 although real estate taxes comprise over two-thirds of locally
3 generated revenues, the city does not rigorously enforce collection and
4 currently receives only about 77 percent of its levy;

5 h. Although the State has experienced a period of tremendous
6 prosperity and economic growth over the past few years, the City of
7 Camden continues to languish without any obvious signs of
8 improvement;

9 i. The city has experienced a substantial budget deficit for many
10 years which has only been addressed through extraordinary payments
11 of State aid;

12 j. While State aid dollars which have been directed toward Camden
13 have served to address its structural deficits, they have not, and
14 cannot, function as an economic impetus toward the rebuilding of the
15 city;

16 k. The Camden County Municipal Utilities Authority has also
17 committed to providing extraordinary assistance to the economic
18 recovery of the city by offering to waive sewer hook up fees for a
19 certain period of time and to finance improvements to the city water
20 and sewer system, estimated at \$30 million;

21 l. Because a significant proportion of Camden's population lacks
22 adequate health insurance coverage, causing many to seek basic care
23 in the city's emergency rooms, the city's hospitals are heavily
24 dependent upon state assistance commonly referred to as "charity
25 care" for reimbursement. Recognizing this problem, the Delaware
26 River Port Authority has committed itself to providing assistance to a
27 federally qualified health organization designed to meet the needs of
28 this population;

29 m. Given the city's history of high crime rates, if economic
30 recovery is to be successful, it is vital the city residents feel that their
31 basic safety is assured; accordingly, the State has committed to assist
32 the city in maintaining not less than the 391 police officers employed
33 by the city on the effective date of P.L. , c. (C.) (pending
34 before the Legislature as this bill) during the period that the city is
35 under rehabilitation and economic recovery;

36 n. In order to ensure the long-term economic viability of the City
37 of Camden, it is critical that the Legislature encourage, to the extent
38 possible, the production of market-rate housing within the city so as
39 to expand the local tax base and provide a greater diversity of income
40 levels among the city's inhabitants;

41 o. When faced with analogous situations, other states have
42 employed extraordinary measures to provide leadership and oversight
43 for struggling cities and the necessary tools to spur an economic
44 revival within those cities; and

45 p. In light of the dire needs faced by the city and the lack of
46 progress in addressing those needs either governmentally or through

1 private sector initiative, and given the successful interventions on the
2 part of other states in analogous circumstances, it is incumbent upon
3 the State to take exceptional measures, on an interim basis, to rectify
4 certain governance issues faced by the city and to strategically invest
5 those sums of money necessary in order to assure the long-term
6 financial viability of the City of Camden.

7
8 3. (New section) The Legislature therefore resolves that
9 extraordinary measures are urgently called for in order to rehabilitate
10 the City of Camden and restore its economic vitality, without which
11 the city will continue to languish. Accordingly, this act establishes a
12 pilot program for a limited period of time during which considerable
13 sums of State money will be invested in the City of Camden with
14 appropriate State supervision by a chief operating officer who is
15 accountable to both city elected officials and the State. This pilot
16 program reflects the understanding that the enormity of the investment
17 required in the city and the level of State assistance to be provided to
18 the chief operating officer preclude the utilization of this approach
19 statewide; if, however, this approach is successful in reversing years
20 of decline in the City of Camden, it may then be applied in other
21 analogous situations.

22
23 4. (New section) As used in this act:

24 "Authority" means the New Jersey Economic Development
25 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

26 "Board" means the State Economic Recovery Board for the City of
27 Camden established pursuant to section 40 of P.L. , c. (C.)
28 (pending before the Legislature as this bill).

29 "Chief operating officer" means that person appointed pursuant to
30 P.L. , c. (C.) (pending before the Legislature as this bill)
31 responsible for reorganizing governmental operations of the City of
32 Camden in order to assure the delivery of essential municipal services
33 and the professional administration of that municipal government.

34 "Commissioner" means the Commissioner of Community Affairs.

35 "Director" means the Director of the Division of Local Government
36 Services in the Department of Community Affairs.

37 "Economic recovery term" means the period commencing with the
38 expiration of the term of the chief operating officer and terminating
39 five years thereafter.

40 "In consultation with" means with consideration of the input of, or
41 the advice of, the mayor, chief operating officer or director, as the
42 case may be, without regard to the form or manner of the consultation.

43 "Local Finance Board" means the Local Finance Board of the
44 Division of Local Government Services in the Department of
45 Community Affairs.

1 "Rehabilitation term" means that period during which the City of
2 Camden is under the direction of the chief operating officer appointed
3 pursuant to section 7 of P.L. , c. (C.) (pending before the
4 Legislature as this bill).

5 "Special arbitrator" means that judge designated by the Chief
6 Justice pursuant to section 5 of P.L. , c. (C.) (pending
7 before the Legislature as this bill).

8 "State supervision" means supervision pursuant to Article 4 of the
9 "Local Government Supervision Act (1947)," P.L.1947, c.151
10 (C.52:27BB-54 et seq.).

11 "Treasurer" or "State treasurer" means the Treasurer of the State
12 of New Jersey.

13 "Under rehabilitation and economic recovery" means that period
14 which coincides with the rehabilitation term and the economic
15 recovery term.

16

17

ARTICLE 2. GOVERNANCE

18 5. (New section) Upon the enactment of the "Camden
19 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
20 (pending before the Legislature as this bill), the Chief Justice shall
21 designate a Superior Court judge that sits within the vicinage of
22 Camden County as the special arbitrator as prescribed pursuant to
23 P.L. , c. (C.) (pending before the Legislature as this bill).
24 The special arbitrator shall, on an expedited basis, oversee the
25 resolution of any impasse brought before the special arbitrator by the
26 chief operating officer pursuant to sections 9, 11, 16 and 22, of
27 P.L. , c. (C.) (pending before the Legislature as this bill) or
28 by the mayor during the economic recovery term, as the case may be,
29 or with respect to any other impasse resulting from any action or
30 failure to act on the part of the mayor, during the rehabilitation term,
31 or the governing body. The special arbitrator shall use the following
32 criteria in dispute resolution, as appropriate to the particular
33 circumstances:

34 a. The action or failure to act would be adverse to the
35 rehabilitation or economic recovery of the city;

36 b. The action in question or failure to act would represent an
37 unsound decision in violation of the fiduciary responsibility of the city
38 officials;

39 c. The action or failure to act would be inconsistent with internal
40 financial controls or would violate prudent standards or practices of
41 municipal administration or would violate or compromise State laws,
42 rules or regulations under which the city operates.

43

44 6. (New section) a. Upon the effective date of the "Camden
45 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
46 (pending before the Legislature as this bill), the City of Camden shall

1 be under rehabilitation and economic recovery. This period shall begin
2 with the assumption of job responsibilities by the chief operating
3 officer pursuant to this section and terminate five years following the
4 end of the term of the chief operating officer. The period
5 corresponding with the term of the chief operating officer shall be
6 referred to hereinafter as the rehabilitation term. The period
7 commencing with the expiration of the term of the chief operating
8 officer and terminating five years thereafter shall be referred to
9 hereinafter as the economic recovery term.

10 b. During the economic recovery term, the mayor shall exercise
11 those powers delegated to the mayor pursuant to the form of
12 government, the charter and the administrative code of the
13 municipality, and those powers delegated to the mayor under general
14 law. In addition, during the economic recovery term, the mayor shall
15 retain the power to: (1) refer to the special arbitrator for resolution
16 any impasse which arises during that time, pursuant to sections 9, 11,
17 16 and 22, as the case may be, of P.L. , c. (C.) (pending
18 before the Legislature as this bill); and (2) veto the minutes of any
19 independent board or authority, including, but not limited to, the
20 housing authority, parking authority, redevelopment authority,
21 planning board and board of adjustment.

22 While the city is under rehabilitation and economic recovery, the
23 mayor shall retain the power to make those appointments to municipal
24 authorities, boards or commissions, as the case may be, which is
25 otherwise allocated to the mayor pursuant to law.

26 The mayor may retain staff for the purpose of advising the mayor
27 and aiding in the performance of constituent services.

28 c. Upon the assumption of job responsibilities by the chief
29 operating officer, the financial review board created pursuant to
30 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the
31 finances of the City of Camden shall cease to function and the
32 municipality shall cease to be under supervision pursuant to Article 4
33 of P.L.1947, c.151 (C.52:27BB-54 et seq.). All outstanding debts or
34 obligations previously incurred by the City of Camden with any
35 department, agency, authority or other agency or instrumentality of the
36 State, other than those debts or obligations represented by bonds or
37 other negotiable instruments, shall be assumed by the State, subject to
38 appropriation.

39 Notwithstanding the termination of the financial review board and
40 supervision, all memorandums of understanding entered into by the
41 city as a condition of receiving assistance under P.L.1987, c.75
42 (C.52:27D-118.24 et seq.) that require the city to implement any
43 government, administrative, operational efficiency or oversight
44 measures necessary for the fiscal recovery of the municipality as
45 recommended by the director and approved by the board shall continue
46 to have full force and effect.

1 7. (New section) a. Within 30 days following the enactment of
2 P.L. , c. (C.), the commissioner shall undertake a nationwide
3 search for candidates for the position of chief operating officer.
4 Following upon the search, the commissioner, in consultation with the
5 mayor, shall submit two nominees for the position to the mayor, who
6 shall select one of the candidates and submit that nomination to the
7 city council. Along with the names of the nominees, the commissioner
8 shall submit the curriculum vitae of each nominee. Each of the
9 nominees shall be qualified by training and experience for the position
10 and shall have at least 10 years of experience in the management or
11 supervision of government activities, three years of which may be
12 substituted by an advanced degree in business, law, or public
13 administration.

14 b. At the next council meeting occurring not less than 14 days
15 following the submission of nominees to the council by the mayor, the
16 council shall appoint one of the nominees as the chief operating officer
17 of the municipality. Selection shall be by a majority of the fully
18 authorized membership of the city council. In the event of a failure to
19 select one of the two nominees within seven days following the next
20 meeting of council pursuant to this subsection but not later than
21 30 days following the submission of the nominee by the mayor, the
22 commissioner shall make the appointment.

23 c. Pending the appointment of a chief operating officer or, in the
24 event of the death, resignation, removal or inability of the chief
25 operating officer to discharge the duties of that office, the functions,
26 powers and duties of the chief operating officer shall devolve upon the
27 director, for the time being, until a chief operating officer is appointed
28 or is able to discharge the duties of that office. In the event that the
29 chief operating officer appointed after the effective date of
30 P.L. , c. (C.) (pending before the Legislature as this bill) does
31 not serve out the chief operating officer's term of office for any reason,
32 the selection process shall be recommenced in accordance with the
33 provisions of this section.

34 d. The term of the chief operating officer shall terminate five years
35 following the assumption of duties on the part of the chief operating
36 officer. The chief operating officer may be a State employee in the
37 unclassified service of Title 11A, Civil Service, of the New Jersey
38 Statutes or may be hired under contract, as provided hereunder.
39 Notwithstanding any other provision of law, no person so appointed
40 shall acquire tenure.

41 If the chief operating officer is hired under contract, the person
42 hired shall meet the qualifications set forth herein, and it shall be clear
43 from the contract that the position is full-time and that the job site is
44 the City Hall of the City of Camden. If, for any reason, a person
45 engaged under contract is unable to fulfill the job responsibilities of
46 chief operating officer, the selection process shall be recommenced in

1 accordance with the provisions of this section.

2 If the chief operating officer is hired under contract, the contract
3 shall be available for public inspection in the office of the municipal
4 clerk.

5 e. Subject to the approval of the commissioner, the salary, benefits
6 and costs of the chief operating officer shall be fixed by the director
7 and adjusted from time to time as the director deems appropriate. The
8 salary, benefits, and costs of the chief operating officer shall be an
9 expense of the State.

10

11 8. (New section) a. At the end of four years following the
12 commencement of duties by the chief operating officer, the chief
13 operating officer shall submit a report to the Governor, each member
14 of the State Economic Recovery Board for the City of Camden, each
15 member of the Senate and General Assembly, the mayor and each
16 member of the governing body of the City of Camden. The report
17 shall evaluate progress made in rehabilitating the City of Camden and
18 the status of economic recovery efforts. The report shall include an
19 enumeration of any problems or hurdles encountered in rehabilitation
20 and economic recovery and, where applicable, recommendations for
21 any amendments to State law which would promote and encourage
22 rehabilitation and economic recovery. If the chief operating officer
23 anticipates that the rehabilitation term will be insufficient to achieve
24 rehabilitation goals, the chief operating officer shall include in the
25 report a detailed analysis of the causes for the municipality's inability
26 to reestablish local control and an assessment of the amount of time
27 necessary for the continuation of the period of the rehabilitation term.

28 In addition to the foregoing, the report shall include detailed
29 information as to how those funds appropriated pursuant to
30 P.L. , c. (C.) (pending before the Legislature as this bill) are
31 being spent and how those expenditures are serving to promote the
32 economic revitalization of the City of Camden.

33 b. Within 30 days of receipt of the report by members of the
34 Legislature, a hearing shall be held by the Senate Community and
35 Urban Affairs Committee and the Assembly Local Government
36 Committee, or their successors, to provide an opportunity for public
37 comment and discussion.

38

39 9. (New section) a. Upon the appointment of the chief operating
40 officer by the city council pursuant to subsection b. of section 7 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), all
42 the functions, powers and duties heretofore or hereafter assigned by
43 any statute, regulation, ordinance, resolution, charter or contract for
44 municipal operations, municipal organization and reorganization,
45 development and implementation of workforce training programs, and
46 the hiring and firing of department heads, managers and supervisory

1 employees shall be reallocated to the chief operating officer. The chief
2 operating officer shall exercise those functions, powers and duties in
3 consultation with the mayor as are hereinafter provided.

4 Notwithstanding the appointment of the chief operating officer by
5 the city council, the chief operating officer shall report to and serve at
6 the pleasure of the commissioner.

7 b. Except as otherwise provided in P.L. , c. (C.) (pending
8 before the Legislature as this bill), the chief operating officer shall
9 have the power to perform all acts and do all things consistent with
10 law necessary for the proper conduct, maintenance, rehabilitation and
11 supervision of the City of Camden. The chief operating officer may
12 propose ordinances, resolutions, rules, policies and guidelines, not
13 inconsistent with law, for the proper conduct, maintenance and
14 supervision of the municipality.

15 In addition, notwithstanding the provisions of the "Long Term Tax
16 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief
17 operating officer may negotiate financial agreements and otherwise
18 exercise the powers of the governing body pursuant thereto, including
19 making available municipal land in order to facilitate a project pursuant
20 to section 17 of P.L.1991, c.431 (C.40A:20-17). Any such
21 agreements negotiated by the chief operating officer shall be presented
22 to the city council for the information of the council members.

23 Ordinances and resolutions shall be adopted or amended as
24 provided by law except that the chief operating officer shall exercise
25 the functions, powers and duties of the chief executive officer.

26 c. The functions, powers and duties reallocated to the chief
27 operating officer pursuant to this section shall include, but not be
28 limited to those powers allocated to the mayor which are found in the
29 charter and administrative code of the municipality, Titles 40 and 40A
30 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1 et
31 seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local Fiscal
32 Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public Contracts
33 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), any specific form of
34 government law according to which the municipality is governed, and
35 such other sections or other laws necessary to the governance and
36 administration of a municipality, the control of litigation, and the
37 determination of service levels as provided in this section.

38 During the rehabilitation term, the chief operating officer shall
39 exercise the veto power of the mayor with respect to municipal
40 ordinances; provided, however, that the chief operating officer may
41 delegate the veto power to the mayor. In addition, during the
42 rehabilitation term, the chief operating officer shall have the power to
43 veto the minutes of any independent board or authority, including, but
44 not limited to, the housing authority, parking authority, redevelopment
45 authority, planning board and board of adjustment.

1 During the rehabilitation term, the chief operating officer may refer
2 any matter involving any action or failure to act to the special
3 arbitrator.

4 d. Subject to the approval of the director, the chief operating
5 officer may appoint a confidential secretary and executive assistant
6 who shall be State employees and serve in the unclassified service of
7 the Civil Service. The salary and benefits of these appointees shall be
8 fixed by the director and adjusted from time to time as the director
9 deems appropriate. The salary, benefits, and costs of these appointees
10 shall be an expense of the State.

11 These appointees shall serve at the pleasure of the chief operating
12 officer.

13
14 10. (New section) The chief operating officer may:

15 a. Sue in the municipality's corporate name and submit disputes and
16 controversies to arbitration and determination in the manner provided
17 by law;

18 b. Retain municipal corporation counsel and such other special
19 counsel as the chief operating officer may deem necessary to carry out
20 the functions, powers and duties set forth in P.L. , c. (C.)
21 (pending before the Legislature as this bill); and

22 c. Request the State Treasurer to provide no interest loans to the
23 municipality for cash flow purposes. Notwithstanding any other
24 provision of law relating to the transfer of sums appropriated to a
25 State agency, the treasurer is empowered to direct the Director of the
26 Division of Budget and Accounting to transfer from any State
27 department to any other State department sums as may be necessary
28 to provide a loan on the terms and conditions that the treasurer deems
29 appropriate.

30
31 11. (New section) Within 30 days of the assumption of job
32 responsibilities on the part of the chief operating officer, the chief
33 operating officer shall, in consultation with the mayor, recommend the
34 interim appointment of department heads and submit the list of
35 nominees to the council for confirmation. The department heads shall
36 include a business administrator, or functional equivalent thereof, who
37 shall not be the chief operating officer. The city council may only
38 reject a candidate by a 2/3 vote of the fully authorized membership of
39 the city council. In the event of an impasse in the appointment
40 process, the matter shall be decided by the special arbitrator, whose
41 decision shall not be subject to appeal. In making a determination
42 pursuant to this subsection, the special arbitrator shall uphold the
43 recommended appointment if, by any objective measure, the person
44 under consideration for that position is qualified by reason of
45 experience, education or training.

1 These interim appointees shall fulfill those responsibilities delegated
2 to them by the chief operating officer pending the completion of the
3 municipal management study by the chief operating officer pursuant to
4 section 12 of P.L. , c. (C.) (pending before the Legislature
5 as this bill).

6
7 12. (New section) a. Within 30 days following the submission of
8 interim department head appointments to the city council, the chief
9 operating officer, in consultation with the mayor, shall undertake the
10 preparation of a municipal management study which analyzes the
11 current state of all services provided by each municipal department and
12 the service levels provided in similarly situated municipalities and shall
13 call upon experts or State government officials, as necessary, in order
14 to identify the options available to achieve appropriate levels of
15 service. The study shall include police and fire services provided by
16 the municipality.

17 b. The study shall include reference to those studies previously
18 completed by the State during the period of supervision or the
19 operation of the financial review board, including the City of Camden
20 Multi-Year Recovery Plan for Fiscal Years 2001-2003 prepared by
21 Public Financial Management, November 2000, and any other relevant
22 studies.

23 c. The study shall be completed no later than nine months
24 following the appointment of the interim department heads.

25 d. The study shall include a review of the municipal organizational
26 plan, the management structure of each department, and the specific
27 personnel needs within each department and unit therein necessary to
28 achieve the levels of service identified in the study as appropriate for
29 the City of Camden.

30 With regard to public safety services, the study shall analyze the
31 current state of services provided in light of such performance
32 measures as calls per officer and call response time and make
33 recommendations for current and future staffing levels in order to
34 realize appropriate levels of service.

35 In addition, the study shall include an assessment of the current
36 state of computerization of municipal operations, the extent to which
37 technology and mechanization are used to increase the efficiency of
38 municipal operations, and, in particular, the extent to which
39 geographic information systems are used to assist in municipal
40 resource allocation, and recommendations for ways in which those
41 operations may be made more efficient and accessible to the public
42 through the use of computers and technological innovation, including
43 the use of geographic information systems.

44 e. Following from this review, the study shall include any
45 recommendations for the reorganization of municipal government
46 structure considered necessary in order to achieve the more efficient,

1 orderly, cost-effective and professional delivery of municipal services.

2 In addition, the study shall include an analysis and recommendations
3 concerning appropriate pay scales for department heads in order to
4 assist the chief operating officer in recruiting persons with the training
5 and experience necessary to effectuate their job responsibilities.

6 f. Notwithstanding any other law, rule or regulation to the
7 contrary, the municipal management study shall include an evaluation
8 of the qualification levels of departmental employees in light of their
9 assigned tasks and an identification of training opportunities to assist
10 those employees in better performing their assigned duties, including
11 a program of computer and technology training. The chief operating
12 officer may call upon the Commissioner of Personnel or other
13 appropriate State government appointees or officers in order to
14 perform this evaluation and provide appropriate training.

15 g. Upon completion, the study shall be distributed to the mayor,
16 each member of the city council and the Commissioner of Community
17 Affairs. In addition, the study shall be available for public inspection.

18 h. Following from the municipal management study, the chief
19 operating officer shall prepare the necessary amendments to the
20 municipality's administrative code and ordinance, including salary
21 ordinances, which follow from the recommendations in the study.
22 These ordinances and amendments should be included as an appendix
23 to the municipal management study.

24 The mayor and the city council shall be kept apprised of the
25 progress of the municipal management study and shall cooperate with
26 the chief operating officer and provide that information and
27 documentation necessary to assure the expeditious completion of the
28 study.

29

30 13. (New section) a. Upon the completion of the municipal
31 management study by the chief operating officer, the chief operating
32 officer shall make available for public inspection a copy of the study
33 in the office of the municipal clerk and each branch of the public
34 library within the municipality.

35 b. The chief operating officer shall cause notice to be published in
36 a newspaper circulating within the municipality that the study is
37 available for public inspection, not less than 14 days before the
38 meeting of the city council at which the study is to be voted on.

39 c. The municipal management study shall become the official
40 operating plan for the municipality unless the city council rejects the
41 study by a 2/3 vote of the fully authorized membership of the city
42 council within 30 days following the publication of notice pursuant to
43 subsection b. of this section. If the city council has not acted within
44 that 30 day period, the study shall be considered adopted.

45 d. Upon the adoption of the municipal management study, the chief
46 operating officer, in consultation with the director, shall establish a

1 salary scale for each department head. To the extent that the
2 established salaries exceed those paid by the city at the commencement
3 of the rehabilitation term, the State shall absorb the increased expense
4 for salaries and benefits during the rehabilitation term, and for two
5 years thereafter, subject to appropriation.

6 e. Once the chief operating officer has established the salary scale
7 and the municipal management study has been adopted, the chief
8 operating officer shall cause to be prepared proposed ordinances
9 effectuating the salary scales and those amendments to the
10 administrative code necessary to implement the municipal management
11 study.

12

13 14. (New section) For the purposes of Title 11A, Civil Service, of
14 the New Jersey Statutes, the chief operating officer shall act as the
15 appointing authority.

16 The Commissioner of Personnel, in conjunction with the chief
17 operating officer, shall design a remedial Human Resource Plan for the
18 City of Camden which best supports the efficient and effective delivery
19 of services to the residents of the municipality. This plan may include,
20 but need not be limited to, such measures as delegation of specified
21 personnel functions, pilot programs, and streamlined appointment
22 processes and shall remain in place during the rehabilitation term.

23 The Commissioner of Personnel may approve such additional
24 changes in the staffing and organization structure as are needed to
25 support the rehabilitation and economic recovery of the City of
26 Camden pursuant to P.L. , c. (C.) (pending before the
27 Legislature as this bill).

28

29 15. (New section) a. Notwithstanding any other provision of law
30 or contract, the chief operating officer may abolish positions in the
31 municipality not under the direct supervision of the municipal
32 governing body at any time. All of the functions, powers and duties
33 of such abolished positions shall be exercised by the chief operating
34 officer or those persons whom the chief operating officer designates
35 to exercise them during the rehabilitation term. The affected
36 individuals shall be given 60 days' notice of termination or pay for the
37 same period. The notice or payment shall be in lieu of any other claim
38 or recourse against the municipality based on law or contract or term
39 of office.

40 b. Notwithstanding any law, rule or regulation to the contrary, no
41 individual whose position is abolished by operation of this section shall
42 be entitled to assert a claim to any position or to placement upon a
43 preferred eligibility list for any position to which the individual may be
44 entitled by virtue of tenure or seniority within the municipality.
45 Nothing herein shall preclude an individual from asserting upon
46 separation from service any legal contractual right to health care

1 coverage, annuities, accrued vacation days, accrued sick leave,
2 insurance and approved tuition costs. No individual whose position is
3 abolished by operation of this subsection shall retain any right to
4 tenure or seniority in the positions abolished herein.

5 c. Notwithstanding any provision of P.L.1992, c.43 (C.34:15D-1
6 et seq.) to the contrary, the Department of Labor shall, if requested by
7 an employee, provide a training grant under the "Job Training
8 Partnership Act," Pub. L. 97-300 (29 U.S.C. s.1501 et seq), to each
9 person who applies pursuant to this section for a training grant to pay
10 for employment and training services as provided pursuant to section
11 6 of P.L.1992, c.43 (C.34:15D-6).

12
13 16. (New section) a. Following the completion of the municipal
14 management study, the chief operating officer shall, in consultation
15 with the mayor, recommend the appointment of department heads and
16 division heads, as the case may be, and submit the list of nominees to
17 the city council for approval. Any recommendations provided by the
18 chief operating officer pursuant to this subsection shall be made in
19 consultation with the mayor. Any person who has served as an interim
20 department head pursuant to section 11 of P.L. , c.
21 (C.) (pending before the Legislature as this bill) shall be eligible
22 for appointment pursuant to this section. The city council may only
23 reject a candidate by a 2/3 vote of the fully authorized membership of
24 the city council. In the event of an impasse in the appointment
25 process, the matter shall be decided by the special arbitrator, whose
26 decision shall not be subject to appeal. In making a determination
27 pursuant to this subsection, the special arbitrator shall uphold the
28 recommended appointment if, by any objective measure, the person
29 under consideration for that position is the most qualified by reason of
30 experience, education or training.

31 Appointment as a department head or division head, as the case
32 may be, shall be for a period of time coinciding with the term of the
33 chief operating officer and an additional two years thereafter;
34 however, department heads and division heads may be removed for
35 cause by the Local Finance Board following a hearing before the
36 board.

37 b. Any person who has served as an employee in a position with
38 tenure rights during the rehabilitation term who is reappointed by the
39 mayor, with the advice and consent of the council, as appropriate,
40 following the termination of the rehabilitation term shall receive credit
41 for the years served during the period of rehabilitation for the purposes
42 of establishing eligibility for tenure, so long as their position otherwise
43 qualifies for tenure under general law.

44
45 17. (New section) Upon the adoption of the municipal
46 management study, the chief operating officer, working in conjunction

1 with the Commissioner of Personnel and in consultation with the
2 mayor, shall, within 60 days, transfer, assign or reclassify, as the case
3 may be, those positions recommended for such action in the study.

4 The residency requirement established pursuant to municipal
5 ordinance shall be waived for those positions which are at the
6 supervisory, management level or above and which are in the
7 unclassified service of Title 11A, Civil Service, of the New Jersey
8 Statutes.

9
10 18. (New section) Any person hired in a position for which the
11 residency requirement has been waived or as a police officer or
12 firefighter after the adoption of the municipal management study, and
13 who purchases a home in the City of Camden and occupies that home
14 as a principal residence shall, subject to appropriation, receive an
15 annual stipend of 10 percent of their base salary upon proper claim
16 made therefor each year to the Department of Community Affairs, so
17 long as the claim is made during the rehabilitation term. The
18 department shall pay the stipend upon satisfactory proof by the
19 applicant that the dwelling for which the stipend is being paid
20 continues to be occupied as a principal residence by the applicant. An
21 employee may receive this stipend for a period of five years; however,
22 the requirement that the dwelling be occupied as a principal residence
23 shall extend to the period of rehabilitation and economic recovery.
24 Any person who does not continue to occupy the residence for which
25 that person receives the stipend for the entirety of the period of
26 rehabilitation and economic recovery shall be required to reimburse the
27 State for the entire amount of the stipend received.

28 A municipal tax lien shall attach on the property for which the
29 stipend is being paid, at the time the annual stipend is paid by the State
30 in the amount of stipend received by the applicant. The lien shall have
31 the same status and shall be given the same effect as municipal liens
32 established under R.S.54:5-9. The lien shall remain on the property
33 until the expiration of the period of rehabilitation and economic
34 recovery, or until the entire amount of the stipend paid to the applicant
35 has been reimbursed back to the State, should the applicant not
36 continue to occupy the residence for the entire period of rehabilitation
37 and economic recovery. The amount of the stipend to be reimbursed
38 to the State shall also be a personal debt of the applicant, and both the
39 lien and the debt shall be recoverable in the name of the State by
40 means of any remedy available at law.

41 The chief operating officer shall each year compile a list of those
42 employees eligible to receive the stipend, which shall be used by the
43 department to verify eligibility. An employee who receives the stipend
44 shall be ineligible to receive the income tax credit authorized pursuant
45 to section 59 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

1 The commissioner shall annually submit a list to the State Treasurer
2 of those persons who receive the stipend.

3
4 19. (New section) Notwithstanding the provisions of any other
5 law, rule or regulation to the contrary, a city employee who is a
6 member of the Public Employees' Retirement System and is otherwise
7 eligible for retirement may, upon the recommendation of the chief
8 operating officer with the approval of the director, receive an incentive
9 payment for the termination of the employee's employment with the
10 city.

11 As used in this section, "incentive payment" shall mean a lump sum
12 payment of 20 percent of the employee's annual base salary, exclusive
13 of overtime.

14 An employee shall only be eligible for an incentive payment
15 pursuant to this section if that person applies for this termination
16 benefit within 60 days of the effective date of P.L. , c. (C.)
17 (pending before the Legislature as this bill). Payment shall be made
18 not sooner than upon the receipt of the first pension check by the city
19 employee.

20 This election to retire on the part of the city employee shall be
21 communicated by the member to the retirement system pursuant to
22 Title 43 of the Revised Statutes; however, once the employee has
23 elected to retire, that decision shall be final.

24
25 20. (New section) A resident of Camden who has paid property
26 taxes for the tax year on a homestead that is owned as such and who
27 is eligible to receive an NJ SAVER rebate pursuant to P.L.1999, c.63
28 (C.54:4-8.58a et al.) shall, subject to appropriation, receive an NJ
29 SAVER rebate in an amount equal to 150% of the amount otherwise
30 owed that resident pursuant to section 4 of P.L.1999, c.63 (C.54:4-
31 8.58b) during the time that the city is under rehabilitation and
32 economic recovery.

33
34 21. (New section) a. The chief operating officer shall conduct
35 monthly meetings with the mayor, department heads and the executive
36 directors of any independent boards or authorities created by the
37 municipality or which otherwise operate in the name of the
38 municipality. Meetings may be held more frequently, as necessary, at
39 the call of the chief operating officer.

40 b. During the rehabilitation term, the chief operating officer may
41 veto the minutes of any independent board or authority, including, but
42 not limited to, the housing authority, parking authority, redevelopment
43 authority, planning board and board of adjustment. The mayor shall
44 retain this power during the economic recovery term.

45 c. A true copy of the minutes of every meeting of any independent
46 board or authority, including, but not limited to, the housing authority,

1 parking authority, redevelopment authority, planning board and board
2 of adjustment, shall be prepared and forthwith delivered to the chief
3 operating officer or mayor, as the case may be. No action taken at any
4 such meeting shall have force or effect until 10 days, exclusive of
5 Saturdays, Sundays and public holidays, after the copy of the minutes
6 shall have been so delivered. If, in that 10-day period, the chief
7 operating officer or mayor returns the copy of the minutes with a veto
8 of any action taken by the board or authority at the meeting, that
9 action shall be null and void and of no force and effect. Following the
10 completion of the 10-day period, those actions not vetoed shall be
11 considered approved.

12 d. To ensure the expeditious consideration of any decision by the
13 planning board and zoning board of adjustment or any other
14 independent board or authority on the part of the chief operating
15 officer or mayor, as appropriate, the secretary of each board or
16 authority shall forward a copy of each resolution adopted by each
17 board or authority within five business days following the adoption
18 thereof. For the purposes of the exercise of the veto power by the
19 chief operating officer or mayor pursuant to subsection c. of this
20 section, the 10-day period shall commence upon the receipt, by the
21 chief operating officer or mayor, as appropriate, of those resolutions.
22

23 22. (New section) a. Within three business days following each
24 meeting of the city council, a copy of each ordinance and resolution
25 which has been adopted by the council shall be forwarded to the chief
26 operating officer or mayor, as the case may be, who shall have 10 days
27 from the receipt thereof to veto the ordinance or resolution, as the
28 case may be. Any veto action by the chief operating officer or mayor
29 shall be submitted to the president of the city council within 10 days
30 of the veto. Within five business days thereafter, the council may
31 override the veto by a two-thirds vote of the fully authorized
32 membership thereof.

33 If, in the opinion of the chief operating officer, the action is
34 contrary to the rehabilitation of economic recovery goals which
35 justified the rehabilitation declaration, the chief operating officer can
36 submit the action to the special arbitrator, who shall allow the action
37 only upon a finding that the action is consistent with the rehabilitation
38 and economic recovery of the City of Camden. The decision of the
39 special arbitrator shall not be subject to appeal.

40 b. The chief operating officer shall have full access to all municipal
41 records and to municipal information from all officials and employees
42 of the municipality. If the chief operating officer believes that an
43 official or employee of the municipality is not answering the questions
44 of the chief operating officer accurately or completely or is not
45 furnishing information requested by the chief operating officer, the
46 chief operating officer may notify the official or employee in writing

1 to furnish answers to questions or to furnish documents or records, or
2 both. If the official or employee refuses, the chief operating officer
3 may seek a subpoena in the Superior Court, in a summary manner, to
4 compel testimony and furnish records and documents.

5
6 23. (New section) The city council, in conjunction with the
7 Eagleton Institute of Politics and the Rand Institute at Rutgers, The
8 State University, shall hire a non-partisan, professional staff to assist
9 the city council in the execution of its governmental functions and shall
10 provide the staff with the computer hardware and software necessary
11 to perform their assigned tasks. Computer equipment shall be
12 provided at State expense. The staff members shall possess expertise
13 in areas of municipal government operation, including but not limited
14 to, municipal law, planning, social services, public health, public
15 finance and public works administration. Candidates for appointment
16 shall possess a college degree which is relevant to the position which
17 may include, but not be limited to, business, law and public
18 administration. Although a candidate may possess a law degree, staff
19 members shall serve as subject matter experts to the council and shall
20 not serve as legal counsel.

21 The Eagleton Institute and the Rand Institute shall also provide
22 comprehensive training for members of the city council and the non-
23 partisan, professional staff to better enable them to discharge their
24 representative functions in the public interest. The State shall
25 adequately compensate the Eagleton Institute and the Rand Institute
26 for their services, subject to appropriation.

27
28 24. (New section) Unless otherwise provided pursuant to
29 P.L. , c. (C.) (pending before the Legislature as this bill), the
30 city council shall retain all functions, powers and duties prescribed to
31 it pursuant to the charter and administrative code of the municipality,
32 Titles 40 and 40A generally and specifically in the "Local Bond Law,"
33 N.J.S.40A:2-1 et seq., the "Local Budget Law," N.J.S.40A:4-1 et seq.,
34 the "Local Fiscal Affairs Law," N.J.S.40A:5-1 et seq., the "Local
35 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), the
36 "New Jersey Water Supply Public-Private Contracting Act," P.L.1995,
37 c.101 (C.58:26-19 et seq.), any specific form of government law
38 according to which the municipality is governed, and such other
39 sections or other laws which govern municipal operation or
40 administration.

41 The city council shall set the schedule and agenda for meetings of
42 the city council, which shall be duly advertised pursuant to the "Open
43 Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.). Meetings
44 shall be presided over by the council president.

45
46 25. (New section) a. The director may provide for oversight or

1 audit of the activities of the City of Camden and report the findings to
2 the Local Finance Board and the chief operating officer. The cost of
3 providing oversight and audit functions shall be borne by the State.
4 The power to negotiate collective bargaining agreements pursuant to
5 section 20 of P.L.1981, c.211 (C.52:27BB-66.1) shall be vested in the
6 chief operating officer. Collective bargaining agreements entered into
7 by the municipality prior to the commencement of the rehabilitation
8 term shall remain in force as provided in those agreements, except
9 when otherwise expressly provided in P.L. , c. (C.) (pending
10 before the Legislature as this bill).

11 b. The director may make grants to a municipality under
12 rehabilitation, using such funds as may be available to the director, for
13 the purposes of conducting studies or engaging consultants as may be
14 authorized by P.L. , c. (C.) (pending before the Legislature as
15 this bill) to assist in rehabilitation, or those that the director and the
16 chief operating officer or mayor, as appropriate, determine are
17 necessary to the rehabilitation of the municipality. Grants may be
18 made subject to conditions deemed necessary by the director.

19

20 26. (New section) a. During the rehabilitation term, the chief
21 operating officer shall not increase the municipal portion of the general
22 tax rate over the rate established for the year during which the
23 rehabilitation took effect.

24 b. The chief operating officer shall, in consultation with the mayor,
25 annually prepare a budget pursuant to the provisions of the "Local
26 Budget Law," N.J.S.40A:4-1 et seq. This budget shall conform in all
27 respects with the requirements of the "Local Budget Law,"
28 N.J.S.40A:4-1 et seq. and shall be subject to the limitations on
29 spending by municipalities set forth in P.L.1976, c.68 (C.40A:4-45.1
30 et seq.). The Local Finance Board may grant exceptions to the
31 spending limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et seq.)
32 upon application by the chief operating officer, if the Local Finance
33 Board finds such exceptions to be necessary for the rehabilitation of
34 the municipality.

35 c. Upon the preparation of the budget, the chief operating officer,
36 in consultation with the mayor, shall fix: a date, place and time for the
37 holding of a public hearing upon the budget; the amounts of money
38 necessary to be appropriated for the use of the municipality for the
39 ensuing year; and the various items and purposes for which the same
40 are to be appropriated. The hearing shall be held in accordance with
41 the provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq.;
42 however, the hearing shall be held at least 28 days after the date on
43 which the budget is advertised. Notice of hearing, contents of the
44 notice and the format and purpose of the hearing shall be as provided
45 in that law. As part of the budget request, the chief operating officer
46 may include provision for anticipation of rehabilitation aid if other

1 revenues are insufficient to meet the revenues needed to offset total
2 appropriations.

3 d. If the budget proposed by the chief operating officer includes a
4 provision for rehabilitation aid, the chief operating officer shall apply
5 to the director for approval of the amount and shall supply the director
6 with documentation justifying the need. The director shall then
7 recommend an amount to the State Treasurer. The treasurer, after
8 consideration of the recommendation, shall determine the amount of
9 the rehabilitation aid to be requested.

10 e. During the period that the city is under rehabilitation and
11 economic recovery, the commissioner shall ensure that those
12 appropriations in the city budget or departmental budget, as the case
13 may be, necessary for the rehabilitation and economic recovery of the
14 City of Camden either appropriated pursuant to the "Camden
15 Rehabilitation and Economic Recovery Act," P.L. c. , (C.)
16 (pending before the Legislature as this bill) anticipated by the
17 programs established pursuant thereto, or otherwise necessary to
18 assure the city's rehabilitation and revitalization, are fully funded and
19 continued during the entire period of rehabilitation and economic
20 recovery.

21

22 27. (New section) During the rehabilitation term, all ordinances
23 authorizing the issuance of debt shall be subject to approval of the
24 Local Finance Board. Provisions of the "Local Bond Law,"
25 N.J.S.40A:2-1 et seq., with regard to the introduction of bond
26 ordinances shall be followed, and approval of the chief operating
27 officer shall serve as approval of the bond ordinance for publication.
28 After a public hearing held by the city council and approval of a bond
29 ordinance by the chief operating officer, the chief operating officer
30 shall apply to the Local Finance Board for approval of the bond
31 ordinance. No bond ordinance shall take effect without the approval
32 of the Local Finance Board. Amendments to existing bond ordinances
33 that do not increase the amount of bonded indebtedness may be
34 approved by the chief operating officer without the approval of the
35 Local Finance Board.

36

37 28. (New section) The chief operating officer shall annually
38 provide to the Local Finance Board an assessment of the progress of
39 the City of Camden toward achieving municipal rehabilitation and
40 economic recovery. The director shall formally report annually to the
41 Local Finance Board, the commissioner, the Attorney General, the
42 treasurer, the Governor, each member of the city council, including the
43 mayor or other chief executive officer, and each member of the
44 Legislature on the municipality's progress towards achieving these
45 goals. The reports may also include recommendations to the
46 Legislature by the chief operating officer for specific changes to the

1 law that the chief operating officer believes would facilitate the goal
2 of rehabilitating the City of Camden.

3 29. (New section) The mayor and chief operating officer shall
4 establish a community advisory committee in order to provide an
5 efficient means of eliciting citizen input in the rehabilitation and
6 economic recovery and community development of the City of
7 Camden. The community advisory committee shall consist of
8 13 members as follows: three to be appointed by the Commissioner
9 of Community Affairs; three by the city council; and three by the chief
10 operating officer. The mayor shall serve as an ex officio member of
11 the committee and shall appoint an additional three members.

12 Membership of the committee shall include representatives of the
13 municipality's neighborhood, business, labor, faith-based, civic, and
14 public interest organizations. No fewer than three members of the
15 committee shall represent private businesses situated within the City
16 of Camden.

17 The committee shall meet not less than twice a year, at the pleasure
18 of the chief operating officer, and shall assist the chief operating
19 officer in the conduct of the municipal management study pursuant to
20 section 12 of P.L. , c. (C.) (pending before the Legislature
21 as this bill) and such other functions as are assigned to it by the chief
22 operating officer.

23

24 30. (New section) a. All State departments and agencies, to the
25 extent not inconsistent with law and within budget constraints, shall
26 cooperate with the chief operating officer and respond to requests for
27 such information and assistance as are necessary to accomplish the
28 purposes of P.L. , c. (C.) (pending before the Legislature as
29 this bill).

30 b. Notwithstanding any law or regulation to the contrary, during
31 the period of rehabilitation and economic recovery, each State
32 department, agency, or authority shall supersede existing priority
33 setting or ranking systems to place applications from the City of
34 Camden in the highest priority or ranking category for award of
35 grants, benefits, or other considerations that would benefit the
36 municipality. This shall be done to the greatest extent possible to
37 benefit the municipality.

38

39 31. (New section) The State shall not be liable in tort, contract or
40 in the nature of tort for any action or inaction involving the
41 rehabilitation or revitalization of the municipality. The chief operating
42 officer, assistant chief operating officer, and any State officer or
43 employee involved in the rehabilitation or revitalization of the
44 municipality shall not be liable in tort, contract or in the nature of tort
45 personally or as State employees for any action or inaction involving
46 the rehabilitation or revitalization of the municipality.

1 This section shall not be construed to preclude an aggrieved person
2 from maintaining an action in tort, contract or in the nature of tort
3 against the chief operating officer or a State officer or employee
4 involved in the rehabilitation or revitalization of the municipality, as
5 municipal employees. For purposes of those actions the chief
6 operating officer, appointees of the chief operating officer pursuant to
7 subsection d. of section 9 of P.L. , c. (C.) (pending before
8 the Legislature as this bill), and any State officer or employee involved
9 in the rehabilitation shall be deemed officers or employees of the
10 municipality and shall be entitled to the defenses and immunities as
11 provided under the "New Jersey Tort Claims Act," N.J.S.59:1-1 et
12 seq. and the "New Jersey Contractual Liability Act," N.J.S.59:13-1 et
13 seq. for public employees and shall be entitled to defense and
14 indemnification by the municipality as provided to other municipal
15 employees.

16

17 32. (New section) The commissioner shall utilize available
18 mechanisms, such as the Urban Coordinating Council, to coordinate
19 and facilitate communications between the chief operating officer and
20 the various State departments and agencies.

21

22 33. (New section) a. Notwithstanding that the City of Camden
23 has been placed under rehabilitation and economic recovery under
24 P.L. , c. (C.) (pending before the Legislature as this bill), the
25 City of Camden shall remain a body corporate and politic in the same
26 manner as existed prior to rehabilitation and economic recovery.

27 b. Nothing in P.L. , c. (C.) (pending before the Legislature
28 as this bill) shall be construed to interrupt the holding of regular
29 elections of the city council, mayor or other chief executive officer.

30

31 34. (New section) Notwithstanding any law, rule or regulation to
32 the contrary, the governing body of any municipality in which a free
33 public library has been established pursuant to R.S.40:54-1 et seq.
34 situated in a county in which a free county library has been established
35 pursuant to R.S.40:33-1 et seq. may enter into an agreement with the
36 governing body of the county, acting on behalf of the county library
37 commission, for the county library to assume responsibility for the
38 administration and operation of the municipal library system. The
39 agreement shall provide for those financial arrangements necessary in
40 order to assure a smooth transition from municipal to county operation
41 and the transfer of library personnel from the municipal, to the county
42 library system.

43

44 ARTICLE 3. DEMOLITION, CAPITAL IMPROVEMENT AND 45 INFRASTRUCTURE

46 35. (New section) a. The chief operating officer, in consultation

1 with the mayor and the State Economic Recovery Board for the City
2 of Camden established pursuant to section 40 of P.L. , c. (C.)
3 (pending before the Legislature as this bill) shall, within six months of
4 the appointment of the board, oversee the preparation of a capital
5 improvement and infrastructure plan for the City of Camden.

6 The first section of the plan shall be a water and sewer subplan
7 which shall be completed within one year. The water and sewer
8 subplan shall provide a detailed blueprint for the separation of storm
9 drains from the sewer system throughout the city, which improvements
10 shall be completed within four years. In addition, the water and sewer
11 subplan shall coordinate the overlay of municipal roads following the
12 separation of underground lines and designate those roads which
13 require reconstruction and allocate administrative and financial
14 responsibility among various agencies for effectuating the plan. Funds
15 shall be earmarked by the appropriate State agencies from the
16 Transportation Trust Fund and the New Jersey Environmental
17 Infrastructure Trust created pursuant to section 4 of P.L.1985, c.334
18 (C.58:11B-4), in order to accomplish the work plan set forth in the
19 water and sewer subplan.

20 The capital improvement and infrastructure plan shall include those
21 features of the municipal capital improvement program authorized
22 pursuant to section 20 of P.L.1975, c.291 (C.40:55D-29). In addition,
23 the plan shall specifically incorporate: a time frame for making any
24 improvements necessary in the public water system to accommodate
25 proposed redevelopment in the city and surrounding areas; a parks and
26 open public space subplan which encompasses projects to improve the
27 streetscapes, parks, public spaces, and any other relevant aspects of
28 the public environment; and an analysis of public building needs,
29 including administrative offices of the City of Camden, firehouses,
30 police stations, libraries, and any other municipal government
31 functions in light of the organizational and functional analysis of
32 municipal government operations contained in the municipal
33 management study.

34 The capital improvement and infrastructure plan shall recognize the
35 plans of Camden County, the Delaware River Port Authority, the State
36 Department of Transportation, the New Jersey Transit Corporation,
37 Rutgers University, and any other public and non-profit entities which
38 operate in the City of Camden.

39 Any municipal plan which affects the physical development of the
40 city and is adopted by the municipality or any agency or
41 instrumentality thereof after the adoption of the capital improvement
42 and infrastructure plan shall be consistent with that plan.

43 b. The capital improvement and infrastructure plan shall be adopted
44 upon an affirmative vote of a majority of the full authorized
45 membership of the city council.

46

1 36. (New section) In addition to the municipal management study,
2 the chief operating officer in consultation with the mayor, shall cause
3 to be conducted a property tax collection audit in order to ascertain
4 those properties which are in arrears with regard to property taxes and
5 subject to tax sale or foreclosure. The study shall identify the
6 ownership of those properties, the length of time during which taxes
7 have been in arrears, and the likelihood that the properties might be
8 developed individually or assembled with adjacent properties for
9 demolition or redevelopment.

10 Following the completion of the property tax collection audit, the
11 chief operating officer shall submit the study to the Commissioner of
12 Community Affairs, who shall designate the New Jersey Economic
13 Development Authority or the State Economic Recovery Board for the
14 City of Camden to assist in the preparation of a demolition funding
15 plan.

16 The State shall provide the necessary level of funding to allow for
17 the demolition of unsafe structures and clearing of those lots for future
18 development.

19 Those moneys which have been, or which may hereafter be
20 appropriated for demolition under P.L.1999, c.144 from the "Urban
21 and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund"
22 for the City of Camden shall be reappropriated to the State Economic
23 Recovery Board for the City of Camden or the New Jersey Economic
24 Development Authority, as appropriate.

25
26 37. (New section) The governing body of the City of Camden shall
27 convey to the board, for the period of rehabilitation and economic
28 recovery, its right, title and interest in any real property, acquired
29 through the purchase of any tax sale certificate covering that real
30 property whose rights of redemption have been foreclosed under the
31 In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-104.29
32 et seq.), so long as the liens have previously been offered by the city
33 at a public tax lien sale. The board may enter contracts for property
34 tax lien management services pursuant to sections 65 through 69 of
35 P.L. , c. (C.) (pending before the Legislature as this bill).

36 37 ARTICLE 4. REDEVELOPMENT MANAGEMENT

38 38. (New section) The New Jersey Economic Development
39 Authority shall enter with the Delaware River Port Authority
40 established under R.S.32:3-2 into a management agreement which sets
41 forth the terms and conditions under which the Delaware River Port
42 Authority will assume project management responsibilities pursuant to
43 the "Camden Rehabilitation and Economic Recovery
44 Act," P.L. , c. (C.) (pending before the Legislature as this bill).
45 The Delaware River Port Authority shall, subject to such a
46 management agreement, oversee the expenditure of those revenues

1 made available out of: (1) the Interior Gateway Fund; (2) the Camden
2 Aquarium Initiative Fund; (3) the Camden Brownfields Redevelopment
3 Fund; and (4) the Commercial Corridor Improvement Fund created
4 pursuant to section 50 of P.L. , c. (C.) (pending before the
5 Legislature as this bill) subject to the terms and conditions which
6 otherwise govern the Delaware River Port Authority pursuant to law.

7
8 39. Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is amended to read
9 as follows:

10 1. The New Jersey Economic Development Authority shall adopt
11 rules and regulations requiring that not less than the prevailing wage
12 rate be paid to workers employed in the performance of construction
13 contracts undertaken in connection with any of its projects, those
14 projects which it undertakes pursuant to P.L. , c. (C.)
15 (pending before the Legislature as this bill) or school facilities
16 projects. The prevailing wage rate shall be the rate determined by the
17 Commissioner of Labor pursuant to the provisions of P.L.1963, c.150
18 (C.34:11-56.25 et seq.).
19 (cf: P.L.2000, c.72, s.47)

20
21 40. (New section) In order to facilitate the rehabilitation and
22 economic recovery of the City of Camden, there is created a subsidiary
23 corporation of the New Jersey Economic Development Authority,
24 which shall be known as the State Economic Recovery Board for the
25 City of Camden. The board shall operate for the period during which
26 the city is under rehabilitation and economic recovery and for a period
27 of two years thereafter. Any outstanding debts or obligations which
28 remain at the termination of board operation shall be assumed by the
29 authority and any accounts payable to the board shall be due and
30 payable to the authority.

31 The board shall consist of 11 voting members, as follows: the
32 mayor of the City of Camden; the chief operating officer; the State
33 Treasurer; the Commissioner of Community Affairs; the chairperson
34 of the authority; the director of the Camden County Board of Chosen
35 Freeholders, as provided hereunder, all of whom shall serve ex officio
36 and may select a designee to serve in their stead; one member of the
37 Senate chosen by the Senate President and one member of the
38 Assembly chosen by the Assembly Speaker who shall both serve ex
39 officio; and three public members to be appointed by the Governor, at
40 least one of whom shall be a city resident. In addition, the Senior
41 Community Builder in the State office of the federal Department of
42 Housing and Urban Development shall serve as an ex officio, non-
43 voting member of the board.

44 Each public member shall serve for a term of five years. Vacancies
45 in the public membership of the board shall be filled in the same
46 manner as the original appointments are made and a member may be

1 eligible for reappointment. Vacancies occurring other than by
2 expiration of a term shall be filled for the unexpired term. Each ex
3 officio member shall serve for the period during which the city is under
4 rehabilitation and economic recovery and for a period of two years
5 thereafter.

6 The board shall be chaired by the chairperson of the authority or the
7 designee of the chairperson.

8 The voting authority of the director of the Camden County Board
9 of Chosen Freeholders shall not become effective until the filing with
10 the Secretary of State of an agreement entered into by the chief
11 operating officer, acting on behalf of the city, and the county, detailing
12 the financial commitment of the county to the redevelopment of the
13 infrastructure of the city and a proposed construction schedule for the
14 completion thereof.

15

16 41. (New section) The duties of the board shall include, but not be
17 limited to:

18 a. in consultation with the chief operating officer and the mayor,
19 the preparation of the capital improvement and infrastructure master
20 plan, identification of resources necessary to assure its implementation,
21 marshaling of efforts of public and private entities which operate
22 within Camden, and performance of any other tasks requested by the
23 chief operating officer to assure the efficient use of, and maximum
24 access to, public resources in order to assure the economic recovery
25 of the City of Camden;

26 b. the making of grants, matching grants or loans, as appropriate,
27 to finance, in whole or in part, projects which further economic
28 recovery goals of the "Camden Rehabilitation and Economic Recovery
29 Act," P.L. , c. (C.) (pending before the Legislature as this
30 bill), and which are consistent with the capital improvement and
31 infrastructure master plan, out of: (1) the Neighborhood
32 Redevelopment Fund; (2) the Camden Higher Education Economic
33 Development Fund; (3) the Camden Regional Health Care Facilities
34 Fund; and (4) the Neighborhood Revitalization Fund; and

35 c. the review and approval of plans submitted by Rutgers, the State
36 University, Rowan University, the University of Medicine & Dentistry
37 of New Jersey, Camden County College or any other institution of
38 higher education as a prerequisite for the receipt of funding out of the
39 "Camden Higher Education Economic Development Fund" created
40 pursuant to section 51 of P.L. , c. (C.) (pending before the
41 Legislature as this bill) and by Our Lady of Lourdes Medical Center
42 and Cooper Hospital/University Medical Center as a prerequisite for
43 the receipt of funding out of the "Camden Regional Health Care
44 Facilities Fund" created pursuant to section 52 of P.L. , c.
45 (C.) (pending before the Legislature as this bill). The approval of
46 these plans shall not be unreasonably or arbitrarily withheld.

1

2 42. (New section) Except as otherwise limited in this act, the
3 board shall have power:

4 a. to sue and be sued;

5 b. to have a seal and alter the same at pleasure;

6 c. to make and execute contracts and all other instruments
7 necessary or convenient for the exercise of its powers and functions
8 under this act;

9 d. to make and alter bylaws for its organization and internal
10 management and, subject to agreements with noteholders or
11 bondholders, to make rules and regulations with respect to its projects,
12 operations, properties and facilities;

13 e. to acquire, hold and dispose of real or personal property for its
14 corporate purposes;

15 f. to appoint officers, agents and employees, prescribe their duties
16 and fix their compensation;

17 g. to acquire or contract to acquire from any individual,
18 partnership, trust, association or corporation, or any public agency, by
19 grant, purchase or otherwise, real or personal property or any interest
20 therein; to own, hold, clear, improve, rehabilitate and develop, and to
21 sell, assign, exchange, transfer, convey, lease, mortgage or otherwise
22 dispose of or encumber the same;

23 h. to acquire, construct, reconstruct, rehabilitate, improve, alter or
24 repair or provide for construction, reconstruction, rehabilitation,
25 improvement, alteration or repair of any project;

26 i. to sell, lease, assign, transfer, convey, exchange, mortgage, or
27 otherwise dispose of or encumber any project, and in the case of the
28 sale of any project, to accept a purchase money mortgage in
29 connection therewith; and to lease, repurchase or otherwise acquire
30 and hold any project which the board has theretofore sold, leased or
31 otherwise conveyed, transferred or disposed of;

32 j. to grant options to purchase any project or to renew any leases
33 entered into by it in connection with any of its projects, on such terms
34 and conditions as it may deem advisable;

35 k. to prepare or cause to be prepared plans, specifications, designs
36 and estimates of costs for the construction, reconstruction,
37 rehabilitation, improvement, alteration or repair of any project, and
38 from time to time to modify such plans, specifications, designs or
39 estimates;

40 l. to manage any project, whether then owned or leased by the
41 board, and to enter into agreements with any individual, partnership,
42 trust, association or corporation, or with any public agency, for the
43 purpose of causing any project to be managed;

44 m. to provide advisory, consultative, training and educational
45 services, technical assistance and advice to any individual, partnership,
46 trust, association or corporation, or to any public agency, in order to

- 1 carry out the purposes of P.L. , c. (C.) (pending before the
2 Legislature as this bill);
- 3 n. to issue, purchase, pledge and sell stock in projects of the board
4 on such terms and conditions as the board may deem advisable;
- 5 o. subject to the provisions of any contract with noteholders, to
6 consent to the modification, with respect to rate of interest, time of
7 payment or any installment of principal or interest, security, or any
8 other terms, of any loan, mortgage, commitment, contract or
9 agreement of any kind to which the board is a party;
- 10 p. in connection with any property on which it has made a mortgage
11 loan, to foreclose on the property or commence any action to protect
12 or enforce any right conferred upon it by any law, mortgage, contract
13 or other agreement, and to bid for or purchase the property at any
14 foreclosure or at any other sale, or acquire or take possession of the
15 property; and in such event the board may complete, administer, pay
16 the principal of and interest on any obligations incurred in connection
17 with the property, dispose of and otherwise deal with the property, in
18 such manner as may be necessary or desirable to protect the interests
19 of the board therein;
- 20 q. to invest any funds held in reserve or sinking funds, or any
21 moneys not required for immediate use and disbursement, at the
22 discretion of the board, in obligations of this State or of the United
23 States, or obligations the principal and interest of which are
24 guaranteed by this State or the United States;
- 25 r. to procure insurance against any loss in connection with its
26 property and other assets and operations, in such amounts and from
27 such insurers as it deems desirable;
- 28 s. to engage the services of consultants on a contract basis for
29 rendering professional and technical assistance and advice;
- 30 t. to contract for and to accept any gifts or grants or loans of funds
31 or property or financial or other aid in any form from the federal
32 government or any agency or instrumentality thereof, or from the State
33 or a municipality or any agency or instrumentality thereof, or from any
34 other source, and, subject to the provisions of this act and any other
35 applicable law, to comply with the terms and conditions thereof;
- 36 u. to establish, levy and collect, in connection with any civic project
37 or utilities project managed or operated by the board, whether then
38 owned or leased by the board, user fees and facility charges;
- 39 v. to do any and all things necessary or convenient to carry out its
40 purposes and exercise the powers given and granted in this act;
- 41 w. to borrow money or secure credit against the assets of the board
42 on a temporary, short-term, interim or long-term basis;
- 43 x. to make short-term loans or advances to developers for
44 construction in anticipation of the issuance of permanent loans; and
- 45 y. to exercise sole authority for investment, reinvestment or
46 expenditure of its revenues, fund balances and appropriations

1 consistent with the purposes of this act on projects and investments
2 utilizing revenues from the sale of government obligation bonds, which
3 projects shall be subject to the approval of the State Treasurer, and the
4 Treasurer's actions shall be based solely on the treasurer's fiduciary
5 role to ensure that all applicable federal and State tax laws are adhered
6 to regarding the investment of bond funds.

7
8 43. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as
9 follows:

10 5. The authority shall have the following powers:

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

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

14 c. To sue and be sued;

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

31 e. To enter into contracts with a person upon such terms and
32 conditions as the authority shall determine to be reasonable, including,
33 but not limited to, reimbursement for the planning, designing,
34 financing, construction, reconstruction, improvement, equipping,
35 furnishing, operation and maintenance of the project or the school
36 facilities project and to pay or compromise any claims arising
37 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 g. To sell, convey or lease to any person all or any portion of a
41 project or school facilities project, for such consideration and upon
42 such terms as the authority may determine to be reasonable;

43 h. To mortgage, pledge or assign or otherwise encumber all or any
44 portion of a project , school facilities project or revenues, whenever
45 it shall find such action to be in furtherance of the purposes of this act
46 and P.L.2000, c.72 (C.18A:7G-1 et al.);

- 1 i. To grant options to purchase or renew a lease for any of its
2 projects or school facilities projects on such terms as the authority may
3 determine to be reasonable;
- 4 j. To contract for and to accept any gifts or grants or loans of
5 funds or property or financial or other aid in any form from the United
6 States of America or any agency or instrumentality thereof, or from
7 the State or any agency, instrumentality or political subdivision
8 thereof, or from any other source and to comply, subject to the
9 provisions of this act and P.L.2000, c.72 (C.18A:7G-1 et al.), with the
10 terms and conditions thereof;
- 11 k. In connection with any application for assistance under this act
12 or P.L.2000, c.72 (C.18A:7G-1 et al.) or commitments therefor, to
13 require and collect such fees and charges as the authority shall
14 determine to be reasonable;
- 15 l. To adopt, amend and repeal regulations to carry out the
16 provisions of this act and P.L.2000, c.72 (C.18A:7G-1 et al.);
- 17 m. To acquire, purchase, manage and operate, hold and dispose of
18 real and personal property or interests therein, take assignments of
19 rentals and leases and make and enter into all contracts, leases,
20 agreements and arrangements necessary or incidental to the
21 performance of its duties;
- 22 n. To purchase, acquire and take assignments of notes, mortgages
23 and other forms of security and evidences of indebtedness;
- 24 o. To purchase, acquire, attach, seize, accept or take title to any
25 project or school facilities project by conveyance or by foreclosure,
26 and sell, lease, manage or operate any project or school facilities
27 project for a use specified in this act and P.L.2000, c.72 (C.18A:7G-1
28 et al.);
- 29 p. To borrow money and to issue bonds of the authority and to
30 provide for the rights of the holders thereof, as provided in this act and
31 P.L.2000, c.72 (C.18A:7G-1 et al.);
- 32 q. To extend credit or make loans to any person for the planning,
33 designing, acquiring, constructing, reconstructing, improving,
34 equipping and furnishing of a project or school facilities project, which
35 credits or loans may be secured by loan and security agreements,
36 mortgages, leases and any other instruments, upon such terms and
37 conditions as the authority shall deem reasonable, including provision
38 for the establishment and maintenance of reserve and insurance funds,
39 and to require the inclusion in any mortgage, lease, contract, loan and
40 security agreement or other instrument, such provisions for the
41 construction, use, operation and maintenance and financing of a
42 project or school facilities project as the authority may deem necessary
43 or desirable;
- 44 r. To guarantee up to 90% of the amount of a loan to a person, if
45 the proceeds of the loan are to be applied to the purchase and
46 installation, in a building devoted to industrial or commercial

- 1 purposes, or in an office building, of an energy improvement system;
- 2 s. To employ consulting engineers, architects, attorneys, real estate
3 counselors, appraisers, and such other consultants and employees as
4 may be required in the judgment of the authority to carry out the
5 purposes of this act and P.L.2000, c.72 (C.18A:7G-1 et al.), and to fix
6 and pay their compensation from funds available to the authority
7 therefor, all without regard to the provisions of Title 11A of the New
8 Jersey Statutes;
- 9 t. To do and perform any acts and things authorized by this act and
10 P.L.2000, c.72 (C.18A:7G-1 et al.) under, through or by means of its
11 own officers, agents and employees, or by contract with any person;
- 12 u. To procure insurance against any losses in connection with its
13 property, operations or assets in such amounts and from such insurers
14 as it deems desirable;
- 15 v. To do any and all things necessary or convenient to carry out its
16 purposes and exercise the powers given and granted in this act and
17 P.L.2000, c.72 (C.18A:7G-1 et al.);
- 18 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
19 maintain or repair or provide for the construction, reconstruction,
20 improvement, alteration, equipping or maintenance or repair of any
21 development property and lot, award and enter into construction
22 contracts, purchase orders and other contracts with respect thereto,
23 upon such terms and conditions as the authority shall determine to be
24 reasonable, including, but not limited to, reimbursement for the
25 planning, designing, financing, construction, reconstruction,
26 improvement, equipping, furnishing, operation and maintenance of any
27 such development property and the settlement of any claims arising
28 therefrom and the establishment and maintenance of reserve funds with
29 respect to the financing of such development property;
- 30 x. When authorized by the governing body of a municipality
31 exercising jurisdiction over an urban growth zone, to construct, cause
32 to be constructed or to provide financial assistance to projects in an
33 urban growth zone which shall be exempt from the terms and
34 requirements of the land use ordinances and regulations, including, but
35 not limited to, the master plan and zoning ordinances, of such
36 municipality;
- 37 y. To enter into business employment incentive agreements as
38 provided in the "Business Employment Incentive Program Act,"
39 P.L.1996, c.26 (C.34:1B-124 et al.);
- 40 z. To undertake school facilities projects and to enter into
41 agreements or contracts, execute instruments, and do and perform all
42 acts or things necessary, convenient or desirable for the purposes of
43 the authority to carry out any power expressly provided pursuant to
44 P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.2000, c.72 (C.18A:7G-1
45 et al.), including, but not limited to, entering into contracts with the
46 State Treasurer, the Commissioner of Education, districts and any

- 1 other entity which may be required in order to carry out the provisions
 2 of P.L.2000, c.72 (C.18A:7G-1 et al.);
- 3 aa. To enter into leases, rentals or other disposition of a real
 4 property interest in and of any school facilities project to or from any
 5 local unit pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.);
- 6 bb. To make and contract to make loans or leases and to make
 7 grants to local units to finance the cost of school facilities projects and
 8 to acquire and contract to acquire bonds, notes or other obligations
 9 issued or to be issued by local units to evidence the loans or leases, all
 10 in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et
 11 al.);
- 12 cc. Subject to any agreement with holders of its bonds issued to
 13 finance a project or school facilities project, obtain as security or to
 14 provide liquidity for payment of all or any part of the principal of and
 15 interest and premium on the bonds of the authority or for the purchase
 16 upon tender or otherwise of the bonds, lines of credit, letters of credit,
 17 reimbursement agreements, interest rate exchange agreements,
 18 currency exchange agreements, interest rate floors or caps, options,
 19 puts or calls to hedge payment, currency, rate, spread or similar
 20 exposure or similar agreements, float agreements, forward agreements,
 21 insurance contract, surety bond, commitment to purchase or sell
 22 bonds, purchase or sale agreement, or commitments or other contracts
 23 or agreements, and other security agreements or instruments in any
 24 amounts and upon any terms as the authority may determine and pay
 25 any fees and expenses required in connection therewith; [and]
- 26 dd. To charge to and collect from local units, the State and any
 27 other person, any fees and charges in connection with the authority's
 28 actions undertaken with respect to school facilities projects, including,
 29 but not limited to, fees and charges for the authority's administrative,
 30 organization, insurance, operating and other expenses incident to the
 31 financing, construction and placing into service and maintenance of
 32 school facilities projects; and
- 33 ee. To oversee and monitor progress on the part of the Delaware
 34 River Port Authority and the State Economic Recovery Board for the
 35 City of Camden created pursuant to section 40 of P.L. , c.
 36 (C.) (pending before the Legislature as this bill) in carrying out
 37 the revitalization, economic development and restoration projects
 38 authorized pursuant to the "Camden Rehabilitation and Economic
 39 Recovery Act," P.L. , c. (C.) (pending before the Legislature
 40 as this bill) and otherwise fulfilling their responsibilities pursuant
 41 thereto.
- 42 (cf: P.L.2000, c.72, s.46)

43

44 ARTICLE 8. FUNDING AND FUND MANAGEMENT

45 44. (New section) As used in this article:

46 "Bonds" means bonds, notes or other obligations issued by the

1 authority pursuant to P.L. , c. (C.) (pending before the
2 Legislature as this bill); and

3 "Refunding bonds" means bonds, notes or other obligations issued
4 to refinance bonds, notes or other obligations previously issued by the
5 authority pursuant to section 45 of P.L. , c. (C.) (pending
6 before the Legislature as this bill).

7

8 45. (New section) Notwithstanding the provisions of any law, rule,
9 regulation or order to the contrary:

10 a. The authority shall have the power, pursuant to the provisions
11 of P.L. , c. (C.) (pending before the Legislature as this bill)
12 and P.L.1974, c.80 (C.34:1B-1 et seq.), to issue bonds and refunding
13 bonds, incur indebtedness and borrow money secured, in whole or in
14 part, by money received pursuant to sections 46 and 47 of P.L. ,
15 c. (C.) (pending before the Legislature as this bill), for the
16 purpose of making the deposits described in section 48 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill). The total
18 outstanding principal amount of the bonds shall not exceed
19 \$173,600,000. In computing the foregoing limitation as to amount,
20 there shall be excluded all bonds which shall be issued for (i) costs
21 incurred in connection with the issuance of the bonds and (ii)
22 refunding purposes, provided that the refunding shall be determined by
23 the authority to result in a debt service savings. The authority may
24 establish reserve or other funds to further secure bonds and refunding
25 bonds.

26 b. The authority may, in any resolution authorizing the issuance of
27 bonds or refunding bonds, pledge the contract with the State
28 Treasurer, provided for in section 47 of P.L. , c. (C.)
29 (pending before the Legislature as this bill), or any part thereof, for the
30 payment or redemption of the bonds or refunding bonds, and covenant
31 as to the use and disposition of money available to the authority for
32 payments of bonds and refunding bonds. All costs associated with the
33 issuance of bonds and refunding bonds by the authority for the
34 purposes set forth in P.L. , c. (C.) (pending before the
35 Legislature as this act) may be paid by the authority from amounts it
36 receives from the proceeds of the bonds or refunding bonds and from
37 amounts it receives pursuant to sections 46 and 47 of
38 P.L. , c. (C.) (pending before the Legislature as this bill),
39 which costs may include, but are not limited to, any costs relating to
40 the issuance of the bonds or refunding bonds and costs attributable to
41 the agreements described in subsection c. of this section. The bonds
42 or refunding bonds shall be authorized by resolution, which shall
43 stipulate the manner of execution and form of the bonds whether the
44 bonds are in one or more series, the date or dates of issue, time or
45 times of maturity, which shall not exceed 40 years, the rate or rates of
46 interest payable on the bonds, which may be at fixed rates or variable

1 rates, and which interest may be current interest or may accrue, the
2 denomination or denominations in which the bonds are issued,
3 conversion or registration privileges, the sources and medium of
4 payment and place or places of payment, terms of redemption,
5 privileges of exchangeability or interchangeability, and entitlement to
6 priorities of payment or security in the amounts to be received by the
7 authority pursuant to sections 46 and 47 of P.L. , c. (C.)
8 (pending before the Legislature as this bill). The bonds may be sold
9 at a public or private sale at a price or prices determined by the
10 authority. The authority is authorized to enter into any agreements
11 necessary or desirable to effectuate the purposes of this section,
12 including agreements to sell bonds or refunding bonds to any persons
13 and to comply with the laws of any jurisdiction relating thereto.

14 c. In connection with any bonds or refunding bonds issued
15 pursuant to P.L. , c. (C.) (pending before the Legislature as
16 this bill), the authority may also enter into any revolving credit
17 agreement, agreement establishing a line of credit or letter of credit,
18 reimbursement agreement, interest rate exchange agreement, currency
19 exchange agreement, interest rate floor or cap, options, puts or calls
20 to hedge payment, currency, rate, spread or similar exposure, or
21 similar agreements, float agreements, forward agreements, insurance
22 contract, surety bond, commitment to purchase or sell bonds, purchase
23 or sale agreement, or commitments or other contracts or agreements
24 and other security agreements approved by the authority.

25 d. No resolution adopted by the authority authorizing the issuance
26 of bonds or refunding bonds pursuant to P.L. , c. (C.)
27 (pending before the Legislature as this bill) shall be adopted or
28 otherwise made effective without the approval in writing of the State
29 Treasurer. Except as provided by subsection i. of section 4 of
30 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued
31 without obtaining the consent of any department, division,
32 commission, board, bureau or agency of the State, other than the
33 approval as required by this subsection, and without any other
34 proceedings or the occurrence of any other conditions or other things
35 other than those proceedings, conditions or things which are
36 specifically required by P.L. , c. (C.) (pending before the
37 Legislature as this bill).

38 e. Bonds and refunding bonds issued by the authority pursuant to
39 P.L. , c. (C.) (pending before the Legislature as this bill)
40 shall be special and limited obligations of the authority payable from,
41 and secured by, such funds and moneys determined by the authority in
42 accordance with this section. Neither the members of the authority
43 nor any other person executing the bonds or refunding bonds shall be
44 personally liable with respect to payment of interest and principal on
45 these bonds or refunding bonds. Bonds or refunding bonds issued
46 pursuant to the provisions of P.L. , c. (C.) (pending before

1 the Legislature as this bill) shall not be a debt or liability of the State
2 or any agency or instrumentality thereof, except as otherwise provided
3 by this subsection, either legal, moral or otherwise, and nothing
4 contained in P.L. , c. (C.) (pending before the Legislature as
5 this bill) shall be construed to authorize the authority to incur any
6 indebtedness on behalf of or in any way to obligate the State or any
7 political subdivision thereof, and all bonds and refunding bonds issued
8 by the authority shall contain a statement to that effect on their face.

9 f. The authority is authorized to engage, subject to the approval of
10 the State Treasurer and in such manner as the State Treasurer shall
11 determine, the services of financial advisors and experts, placement
12 agents, underwriters, appraisers, and such other advisors, consultants
13 and agents as may be necessary to effectuate the purposes of
14 P.L. , c. (C.) (pending before the Legislature as this bill).

15 g. The proceeds from the sale of the bonds, other than refunding
16 bonds, issued pursuant to P.L. , c. (C.) (pending before the
17 Legislature as this bill), after payment of any costs related to the
18 issuance of such bonds, shall be applied to the purposes set forth in
19 section 48 of P.L. , c. (C.) (pending before the Legislature
20 as this bill).

21 h. All bonds or refunding bonds issued by the authority are deemed
22 to be issued by a body corporate and politic of the State for an
23 essential governmental purpose, and the interest thereon and the
24 income derived from all funds, revenues, incomes and other moneys
25 received for or to be received by the authority and pledged and
26 available to pay or secure the payment on bonds or refunding bonds
27 and the interest thereon, shall be exempt from all taxes levied pursuant
28 to the provisions of Title 54 of the Revised Statutes or Title 54A of
29 the New Jersey Statutes, except for transfer, inheritance and estate
30 taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

31 i. The State hereby pledges and covenants with the holders of any
32 bonds or refunding bonds issued pursuant to the provisions of P.L. ,
33 c. (C.) (pending before the Legislature as this bill), that it will
34 not limit or alter the rights or powers vested in the authority by
35 P.L. , c. (C.) (pending before the Legislature as this bill), nor
36 limit or alter the rights or powers of the State Treasurer in any manner
37 which would jeopardize the interest of the holders or any trustee of
38 such holders, or inhibit or prevent performance or fulfillment by the
39 authority or the State Treasurer with respect to the terms of any
40 agreement made with the holders of these bonds or refunding bonds or
41 agreements made pursuant to subsection e. of this section, except that
42 the failure of the Legislature to appropriate moneys for any purpose
43 of P.L. , c. (C.) (pending before the Legislature as this bill)
44 shall not be deemed a violation of this section.

45 j. Notwithstanding any restriction contained in any other law, rule,
46 regulation or order to the contrary, the State and all political

1 subdivisions of this State, their officers, boards, commissioners,
2 departments or other agencies, all banks, bankers, trust companies,
3 savings banks and institutions, building and loan associations, saving
4 and loan associations, investment companies and other persons
5 carrying on a banking or investment business, and all executors,
6 administrators, guardians, trustees and other fiduciaries, and all other
7 persons whatsoever who now are or may hereafter be authorized to
8 invest in bonds or other obligations of the State, may properly and
9 legally invest any sinking funds, moneys or other funds, including
10 capital, belonging to them or within their control, in any bonds or
11 refunding bonds issued by the authority under the provisions of
12 P.L. , c. (C.) (pending before the Legislature as this bill);
13 and said bonds and refunding bonds are hereby made securities which
14 may properly and legally be deposited with, and received by any State
15 or municipal officers or agency of the State, for any purpose for which
16 the deposit of bonds or other obligations of the State is now, or may
17 hereafter be authorized by law.

18

19 46. (New section) a. The State Treasurer shall, in each State
20 fiscal year, pay from the General Fund to the authority, in accordance
21 with a contract or contracts between the State Treasurer and the
22 authority, authorized pursuant to section 47 of P.L. , c.
23 (C.) (pending before the Legislature as this bill), an amount
24 equivalent to the amount due to be paid in such State fiscal year to pay
25 the debt service incurred for such State fiscal year on the bonds or
26 refunding bonds of the authority issued pursuant to P.L. , c.
27 (C.) (pending before the Legislature as this bill) and any additional
28 costs authorized by section 45 of P.L. , c. (C.) (pending
29 before the Legislature as this bill); and

30 b. In addition to such terms and conditions as are agreed upon
31 pursuant to section 47 of P.L. , c. (C.) (pending before the
32 Legislature as this bill), the contract or contracts shall provide that all
33 such payments from the General Fund shall be subject to, and
34 dependent upon, appropriations being made from time to time by the
35 Legislature for these purposes.

36

37 47. (New section) The State Treasurer and the authority are
38 authorized to enter into one or more contracts to implement the
39 payment arrangement that is provided for in section 46 of P.L. , c.
40 (C.) (pending before the Legislature as this bill). The contract or
41 contracts shall provide for payment by the State Treasurer of the
42 amounts required to be paid pursuant to section 46 of P.L. , c.
43 (C.) (pending before the Legislature as this bill) and shall set forth
44 the procedure for the transfer of moneys for the purpose of paying
45 such moneys. The contract or contracts shall contain such terms and
46 conditions as are determined by the parties, and shall include, but not

1 be limited to, terms and conditions necessary pursuant to P.L. ,
2 c. (C.) (pending before the Legislature as this bill); provided,
3 however, that notwithstanding any other provision of any law, rule,
4 regulation or order to the contrary, the authority shall be paid only
5 such funds as shall be determined by the contract or contracts and
6 further provided that the incurrence of any obligation of the State
7 under the contract or contracts, including any payments to be made
8 thereunder from the General Fund, shall be subject to and dependent
9 upon appropriations being made from time to time by the Legislature
10 for the purposes of P.L. , c. (C.) (pending before the
11 Legislature as this bill).

12

13 48. (New section) a. The New Jersey Economic Development
14 Authority shall establish and maintain a series of special funds as
15 provided in sections 49 through 52 of P.L. , c. (C.) (pending
16 before the Legislature as this bill) into which shall be deposited such
17 moneys: (1) as shall be paid to the funds by the State Treasurer; (2) as
18 shall be appropriated by the State for the purpose of such funds; (3)
19 as shall be deposited into the funds in accordance with section 70 of
20 P.L. , c. (C.) (pending before the Legislature as this bill) and
21 (4) any other moneys or funds of the authority which it determines to
22 deposit therein. Moneys in the funds may be invested in such
23 obligations as the authority may approve and interest or other earnings
24 on such investments shall be credited to the funds.

25 b. In addition to the powers of the authority set forth in section 5
26 of P.L.1974, c.80 (C.34:1B-5) and other powers which may be
27 conferred on the authority or the executive director by P.L. ,
28 c. (C.) (pending before the Legislature as this bill), the
29 authority, by resolution, shall have the power to: (1) pay all or part of
30 the cost of an eligible project; and (2) make loans, guarantees, equity
31 investments, and grants, or provide other forms of financing for an
32 eligible project.

33 c. The purpose of the special funds established pursuant to
34 subsection a. of this section shall be to provide grants and loans of a
35 sufficient scale and visibility to expand and sustain economic activity
36 in the City of Camden, both within the central business district and in
37 order to encourage revitalization of the city's neighborhoods outside
38 of the central business district through the rehabilitation, acquisition,
39 demolition and redevelopment of property within those
40 neighborhoods, the improvement of city-owned water supply and
41 distribution facilities, and, where necessary, the remediation of
42 brownfields sites to foster redevelopment. Grants shall be made
43 available to the City of Camden in order to strengthen the provision of
44 municipal services through capital construction and reconstruction of
45 public buildings and financial assistance necessary to allow for the
46 purchase of equipment considered vital to the sustenance of municipal

1 public services, particularly public safety.

2

3 49. (New section) The State Economic Recovery Board for the
4 City of Camden shall administer the following funds as provided
5 pursuant to section 41 of P.L. , c. (C.) (pending before the
6 Legislature as this bill):

7 a. the "Neighborhood Revitalization Fund," into which shall be
8 deposited the sum of \$27 million from bond proceeds, to be disbursed
9 at the discretion of the executive director and upon the
10 recommendation of the chief operating officer, of which \$10 million
11 which shall be used to make grants, matching grants or loans, to
12 support water and sewer improvements not funded by the county, and
13 the remaining \$17 million shall be used to make grants, matching
14 grants or loans to support the removal of litter and clean community
15 activities, the development of tot-lots, community gardens, landscape
16 amenities, small scale demolitions, streetscape improvements, property
17 acquisition, and restoration in neighborhoods outside of the central
18 business district;

19 b. the "Neighborhood Redevelopment Fund," into which shall be
20 deposited the sum of \$42 million from bond proceeds, which shall be
21 used to provide grants, matching grants or loans to support
22 neighborhood rehabilitation, land acquisition, brownfields remediation,
23 demolition and redevelopment;

24 c. the "Camden Higher Education Economic Development Fund"
25 established pursuant to section 51 of P.L. , c. (C.) (pending
26 before the Legislature as this bill); and

27 d. the "Camden Regional Health Care Facilities Fund" established
28 pursuant to section 52 of P.L. , c. (C.) (pending before the
29 Legislature as this bill).

30

31 50. (New section) The Delaware River Port Authority shall
32 administer the following funds as provided pursuant to section 38 of
33 P.L. , c. (C.) (pending before the Legislature as this bill):

34 a. the Interior Gateway Fund, into which shall be deposited the
35 sum of \$23.5 million from bond proceeds, which shall be used to make
36 grants, matching grants or loans, at the discretion of the executive
37 director and upon the recommendation of the chief operating officer,
38 to support streetscape improvements, facade restoration, street
39 signage improvements, street resurfacing, demolition and restoration
40 of commercial structures, property acquisition, and redevelopment
41 projects;

42 b. the Camden Brownfields Redevelopment Fund, into which shall
43 be deposited the sum of \$5 million from bond proceeds, which shall be
44 used to provide grants, matching grants or loans to support
45 brownfields remediation in order to foster redevelopment;

46 c. the Commercial Corridor Improvement Fund, into which shall

1 be deposited the sum of \$5 million from bond proceeds, which shall be
2 used to provide grants, matching grants or loans to support
3 streetscape improvements, facade restoration, street signage
4 improvements, street resurfacing, small scale demolition and
5 restoration of commercial structures situated outside of the central
6 business district and outside the waterfront area; and

7 d. the "Camden Aquarium Initiative Fund," into which shall be
8 deposited the sum of \$30 million from bond proceeds to be made
9 available for the expansion and upgrade of the aquarium by a private
10 developer. Moneys from the fund shall be made available on a
11 matching basis, with three dollars of State money to be made available
12 for every dollar raised by a private developer. The receipt of funds by
13 a private developer shall be subject to those conditions set forth
14 pursuant to section 58 of P.L. , c. (C.) (pending before the
15 Legislature as this bill).

16 Funds paid out of the "Camden Aquarium Initiative Fund" may be
17 used for debt retirement; however, any funds used for that purpose
18 shall not be subject to the matching requirement pursuant to this
19 subsection.

20

21 51. (New section) There is created in the New Jersey Economic
22 Development Authority the "Camden Higher Education Economic
23 Development Fund" which shall be used to provide grants, on a one-
24 to-one matching basis, to non-profit educational institutions in order
25 to encourage the development of student housing, retail facilities and
26 commercial enterprises in the central business district of the City of
27 Camden, subject to those conditions set forth in section 58 of
28 P.L. , c. (C.) (pending before the Legislature as this bill).

29 Any facility constructed using bond proceeds shall be located within
30 the central business district of the City of Camden and shall be co-
31 located with other university buildings.

32 With respect to Rowan University, these funds shall be made
33 available on the condition that the university shall offer at least two
34 full four- year programs, thereby allowing students to complete an
35 entire course of study on the campus housed in the central business
36 district. In addition, Rowan University may use these matching funds
37 in conjunction with land acquisition moneys received by that university
38 from the Delaware River Port Authority.

39 The bond proceeds shall be allocated as follows:

40 a. the sum of \$11 million shall be made available to Rutgers, the
41 State University;

42 b. the sum of \$5 million shall be made available to Rowan
43 University;

44 c. the sum of \$9 million shall be made available to the University
45 of Medicine & Dentistry of New Jersey; and

46 d. the sum of \$3.5 million shall be made available to Camden

1 County College.

2 Moneys shall be committed within four years of the effective date
3 of P.L. , c. (C.) (pending before the Legislature as this
4 bill).

5 52. (New section) There is created in the New Jersey Economic
6 Development Authority the "Camden Regional Health Care Facilities
7 Fund" into which shall be deposited the sum of \$12.6 million from
8 bond proceeds which shall be used to provide grants, on a matching
9 basis, to regional health care facilities situated within the City of
10 Camden, to allow for facility expansion, including but not limited to,
11 facilities for pre-admission testing, occupational health, health-related
12 educational facilities such as a school of nursing, emergency room
13 facilities and such ancillary facilities as a heliport, subject to those
14 conditions set forth in sections 41 and 58 of P.L. , c. (C.)
15 (pending before the Legislature as this bill). Each health care facility
16 shall be required to raise one dollar for every three dollars provided by
17 the State. The bond proceeds shall be allocated as follows:

18 a. the sum of \$3 million shall be made available to Our Lady of
19 Lourdes Medical Center; and

20 b. the sum of \$9.6 million shall be made available to Cooper
21 Hospital/University Medical Center; provided, however, that no funds
22 shall be made available to Cooper Hospital/University Medical Center
23 for the purpose of establishing or expanding family practice facilities.
24 Cooper Hospital/University Medical Center may make available a
25 portion of these funds to a federally-qualified health center operating
26 in the City of Camden.

27

28 53. (New section) There is created in the Department of Labor the
29 "Camden Economic Opportunity Fund," into which shall be deposited
30 the sum of \$2.5 million, which shall be used, in coordination with the
31 job training provisions of the State's school construction program, to
32 create employment and entrepreneurial opportunities through the
33 completion of the Gateway project, entrepreneurial training, and
34 grants and loans to small business development in South Camden, and
35 loans for housing development.

36

37 ARTICLE 6. ECONOMIC DEVELOPMENT

38 54. (New section) Notwithstanding the provisions of the "New
39 Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60
40 et seq.), upon the effective date of P.L. , c. (C.) (pending
41 before the Legislature as this bill), and for the duration of the period
42 of rehabilitation and economic recovery, all reduced rate revenues
43 collected within the urban enterprise zone in the city of Camden shall
44 be deposited into the enterprise zone assistance fund created pursuant
45 to section 29 of P.L.1983, c.303 (C.52:27H-88). Upon the termination
46 of the period of rehabilitation and economic recovery, the disposition

1 of reduced rate revenues collected within the urban enterprise zone
2 shall be governed by the provisions of general law.

3

4 55. (New section) As used in this section and section 56 of
5 P.L. , c. (C.) (pending before the Legislature as this bill):

6 a. "Business facility" means any factory, mill, plant, refinery,
7 warehouse, building, complex of buildings or structural components
8 of buildings, and all machinery, equipment and personal property
9 located within the City of Camden, used in connection with the
10 operation of the business of a corporation that is subject to the tax
11 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and
12 all facility preparation and start-up costs of the taxpayer for the
13 business facility which it capitalizes for federal income tax purposes.

14 b. "Business relocation or business expansion property" means
15 improvements to real property and tangible personal property, but only
16 if that improvement or personal property is constructed or purchased
17 and placed in service or use by the taxpayer, for use as a component
18 part of a new or expanded business facility located in the City of
19 Camden.

20 (1) Business relocation or business expansion property shall
21 include only:

22 (a) improvements to real property placed in service or use as a
23 business facility on or after the operative date of P.L. , c. (C.)
24 (pending before the Legislature as this bill) by the taxpayer;

25 (b) tangible personal property placed in service or use by the
26 taxpayer on or after the operative date of P.L. , c. (C.)(pending
27 before the Legislature as this bill), with respect to which depreciation,
28 or amortization in lieu of depreciation, is allowable in determining the
29 corporation business tax liability of the taxpayer under P.L.1945,
30 c.162, and which has a remaining recovery period of three or more
31 years at the time the property is placed in service or use in the City of
32 Camden; or

33 (c) tangible personal property owned and used by the taxpayer at
34 a business location outside the City of Camden which is moved into
35 the City of Camden on or after the effective date of P.L. , c.
36 (C.)(pending before the Legislature as this bill), for use as a
37 component part of a new or expanded business facility located in the
38 City of Camden; provided that the property is depreciable or
39 amortizable personal property for income tax purposes, and has a
40 remaining recovery period of three or more years at the time the
41 property is placed in service or use in the City of Camden.

42 (2) Property purchased for business relocation or expansion shall
43 not include:

44 (a) repair costs, including materials used in the repair, unless for
45 federal income tax purposes, the cost of the repair must be capitalized
46 and not expensed;

1 (b) airplanes;

2 (c) property which is primarily used outside the City of Camden
3 with that use being determined based upon the amount of time the
4 property is actually used both within and without the City of Camden;

5 (d) property which is acquired incident to the purchase of the stock
6 or assets of the seller.

7 (3) Property shall be deemed to have been purchased prior to a
8 specified date only if:

9 (a) the physical construction, reconstruction or erection of the
10 property was begun prior to the specified date, or such property was
11 constructed, reconstructed, erected or acquired pursuant to a written
12 contract as existing and binding on the purchase prior to the specified
13 date; or

14 (b) the machinery or equipment was owned by the taxpayer prior
15 to the specified date, or was acquired by the taxpayer pursuant to a
16 binding purchase contract which was in effect prior to the specified
17 date.

18 c. "Business relocation or expansion" means capital investment in
19 a new or expanded business facility in the City of Camden.

20 d. "Controlled group" means one or more chains of corporations
21 connected through stock ownership with a common parent corporation
22 if stock possessing at least 50% of the voting power of all classes of
23 stock of each of the corporations is owned directly or indirectly by one
24 or more of the corporations; and the common parent owns directly
25 stock possessing at least 50% of the voting power of all classes of
26 stock of at least one of the other corporations.

27 e. "Director" means the Director of the Division of Taxation in the
28 Department of the Treasury.

29 f. "Expanded business facility" means any business facility, other
30 than a new business facility, resulting from acquisition, construction,
31 reconstruction, installation or erection of improvements or additions
32 to existing property if such improvements or additions are purchased
33 on or after the effective date of rehabilitation and economic recovery.

34 g. "Incentive payment" means: the amount of tax owed by a
35 taxpayer for a privilege period, as computed pursuant to section 5 of
36 P.L.1945, c.162 (C.54:10A-5), multiplied by a fraction, the numerator
37 of which is the average value of the taxpayer's business relocation or
38 business expansion property within the City of Camden during the
39 period covered by its report, and the denominator of which is the
40 average value of all the taxpayer's real and tangible personal property
41 wherever situated during such period which result is multiplied by 96
42 percent; provided, however, that for the purpose of determining
43 average value, the provisions with respect to depreciation as set forth
44 in subparagraph (F) of paragraph (2) of subsection (k) of section 4 of
45 P.L.1945, c.162 (C.54:10A-4) shall be taken into account for arriving
46 at such value; and provided further that incentive payments shall be

1 made for a period not to exceed 10 years, commencing on the date of
2 a taxpayer's first acquisition of business relocation or business
3 expansion property in the City of Camden following the operative date
4 of P.L. , c. (C.) (pending before the Legislature as this bill).

5 h. "New business facility" means a business facility which:

6 (1) is employed by a taxpayer in the conduct of a business which
7 is or will be taxable under P.L.1945, c.162 (C.54:10A-1 et seq.). A
8 business facility shall not be considered a new business facility in the
9 hands of a taxpayer if the taxpayer's only activity with respect to the
10 facility is to lease it to another person;

11 (2) is purchased by a taxpayer and is placed in service or use on or
12 after the effective date of rehabilitation and economic recovery;

13 (3) was not purchased by a taxpayer from a related person; and

14 (4) was not in service or use during the 90 day period immediately
15 prior to transfer of the title to the facility.

16 i. "Partnership" means a syndicate, group, pool, joint venture or
17 other unincorporated organization through or by means of which any
18 business, financial operation or venture is carried on, and which is not
19 a trust or estate, a corporation or a sole proprietorship. The term
20 "partner" includes a member in such a syndicate, group, pool, joint
21 venture or organization.

22 j. "Purchase" means, with respect to the determination of whether
23 business relocation or business expansion property was purchased, any
24 acquisition of property, including an acquisition pursuant to a lease,
25 but only if:

26 (1) the property is not acquired from a person whose relationship
27 to the person acquiring it would result in the disallowance of
28 deductions under section 267 or subsection (b) of section 707 of the
29 federal Internal Revenue Code of 1986, 26 U.S.C.s.267 or s.707;

30 (2) the property is not acquired by one member of a controlled
31 group from another member of the same controlled group; and

32 (3) the basis of the property for federal income tax purposes, in the
33 hands of the person acquiring it, is not determined:

34 a) in whole or in part by reference to the federal adjusted basis of
35 such property in the hands of the person from whom it was acquired;

36 or

37 (b) under subsection (e) of section 1014 of the federal Internal
38 Revenue Code of 1986, 26 U.S.C. s.1014.

39 k. "Related person" means:

40 (1) a corporation, partnership, association or trust controlled by
41 the taxpayer;

42 (2) an individual, corporation, partnership, association or trust that
43 is in control of the taxpayer;

44 (3) a corporation, partnership, association or trust controlled by an
45 individual, corporation, partnership, association or trust that is in
46 control of the taxpayer; or

1 (4) a member of the same controlled group as the taxpayer.

2

3 56. (New section) a. There is established in the New Jersey
4 Economic Development Authority in but not of the Department of the
5 Treasury the "Camden Open For Business Incentive Program," the
6 purpose of which is to foster business investment in the City of
7 Camden. Businesses that locate or expand in the City of Camden
8 during the period that the city is under rehabilitation and economic
9 recovery shall be eligible to receive a rebate from the "Corporation
10 Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.) as
11 provided herein.

12 b. For each year in which a taxpayer is eligible for a rebate of a
13 portion of the incentive payment, the Director of the Division of
14 Taxation shall certify to the State Treasurer (1) that the taxpayer's
15 corporation business tax return has been filed; (2) that the taxpayer's
16 entire corporation business tax obligation has been satisfied; and (3)
17 the amount of the taxpayer's incentive payment entitlement. Upon
18 such certification, the treasurer shall certify to the executive director
19 of the New Jersey Economic Development Authority the amount of
20 the taxpayer's incentive payment and, subject to the approval of the
21 Director of the Division of Budget and Accounting, transfer that
22 incentive payment to the fund established with the proceeds of those
23 funds appropriated pursuant to subsection b. of section 71 of P.L. ,
24 c. (pending before the Legislature as this bill).

25 c. The executive director of the New Jersey Economic
26 Development Authority shall rebate to the taxpayer up to 75% of the
27 incentive payment paid by the taxpayer and placed by the treasurer
28 into a fund established using those funds appropriated pursuant to
29 subsection b. of section 71 of P.L. , c. (pending before the
30 Legislature as this bill) if the taxpayer applies for a rebate within two
31 years of deposit of the incentive payment into the fund and establishes
32 to the satisfaction of the executive director of the New Jersey
33 Economic Development Authority that the taxpayer will utilize those
34 monies for business relocation or business expansion property. The
35 cumulative amount of monies distributed to the taxpayer pursuant to
36 this section shall not exceed the amount paid or to be paid by the
37 taxpayer for the business relocation or business expansion property. In
38 the event that the taxpayer does not establish its eligibility for a rebate
39 of a portion of the incentive payment within two years of its deposit
40 into the fund, the fund shall retain any remaining amount of the
41 incentive payment.

42

43 57. (New section) a. A taxpayer engaged in the conduct of
44 business within the City of Camden and who is not receiving a benefit
45 under the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303
46 (C.52:27H-60 et seq.), may apply to receive a tax credit against the

1 amount of tax otherwise imposed under the "Corporation Business
2 Tax Act (1945)," P.L. 1945, c. 162 (C. 54:10A-1 et seq.) equal to:
3 \$2,500 for each new full-time position at that location in credit year
4 one and \$1,250 for each new full-time position at that location in
5 credit year two.

6 b. (1) The credit pursuant to subsection a. of this section for credit
7 year one shall be allowed for the privilege period in which or with
8 which credit year one ends; the credit pursuant to subsection a. of this
9 section for credit year two shall be allowed for the privilege period in
10 which or with which credit year two ends.

11 (2) An unused credit may be carried forward, if necessary, for use
12 in the five privilege periods following the privilege period for which
13 the credit is allowed.

14 (3) The order of priority of the application of the credit allowed
15 under this section and any other credits allowed by law shall be as
16 prescribed by the Director of the Division of Taxation. The amount
17 of the credit applied under this section against the tax imposed
18 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
19 period, together with any other credits allowed by law, shall not
20 exceed 50% of the tax liability otherwise due and shall not reduce the
21 tax liability to an amount less than the statutory minimum provided in
22 subsection (e) of section 5 of P.L.1945, c.162.

23 c. (1) Notwithstanding the provisions of subsection b. of this
24 section to the contrary, the credit allowed for credit year one may be
25 refundable at the close of the privilege period in which or with which
26 credit year two ends, pursuant to the requirements and limitations of
27 this subsection.

28 (2) That amount of the credit received for credit year one
29 remaining, if any, after the liabilities for the privilege period in which
30 or with which credit year two ends and for any prior privilege period
31 have been satisfied, multiplied by the sustained effort ratio, shall be an
32 overpayment for the purposes of section R.S.54:49-15 for the privilege
33 period in which or with which credit year two ends; that amount of the
34 credit received for credit year one remaining, if any, that is not an
35 overpayment pursuant to this paragraph may be carried forward
36 pursuant to subsection b. of this section.

37 d. The burden of proof shall be on the taxpayer to establish by
38 clear and convincing evidence that the taxpayer is entitled to the
39 credits or refund allowed pursuant to this section. The director shall
40 by regulation establish criteria for the determination of when new or
41 expanded operations have begun at a location. No taxpayer shall be
42 allowed more than a single 24 month continuous period in which
43 credits shall be allowed for activity at a location within the City of
44 Camden pursuant to P.L. , c. (C.) (pending before the
45 Legislature as this bill).

46 e. For the purposes of this section:

1 "Credit year one" means the first twelve calendar months following
2 initial or expanded operations at a location within the City of Camden
3 pursuant to P.L. , c. (C.) (pending before the Legislature as
4 this bill).

1 "Credit year two" means the twelve calendar months following
2 credit year one.

3 "Employee of the taxpayer" does not include an individual with an
4 ownership interest in the business, that individual's spouse or
5 dependants, or that individual's ancestors or descendants.

6 "Full time position" means a position filled by an employee of the
7 taxpayer for at least 140 hours per month on a permanent basis, which
8 does not include employment that is temporary or seasonal.

9 "New full time position" means a position that did not exist prior to
10 credit year one. New full time positions shall be measured by the
11 increase, from the twelve month period preceding credit year one to
12 the measured credit year, in the average number of full-time positions
13 and full-time position equivalents employed by the taxpayer at the
14 location within the City of Camden pursuant to P.L. , c. (C.)
15 (pending before the Legislature as this bill). The hours of employees
16 filling part-time positions shall be aggregated to determine the number
17 of full-time position equivalents.

18 "Part-time position" means a position filled by an employee of the
19 taxpayer for at least 20 hours per week for at least 3 months during
20 the credit year.

21 "Sustained effort ratio" means the proportion that the credit year
22 two new full-time positions bears to the credit year one new full-time
23 positions, not to exceed one.

24

25 58. (New section) Any entity which is otherwise tax-exempt
26 pursuant to Title 54 of the Revised Statutes and which receives
27 funding pursuant to the "Camden Rehabilitation and Economic
28 Recovery Act," P.L. , c. (C.) (pending before the
29 Legislature as this bill) to finance the purchase of any real property or
30 construction of any improvement which would otherwise be tax-
31 exempt shall be subject to the following conditions:

32 a. The entity shall pay an annual service charge for a period of
33 20 years following the receipt of funding pursuant thereto, which shall
34 be negotiated by the tax-exempt entity and the City of Camden
35 according to the formula set forth pursuant to section 12 of P.L.1991,
36 c.431 (C.40A:20-12).

37 b. The board shall approve in advance any facility plans or other
38 such documentation produced by the tax-exempt entity which include
39 detailed information concerning the projects proposed to be funded
40 with the matching grants.

41 The receipt of matching funds by such an entity pursuant to
42 P.L. , c. (C.) (pending before the Legislature as this bill)
43 shall be conditioned upon compliance with the provisions of this
44 section, as determined by the board.

45

46 59. (New section) a. For the purposes of subsection b. of this
47 section, "residential property" shall include land, a dwelling house or

1 a condominium unit under the form of real property ownership
2 provided for under the "Condominium Act," P.L.1969, c.257
3 (C.46:8B-1 et seq.).

4 b. A taxpayer who shall not previously have occupied property
5 owned by the taxpayer as a principal residence and who, during the
6 taxable year, purchases residential property within the City of Camden
7 for the purpose of occupying the property as the taxpayer's principal
8 residence shall be allowed in that taxable year, and for four taxable
9 years thereafter, a credit not to exceed \$5,000 against the tax
10 otherwise due under N.J.S.54A:1-1 et seq. The credit shall be allowed
11 beginning in any taxable year during the period of rehabilitation and
12 economic recovery.

13 No taxpayer filing either a single or a joint return shall be eligible
14 for a credit under this section: (1) if, in a prior taxable year, the
15 taxpayer or the taxpayer's spouse, either singly or jointly with each
16 other or with another, shall have owned and occupied as a principal
17 residence any residential property; or (2) if the taxpayer or the
18 taxpayer's spouse has received an annual stipend pursuant to section
19 18 of P.L. , c. (C.) (pending before the Legislature as this
20 bill).

21 In the case of a husband and wife who elect to file separate tax
22 returns, each shall, unless otherwise ineligible, be entitled to one-half
23 of the credit allowed.

24 If a taxpayer who shall have been allowed a credit under the
25 provisions of this section with respect to the purchase of residential
26 property fails to occupy the property as the taxpayer's principal
27 residence within one year after the date of the purchase, or terminates
28 occupation of the property as the taxpayer's principal residence within
29 10 years after the date of the purchase or the date on which such
30 occupation shall have commenced, whichever is later, the taxpayer
31 shall be liable for tax in an amount equal to the credit previously so
32 allowed.

33

34 ARTICLE 6. LABOR RELATIONS AND CONTRACTS

35 60. (New section) For the purposes of section 3 of P.L.1977, c.85
36 (C.34:13A-16), when deciding the award in a dispute involving public
37 fire or police departments of the City of Camden during the
38 rehabilitation term, the arbitrator or panel of arbitrators shall, when
39 considering the interests and welfare of the public and the lawful
40 authority of the employer, include in those assessments the fact that
41 the municipality is under rehabilitation pursuant to P.L. ,
42 c. (C.) (pending before the Legislature as this bill).

43

44 61. (New section) During the rehabilitation term, the City of
45 Camden may enter into arrangements with other municipalities,
46 counties, local public authorities, or the State, for the purpose of
47 affording the municipality those benefits which may accrue pursuant

1 to any laws providing for contracted provision of goods or services.
2 Notwithstanding any other provision of law to the contrary all State
3 agencies are authorized to enter into such agreements or arrangements
4 with the City of Camden during the rehabilitation term as are necessary
5 or useful in furthering the purposes of P.L. , c.
6 (C.) (pending before the Legislature as this bill).

7
8 62. (New section) All contracts and agreements entered into by
9 the City of Camden during the rehabilitation term pursuant to
10 P.L. , c. (C.) (pending before the Legislature as this bill)
11 shall contain provisions stating that the director or chief operating
12 officer may, upon 30 days' notice, terminate the contract or agreement
13 for any reason without payment of penalty or damages. This section
14 shall not apply to collective bargaining agreements.

15

16 ARTICLE 7. MISCELLANEOUS

17 63. Section 2 of P.L.1991, c.266 (C.40:14B-23.1) is amended to
18 read as follows:

19 2. a. As used in this section:

20 "Residential property" means any building or part of a building
21 used, to be used or held for use as a home or residence, together with
22 the land upon which it is situate. A residential property shall include
23 single family dwellings, multifamily dwellings as defined under
24 subsection (k) of section 3 of the "Hotel and Multiple Dwelling Law,"
25 P.L.1967, c.76 (C.55:13A-1 et seq.), and other rental unit property,
26 and individual residences within a horizontal property regime as
27 defined pursuant to the "Horizontal Property Act," P.L.1963, c.168
28 (C.46:8A-1 et seq.), or a condominium as defined pursuant to the
29 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), units in a
30 cooperative, and units in a mutual housing corporation;

31 "Cooperative" means a housing corporation or association which
32 entitles the holder of a share or membership interest thereof to possess
33 and occupy for dwelling purposes a house, apartment, manufactured
34 or mobile home or other unit of housing owned or leased by the
35 corporation or association, or to lease or purchase a unit of housing
36 constructed or to be constructed by the corporation or association;

37 "Mutual housing corporation" means a corporation not-for-profit,
38 incorporated under the laws of this State on a mutual or cooperative
39 basis within the scope of section 607 of the "National Defense
40 Housing Act," Pub. L. 76-849, (42 U.S.C. s. 1521 et seq.), as
41 amended, which acquired a National Defense Housing Project
42 pursuant to that act;

43 "Qualified resident" means a person who owns, rents or occupies
44 residential property;

1 "Qualified entity" means a building or facility which is owned and
2 used by:

3 (1) a public or private school, university, college or seminary for
4 either classroom space or administrative office space;

5 (2) a church, synagogue or temple for holding religious services,
6 or which is used to house church-, synagogue- or temple- related
7 personnel;

8 (3) a clinic or hospital, including a residential building which is
9 used to house personnel who are employed by the clinic or hospital;

10 (4) a nonprofit organization which operates under the provisions
11 of Title 15A of the New Jersey Statutes, for the purposes for which
12 the organization was created, or for administrative office space; or

13 (5) a business which has less than 10 full-time employees.

14 b. A city of the second class with a population of more than
15 ~~[80,000]~~ 79,000 but less than 88,000 according to the latest federal
16 decennial census, located in a county of the second class with a
17 population of more than 455,000 but less than 510,000 according to
18 the latest federal decennial census, and a county or municipal utilities
19 authority whose operations plant is located within the city's boundaries
20 may negotiate a host community benefit for qualified residents and
21 qualified entities within the city. The benefit may be applied against
22 the rate, fee or charge assessed pursuant to section 23 of P.L.1957,
23 c.183 (C.40:14B-23) or the connection fee or tapping fee assessed
24 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21), or both, at
25 the discretion of the county or municipal utilities authority. The
26 benefit shall be provided as a credit against the individual accounts of
27 the qualified resident or entity, and the county or municipal utilities
28 authority and the city shall negotiate the amount of the benefit. Upon
29 agreement of the parties, the governing body of the city shall adopt an
30 ordinance setting forth the specific requirements under the agreement.
31 In cases in which a qualified resident is not billed directly for the
32 county or municipal utilities authority's services, the city shall, as part
33 of the ordinance setting forth the specific requirements of the
34 agreement, establish procedures under which the owner of the
35 appropriate property shall insure that the qualified resident is
36 compensated for the amount of the credit.

37 (cf: P.L.1991, c.266, s.2)

38

39 64. (New section) As used in sections 65 through 69 of P.L. ,
40 c. (C.) (pending before the Legislature as this bill):

41 "Property" means parcels of land and their improvements on which
42 the municipality holds a tax lien, or which were acquired by the
43 municipality through the property tax foreclosure process, and
44 including such parcels that the municipality possesses and for which it
45 acts as a receiver pursuant to section 1 of P.L.1942, c.54
46 (C.54:5-53.1).

47 "Qualified municipality" means a municipality that is qualified to

1 receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.), a
2 municipality under the supervision of the Local Finance Board
3 pursuant to the provisions of the "Local Government Supervision Act
4 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), a municipality that
5 has issued qualified bonds pursuant to the provisions of the "Municipal
6 Qualified Bond Act," P.L.1976, c.38 (C.40A:3-1 et seq.) or a
7 municipality identified by the director to be facing serious fiscal
8 distress.

9

10 65. (New section) Notwithstanding any other provision of law to
11 the contrary, the governing body of a qualified municipality, by
12 resolution, may enter contracts for property tax lien management
13 services with organizations for the purpose of assisting the qualified
14 municipality in managing its property. For the purposes of this
15 section, property tax lien management services shall be comprehensive
16 in nature given the needs of the qualified municipality, and shall
17 include the following activities as necessary for a comprehensive
18 program of property tax lien management:

19 a. Developing and administering an asset management and
20 disposition plan for properties owned by the municipality;

21 b. Developing and administering activities to encourage and assist
22 property owners in satisfying their obligations and retaining their
23 properties, which shall include, but not be limited to working with
24 lenders and non-profit agencies to develop programs that help
25 residential taxpayers address their credit problems and related service
26 programs;

27 c. Educating property owners about financial alternatives in
28 addressing back taxes, including making installment payments pursuant
29 to R.S.54:5-65 et seq.;

30 d. Recommending and managing possession and receivership,
31 foreclosure, and property sale activities;

32 e. Assembling and marketing properties to potential buyers and
33 developers through public sale of properties to be sold, or by
34 assignment sale of tax liens pursuant to N.J.S.54:5-112 and
35 N.J.S.54:5-113;

36 f. Developing a database of information relating to all properties
37 for which the qualified municipality holds a lien, where at the
38 conclusion of the contract, the contents of the database shall be
39 provided to that municipality in an electronic format that can be used
40 by the municipality;

41 g. Providing regular reports to the governing body of the qualified
42 municipality and the tax collector on the status of property tax lien
43 management activities and the information obtained through the
44 management process;

1 h. Managing property owned by the qualified municipality in
2 preparation for its sale, assignment, or possession; or

3 i. Other similar programs and activities as approved by the
4 director.

5
6 66. (New section) Contracts for property tax lien management
7 services shall include compensation to the contractor based on any
8 combination of the following mechanisms:

9 a. A percentage of proceeds earned by the qualified municipality
10 from the outright sale of property or from an assignment sale;

11 b. A percentage of the proceeds from installment agreements
12 entered into through the efforts of the contractor;

13 c. A percentage of the proceeds from the management of
14 properties assigned to the contractor as part of possession and
15 receivership, or preparing for a sale or assignment; or

16 d. A fixed amount for general services affecting all parcels whose
17 tax lien is owned by the municipality, which may, at the option of the
18 municipality, be either prorated and charged against such properties as
19 a municipal charge, or be appropriated as if it were subject to the
20 provisions of sections 1 through 5 of P.L.1961, c.22 (C.40A:4-55.1
21 through 40A:5-55.5).

22
23 67. (New section) Contracts for property tax lien management
24 shall be approved by the governing body of the qualified municipality
25 and shall then be submitted to the director for approval. The mayor
26 or other chief executive officer shall not execute the contract until the
27 director approves the contract. If the director neither approves nor
28 returns the contract with recommendations for amendment within
29 45 days of the director's receipt of the contract, then the contract shall
30 be deemed as approved.

31
32 68. (New section) The municipal tax collector of the qualified
33 municipality shall provide the property tax lien management service
34 contractors with any and all information as the tax collector may have
35 available that is related to tax liens, and shall make available records
36 of the tax collector's office accessible to the contractor as the
37 contractor may require. Nothing P.L. , c. (C.) (pending
38 before the Legislature as this bill) shall supersede the responsibility of
39 the tax collector to collect and record property tax receipts and
40 manage those responsibilities statutorily assigned to the tax collector.

41
42 69. (New section) Notwithstanding the provisions of the "Local
43 Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.) to the
44 contrary, contracts for property tax lien management services shall be
45 considered as a professional service and may be entered into for a
46 period not to exceed three years.

1 ARTICLE 9. APPROPRIATIONS

2 70. (New section) From the proceeds of bonds authorized
3 pursuant to section 45 of P.L. , c. (C.) (pending before the
4 Legislature as this bill), the New Jersey Economic Development
5 Authority shall deposit:

6 a. \$42 million into the "Neighborhood Redevelopment Fund"
7 created pursuant to section 49 of P.L. , c. (C.) (pending
8 before the Legislature as this bill);

9 b. \$28.5 million into the "Camden Higher Education Economic
10 Development Fund" created pursuant to section 51 of P.L. , c.
11 (C.) (pending before the Legislature as this bill);

12 c. \$12.6 million into the "Camden Regional Health Care Facilities
13 Fund" created pursuant to section 52 of P.L. , c. (C.)
14 (pending before the Legislature as this bill);

15 d. \$27 million into the "Neighborhood Revitalization Fund" created
16 pursuant to section 49 of P.L. , c. (C.) (pending before the
17 Legislature as this bill);

18 e. \$23.5 million into the "Interior Gateway Project Fund" created
19 pursuant to section 50 of P.L. , c. (C.) (pending before the
20 Legislature as this bill)

21 f. \$30 million into the "Camden Aquarium Initiative Fund" created
22 pursuant to section 50 of P.L. , c. (C.) (pending before the
23 Legislature as this bill)

24 g. \$5 million into the "Camden Brownfields Redevelopment Fund"
25 created pursuant to section 50 of P.L. , c. (C.) (pending
26 before the Legislature as this bill); and

27 h. \$5 million into the "Commercial Corridor Improvement Fund"
28 created pursuant to section 50 of P.L. , c. (C.) (pending
29 before the Legislature as this bill).

30 Notwithstanding this division of bond funds, up to 20% of the total
31 amount deposited into these funds may be reallocated among these
32 funds and subaccounts thereof, with the approval of the executive
33 director of the authority and the chief operating officer, in order to
34 serve the economic revitalization goals which P.L. , c. (C.)
35 (pending before the Legislature as this bill) seeks to promote.

36

37 71. a. There is appropriated from the General Fund to the
38 Department of Community Affairs such sums as may be required for
39 rehabilitation aid to be allocated pursuant to subsection c. of section
40 26 of P.L. , c. (C.) (pending before the Legislature as this
41 bill).

42 b. There is appropriated from the General Fund to the Department
43 of the Treasury such sums as may be required for incentive payments
44 to be allocated pursuant to section 19 of P.L. , c. (C.)
45 (pending before the Legislature as this bill).

46 c. There is appropriated from the General Fund such sums as may
47 be required, not to exceed \$1,500,000, to the Department of

1 Community Affairs, Division of Local Government Services for the
2 costs of: the salaries of the chief operating officer and the staff thereto;
3 any salary differentials incurred in recruiting qualified personnel to
4 serve under the chief operating officer; the buyout of retirees who
5 choose the retirement option set forth in section 19 of P.L. , c.
6 (C.) (pending before the Legislature as this bill); and the additional
7 SAVER rebate provided under section 20 of P.L. , c.
8 (C.) (pending before the Legislature as this bill); all subject to the
9 approval of the Director of the Division of Budget and Accounting in
10 the Department of the Treasury.

11 d. There is appropriated from the General Fund to the Faith-Based
12 Community Development Initiative in the Department of Community
13 Affairs the sum of \$2.5 million to be used by the City of Camden in
14 accordance with program guidelines promulgated by the department
15 and pursuant to P.L. c. (C.)(pending before the Legislature as
16 this bill).

17 e. There is appropriated from the General Fund to the Department
18 of Labor the sum of \$2.5 million to capitalize the "Camden Economic
19 Opportunity Fund" created pursuant to section 53 of P.L.
20 c. (C.) (pending before the Legislature as this bill).

21

22 72. This act shall take effect immediately.

23

24

25

STATEMENT

26

27 This bill, designated the "Camden Rehabilitation and Economic
28 Recovery Act," establishes a comprehensive framework within which
29 the rehabilitation and economic recovery of Camden may occur.

30 Based on the premise that good governance and economic viability
31 are inextricably linked, this bill embraces a multifaceted approach
32 toward encouraging the achievement of economic self-sufficiency on
33 the part of the City of Camden, recognizing that this will not happen
34 without extraordinary measures on the part of the State.

35 Although the Constitution expressly prohibits special legislation, the
36 various measures contained in the bill are conceived as a pilot
37 program, recognizing that the level of resources and State involvement
38 preclude the initial use of this approach statewide. It is anticipated
39 that the successful implementation of these measures in Camden will
40 result in the emulation of this approach in other similarly situated
41 municipalities in New Jersey and across the country.

42 The bill requires the Commissioner of Community Affairs, within
43 60 days following the bill's enactment and in consultation with the
44 mayor, to undertake a nationwide search in order to recruit a chief
45 operating officer, who shall be qualified by training and experience for
46 the position, according to criteria set forth in the bill. The term of the
47 chief operating officer shall terminate five years following the

1 assumption of duties of that person. The chief operating officer may
2 either be a State employee in the unclassified service or a contractor,
3 so long as there is an identifiable person assigned to the post who
4 works full-time in Camden City Hall. Subject to the approval of the
5 commissioner, the salary, benefits and costs of the chief operating
6 officer shall be fixed by the Director of the Division of Local
7 Government Services.

8 The period during which the City of Camden is under the direction
9 of the chief operating officer is referred to in the bill as the
10 rehabilitation term. During the rehabilitation term, all of the functions,
11 powers and duties assigned either before or after the bill's enactment
12 by any statute, regulation, ordinance, resolution, charter or contract
13 for municipal operations, municipal organization and reorganization,
14 including the hiring and firing of department heads, are reallocated to
15 the chief operating officer, who shall exercise those responsibilities in
16 consultation with the mayor.

17 In certain instances, impasses in decision making may be referred
18 to a special arbitrator who is designated in the bill as the assignment
19 judge of the vicinage of Camden County. The bill specifically calls
20 upon the special arbitrator to resolve impasses which arise with regard
21 to council ratification of interim and subsequent department head
22 appointments by the chief operating officer, and the override by city
23 council of the chief operating officer's veto of an ordinance. In
24 addition, the chief operating officer is granted blanket power to refer
25 disputes to the special arbitrator for resolution. The bill sets forth
26 criteria to guide the special arbitrator in making his or her
27 determinations.

28 Upon the assumption of job responsibilities by the chief financial
29 officer, the financial review board created pursuant to section 5 of
30 P.L.1999, c.156 (C.52:27D-118.30a) to oversee the finances of the
31 City of Camden shall cease to function and the municipality shall cease
32 to be under supervision pursuant to Article 4 of P.L.1947, c.151
33 (C.52:27BB-54 et seq.). All outstanding debts or obligations
34 previously incurred by the City of Camden with any State agency shall
35 be assumed by the State. Notwithstanding the termination of
36 supervision and of the financial review board, all memorandums of
37 understanding entered into by the city as a condition of receiving
38 assistance under P.L.1987, c.75 (C.52:27D-118.24 et seq.) that
39 require the city to implement any government, administrative,
40 operational efficiency or oversight measures necessary for the fiscal
41 recovery of the municipality as recommended by the director and
42 approved by the board shall continue to have full force and effect,
43 except for those that place a limitation on the hiring, promotion or
44 transfer of personnel.

45 The bill establishes a subsidiary of the New Jersey Economic
46 Development Authority (EDA) to be known as the State Economic
47 Recovery Board for the City of Camden which is to consist of 11

1 voting members, including the mayor of the City of Camden, the chief
2 operating officer, the State Treasurer, the Commissioner of
3 Community Affairs, the chairperson of the EDA, the director of the
4 Camden County Board of Chosen Freeholders, a member of the Senate
5 and the General Assembly, and three public members. The board is to
6 be chaired by the chairperson of the EDA and the voting authority of
7 the Camden County Board of Chosen Freeholders shall not become
8 effective until an agreement between the city and the county has been
9 concluded establishing the financial commitment of the county to the
10 city's redevelopment.

11 The board is called upon to assist in the preparation of the capital
12 improvement and infrastructure master plan and to marshal resources
13 necessary to assure its implementation.

14 The board is also charged with the review and approval of the plans
15 of the various entities designated as eligible for funding under the bill
16 as a condition for receiving those funds. Additionally, the board is to
17 serve as a critical link between the city government and those State
18 and nonprofit entities receiving funding under the bill through the bond
19 issue and direct appropriations.

20 The chief operating officer shall convene a community advisory
21 committee in order to provide an efficient means of eliciting citizen
22 input in the rehabilitation and economic recovery and community
23 development of the City of Camden. This committee would consist of
24 13 members, to include the mayor, ex officio, three appointees of the
25 Commissioner of Community Affairs, three appointees of the city
26 council and three appointees of the chief operating officer.

27 At the end of the four years following the commencement of duties
28 by the chief operating officer, the chief operating officer is required to
29 submit a report to the Governor, members of the State Economic
30 Recovery Board for the City of Camden, each member of the Senate
31 and General Assembly, the mayor and each member of the governing
32 body of the City of Camden evaluating progress made in rehabilitating
33 the City of Camden and the status of economic recovery efforts.

34 The bill requires the preparation of a series of plans to guide the
35 rehabilitation of city government and the upgrade of urban
36 infrastructure in order to facilitate revitalization with emphasis not
37 only on the central business district, but the city's residential
38 neighborhoods.

39 Upon the assumption of duties of the part of the chief operating
40 officer, the chief operating officer is required to undertake the
41 preparation of a municipal management study which analyzes the
42 current state of all services provided by each municipal department and
43 the service levels provided in similarly situated municipalities. The
44 study shall include police and fire services provided by the municipality
45 and shall include reference to those studies previously completed by
46 the State during the period of supervision.

47 The study shall also include recommendations for the reorganization

1 of municipal government structure, and any training deemed necessary
2 for the existing city workforce, including a program of computer and
3 technology training. The bill authorizes the relaxation of the residency
4 requirement which currently pertains to the city workforce, but
5 provides financial incentives to encourage municipal employees to live
6 in the City of Camden. The municipal management study shall be used
7 as the basis for any recommended changes in municipal organization,
8 to be effectuated by amendments to the municipality's administrative
9 code and ordinance, including salary ordinances.

10 Additionally, the bill requires the board, in consultation with the
11 mayor and the chief operating officer, to oversee the preparation of a
12 capital improvement and infrastructure plan for the city, which
13 includes a detailed blueprint for the separation of storm drains from
14 the sewer system throughout the city. The plan is also to include those
15 features of the municipal capital improvement program authorized
16 under existing law, incorporating a time frame for making
17 improvements necessary in the public water system to accommodate
18 proposed redevelopment in the city and surrounding areas.

19 The bill requires the chief operating officer to undertake a property
20 tax collection audit in order to identify those properties which are in
21 arrears or subject to tax foreclosure. Following completion of the
22 audit, the chief operating officer shall submit the study to the
23 Commissioner of Community Affairs, who shall designate the EDA or
24 the State Economic Recovery Board for the City of Camden to assist
25 in the preparation of a demolition funding plan. The bill calls for the
26 reappropriation of demolition moneys allocated to the city to the
27 Delaware River Port Authority (DRPA) or the EDA and requires the
28 conveyance of certain city properties acquired through tax sale to the
29 DRPA during the period of rehabilitation and economic recovery.

30 The bill contains a comprehensive and all-embracing series of
31 financial incentives designed to rebuild the city's infrastructure,
32 enhance the quality of life through the funding of amenities such as the
33 aquarium expansion, build upon and promote the resources that are
34 already present in the City of Camden, such as the hospitals and
35 universities, promote business development and expansion through
36 various tax incentives, and encourage people of all incomes to buy
37 houses in the City of Camden by increasing the NJ SAVER rebate for
38 people who do, and allowing an income tax credit for those who make
39 Camden their home.

40 The bill authorizes the issuance of \$173.6 million in bonds on the
41 part of the New Jersey Economic Development Authority in order to
42 capitalize a series of funds, the bill's principal source of moneys to
43 allow for grants and loans of a sufficient scale and visibility to expand
44 and sustain economic activity in the City of Camden. The fund is to
45 be divided as follows:

46 (1) the Interior Gateway Fund (\$23.5 million) to be used to make
47 grants, matching grants or loans to support streetscape improvements,

1 facade restoration, street resurfacing, demolition, property acquisition
2 and redevelopment projects;

3 (2) the Neighborhood Revitalization Fund (\$27 million) to be used
4 to make grants, matching grants or loans to support clean community
5 activities, water and sewer improvements, and various neighborhood-
6 based activities outside of the central business district;

7 (3) the Neighborhood Redevelopment Fund (\$42 million) to be
8 used to provide grants, matching grants or loans to support
9 neighborhood rehabilitation, land acquisition, demolition and
10 redevelopment;

11 (4) the Camden Brownfields Redevelopment Fund (\$5 million) to
12 provide grants, matching grants or loans to support brownfields
13 remediation in order to foster redevelopment;

14 (5) the Commercial Corridor Improvement Fund (\$5 million) to
15 provide grants, matching grants or loans to support streetscape
16 improvements, facade restoration, street signage improvements and
17 restoration of commercial structures situated outside the central
18 business district; and

19 (6) the Camden Aquarium Initiative Fund (\$30 million) to make
20 funds available, on a matching basis, for the expansion and upgrade of
21 the aquarium, including the retirement of existing debt.

22 The bill supports existing institutions of higher education through
23 the creation of the \$28.5 million "Camden Higher Education Economic
24 Development Fund" to provide matching grants, on a one-to-one
25 matching basis, to non-profit educational institutions in order to
26 encourage the development of student housing, retail facilities and
27 commercial enterprises in the central business district of the City of
28 Camden.

29 The bill supports existing health care facilities through the creation
30 of the \$12.6 million "Camden Regional Health Care Facilities Fund"
31 to provide matching grants to regional health care facilities to allow
32 for facility expansion, including but not limited to, facilities for pre-
33 admission testing, occupational health and emergency room facilities.

34 The bill authorizes the EDA to enter into a management agreement
35 with the Delaware River Port Authority to authorize that entity to
36 assume project management responsibilities under the bill.

37 The bill creates within the Department of Labor the \$2.5 million
38 "Camden Economic Opportunity Fund" in order to allow for the
39 creation of a job training program designed specifically to address the
40 unique conditions which pertain within the City of Camden.

1 The bill also calls for the targeting of \$2.5 million by the
2 Department of Community Affairs to the City of Camden as part of its
3 existing Faith-Based Community Development Initiative and makes the
4 necessary appropriation.

5 The bill appropriates the sum of \$1.5 million to the Department of
6 Community Affairs to cover the various increased responsibilities
7 assigned to that department in implementing this bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2054

STATE OF NEW JERSEY

DATED: JUNE 17, 2002

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 2054.

The Assembly Committee Substitute for Assembly Bill No. 2054 designated the "Municipal Rehabilitation and Economic Recovery Act," establishes a comprehensive framework within which the rehabilitation and economic recovery of qualified municipalities may occur.

The substitute defines "qualified municipality" to mean a municipality that has been subject to the supervision of a financial review board under the "Special Municipal Aid Act," to the supervision of the Local Finance Board pursuant to the "Local Government Supervision Act (1947)," and which, according to its most recently adopted municipal budget on the substitute's effective date, is dependent upon State aid and other State revenues for not less than 55 percent of its total budget. Currently, the only municipality which falls within this definition is the City of Camden.

The substitute requires the Governor to recruit a chief operating officer, qualified by training and experience, for the qualified municipality. The salary, benefits and costs of the chief operating officer shall be fixed by the Director of the Division of Local Government Services and shall be consistent with the salary and benefits of the executive director of any regional authority or other such entity with jurisdiction in the qualified municipality. The chief operating officer shall serve at the pleasure of the Governor.

During the rehabilitation term, all of the functions, powers and duties assigned either before or after the substitute's enactment by any statute, regulation, ordinance, resolution, charter or contract for municipal operations, municipal organization and reorganization, including the hiring and firing of department heads, are reallocated to the chief operating officer, who shall exercise those responsibilities in consultation with the mayor.

Upon the assumption of job responsibilities by the chief financial officer, the financial review board created to oversee the finances of the qualified municipality shall cease to function and the municipality will no longer be under supervision pursuant to Article 4 of P.L.1947,

c.151 (C.52:27BB-54 et seq.). All outstanding debts or obligations incurred by the qualified municipality or the New Jersey Housing and Mortgage Finance Agency as of 30 days following the substitute's effective date with any subsidiary of that authority with jurisdiction in a qualified municipality, other than those debts or obligations represented by bonds or other negotiable instruments, are forgiven under the terms of the substitute.

The substitute establishes a subsidiary of the New Jersey Economic Development Authority (EDA) to be known as the State Economic Recovery Board for the qualified municipality. The board is to consist of 15 voting members and shall include the mayor of the qualified municipality, a representative of the municipal governing body of the qualified municipality, the chief operating officer, the State Treasurer, the Commissioner of Community Affairs, the chairperson of the EDA, a representative of the regional partnership, the director of the freeholder board of the county in which the qualified municipality is situated, all of whom shall serve *ex officio* and may select a designee to serve in their stead; one public member to be chosen by the Senate President, one public member to be chosen by the Assembly Speaker, and five public members to be appointed by the Governor, to include one representative of organized labor and one representing the business community. Of the public members appointed by the Governor, at least three shall be municipal residents and terms of public members shall be five years. The Governor is charged with the designation of the board chair.

The board will be called upon to assist in the preparation of the capital improvement and infrastructure master plan, a strategic revitalization plan, and to marshal resources necessary to assure its implementation. The staff of the New Jersey Economic Development Authority is to serve as staff to the board.

The strategic revitalization plan is to be undertaken concurrently with the capital improvement and infrastructure master plan and is to be completed by not later than six months after the first meeting of the board.

The chief operating officer shall convene a community advisory committee in order to provide an efficient means of eliciting citizen input in the rehabilitation and economic recovery and community development of the qualified municipality.

The substitute also establishes a regional partnership to assure regional coordination and cooperation in the revitalization and economic recovery of the qualified municipality. The regional partnership shall consist of the mayor of the qualified municipality and of other municipalities within the county, as provided in the substitute, the county freeholder director, the director of the Office of State Planning, one representative of the New Jersey Regional Coalition, and four public members, of whom two shall be appointed by the Governor, one by the Senate President and one by the Speaker of the General Assembly.

In addition to appointing a representative to the State Economic Recovery Board, the regional partnership is charged with assisting in the formulation of long range strategies to address regional issues, including public safety, economic development, housing, and environmental issues with the goal of improving the quality of life within the region.

The chief operating officer is required to undertake the preparation of a municipal management study which analyzes the current state of all services provided by each municipal department and the service levels provided in similarly situated municipalities.

The study shall include recommendations for the reorganization of municipal government structure.

The substitute requires the chief operating officer to undertake a property tax collection audit in order to identify those properties which are in arrears or subject to tax foreclosure. Following the audit, the chief operating officer shall submit the study to the Commissioner of Community Affairs, who shall designate the EDA or the State Economic Recovery Board to assist in the preparation of a demolition funding plan.

The substitute increases the amount of the NJ SAVER rebate for eligible property taxpayers.

FISCAL IMPACT:

The substitute authorizes the issuance of \$175 million in bonds on the part of the New Jersey Economic Development Authority in order to capitalize a series of funds, the substitute's principal source of moneys to allow for grants and loans of a sufficient scale and visibility to expand and sustain economic activity in the qualified municipality. The fund is to be divided as follows:

(1) the Residential Neighborhood Improvement Fund, at \$35 million, to be used to make grants, matching grants or loans to support water and sewer improvements not funded by the county, the removal of litter and clean community activities, the development of tot-lots, community gardens, landscape amenities, small scale demolitions, streetscape improvements, property acquisition, and neighborhood restoration outside of the central business district;

(2) the Demolition and Redevelopment Financing Fund, at \$43 million, to be used to support neighborhood rehabilitation, land acquisition, brownfields remediation, demolition and redevelopment;

(3) the Downtown Revitalization and Recovery Fund, at \$45.8 million, to support streetscape improvements, street resurfacing, demolition and restoration of commercial structures, property acquisition, redevelopment projects, brownfields remediation in order to foster redevelopment, industrial and port redevelopment, of which \$25 million shall be used to support the development of entertainment and cultural facilities such as aquariums;

(4) the Higher Education and Regional Health Care Development Fund, at \$46.2 million, to support Rutgers (\$11 million), Rowan

University (\$5.1 million), the University of Medicine & Dentistry of New Jersey (\$9 million), Camden County College (\$3.5 million), Our Lady of Lourdes Medical Center (\$3 million), Cooper Hospital/University Medical Center (\$13.35 million), Virtua Hospital (\$1 million), and Partners in Health (\$250,000).

The substitute creates within the Department of Labor the \$2.5 million "Qualified Municipality Economic Opportunity Fund" in order to allow for the creation of a job training program designed specifically to address the unique conditions which pertain within qualified municipalities.

The substitute creates various incentive programs to benefit qualified municipalities, including a stipend to encourage municipal employees to assume municipal residency, an early buyout incentive for certain municipal employees, and an additional SAVER rebate to certain municipal residents. In addition, the substitute contains various programs to encourage businesses to expand in qualified municipalities.

The substitute assures that not less than the prevailing wage shall be paid to any workers employed in the performance of construction contracts undertaken thereunder.

The substitute establishes a floor in connection with reimbursement from the Health Care Subsidy Fund for certain hospitals situated in qualifying municipalities, to be backed by annual subsidy payments during the period that the municipality is under rehabilitation and economic recovery.

The substitute would impose a moratorium on the acceptance of housing units financed by regional contribution agreements in any qualified municipality during the time that the municipality is under rehabilitation and economic recovery.

Finally, the substitute confers veto power upon the chief operating officer with respect to authority, board and commission minutes analogous to that power reserved for the Governor with respect to State authorities under current law. Similarly, the substitute grants the Governor veto power over board of education minutes in school districts contiguous with qualified municipalities.

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2054

with Assembly Floor Amendments
(Proposed By Assemblyman ROBERTS)

ADOPTED: JUNE 20, 2002

These amendments make various changes to this committee substitute.

STATEMENT TO

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2054

with Assembly Floor Amendments
(Proposed By Assemblyman ROBERTS)

ADOPTED: JUNE 24, 2002

These amendments restore the authorization for the New Jersey Economic Development Authority to issue \$175 million of contract bonds and add the necessary language to effectuate that authorization. The amendments delete previously added language that would have authorized the issuance of funding anticipation bonds. The amendments also make the appropriate renumbering changes that follow from the change in the financing.

The amendments delete a legislative finding.

[Second Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 2054

STATE OF NEW JERSEY
210th LEGISLATURE

ADOPTED JUNE 17, 2002

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblywoman NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

Assemblyman GEORGE F. GEIST

District 4 (Camden and Gloucester)

SYNOPSIS

The Municipal Rehabilitation and Economic Recovery Act.

CURRENT VERSION OF TEXT

As amended by the General Assembly on June 24, 2002.



1 AN ACT encouraging municipal rehabilitation and economic recovery
2 in certain fiscally distressed municipalities, amending various parts
3 of statutory law, creating chapter 27BBB of Title 52 of the Revised
4 Statutes, and making appropriations.

5

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

8

9

ARTICLE 1. GENERAL PROVISIONS

10

11 1. (New section) This act shall be known and may be cited as the
12 "Municipal Rehabilitation and Economic Recovery Act."

13

14 2. (New section) The Legislature finds and declares that:

15 a. There exists in certain municipalities a continuing state of fiscal
16 distress which endures despite the imposition of a series of measures
17 authorized pursuant to law;

18 b. Economically impoverished, those municipalities have a history
19 of high crime rates, including arson, that has necessitated the
20 maintenance of large police and fire departments, at enormous
21 taxpayer cost in municipalities without a sound tax base;

22 c. The past fifty years have witnessed the depopulation of those
23 municipalities characterized by such problems;

24 d. Spending power on the part of residents of these municipalities
25 is severely limited and local businesses thereby suffer from the lack of
26 an indigenous client base so that rebuilding the fortunes of city
27 residents in order to recreate a viable urban economy will require a
28 considerable period of time;

29 e. Notwithstanding the prosperity which has been experienced
30 elsewhere throughout New Jersey in recent years, the unemployment
31 rate in these municipalities is substantially higher than that of most
32 other municipalities;

33 f. While the rest of New Jersey has enjoyed increased land values,
34 the ratable base in these municipalities has declined steadily during the
35 1990's, marked by their low equalized value per capita which can be
36 about one-half that of other cities;

37 g. Coupled with this economic deprivation, many of these
38 municipalities are characterized by a lack of internal audit controls,
39 accountability and oversight, evidenced by the fact that although real
40 estate taxes comprise over two-thirds of locally generated revenues,
41 many of these municipalities do not rigorously enforce collection and
42 receive but a portion of their levy;

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:

¹ Assembly floor amendments adopted June 20, 2002.

² Assembly floor amendments adopted June 24, 2002.

1 h. Although the State has experienced a period of tremendous
2 prosperity and economic growth over the past few years, such
3 municipalities continue to languish without any obvious signs of
4 improvement;

5 i. These municipalities have experienced a substantial budget deficit
6 for many years which has only been addressed through extraordinary
7 payments of State aid;

8 j. While State aid dollars which have been directed toward such
9 municipalities have served to address their structural deficits, they
10 have not, and cannot, function as an economic impetus toward the
11 rebuilding of those municipalities;

12 k. Because a significant proportion of the population of such
13 municipalities lacks adequate health insurance coverage, causing many
14 to seek basic care in municipal emergency rooms, municipal hospitals
15 are heavily dependent upon state assistance commonly referred to as
16 "charity care" for reimbursement. Such health services are crucial to
17 the overall health of the infrastructure and social growth and stability
18 of qualified municipalities. Moreover, the demand for such health
19 services has necessitated planning for a major expansion of medical
20 school programs within qualified municipalities;

21 l. Given the high crime rates in these municipalities, if economic
22 recovery is to be successful, it is vital that municipal residents feel that
23 their basic safety is assured; accordingly, the State will continue to
24 commit to assist such municipalities in maintaining not less than that
25 number of police officers employed by the municipality on the effective
26 date of P.L. , c. (C.) (pending before the Legislature as this
27 bill) and in creating working relationships between State agencies,
28 local law enforcement and the community to identify and develop
29 strategies to improve the quality of life and the security of residents in
30 qualified municipalities;

31 m. In order to ensure the long-term economic viability of such
32 municipalities, it is critical that the Legislature encourage, to the
33 extent possible, the production of market-rate housing within the
34 municipality so as to expand the local tax base and provide a greater
35 diversity of income levels among municipal inhabitants;

36 n. When faced with analogous situations, other states have
37 employed extraordinary measures to provide leadership and oversight
38 for struggling cities and the necessary tools to spur an economic
39 revival within those cities; ¹[and] ¹ ²and²

40 o. In light of the dire needs faced by such municipalities and the
41 lack of progress in addressing those needs either governmentally or
42 through private sector initiative, and given the successful interventions
43 on the part of other states in analogous circumstances, it is incumbent
44 upon the State to take exceptional measures, on an interim basis, to
45 rectify certain governance issues faced by such municipalities and to
46 strategically invest those sums of money necessary in order to assure

1 the long-term financial viability of these municipalities ²[¹; and
2 p. It is the Legislature's understanding in enacting this legislation
3 that because good governance and economic viability are inextricably
4 linked, the economic recovery and other reforms anticipated by the
5 legislation will be impossible to achieve without the infusion of at least
6 \$175 million committed to such municipalities under the bill;
7 furthermore, in enacting this legislation with the commitment of at
8 least \$175 million to such municipalities, the Legislature and the
9 executive branch will be fulfilling the moral imperative of supporting
10 their promises to the residents of such municipalities with the financial
11 means to ensure that those promises will not become empty promises
12 and that such municipalities will be rescued from the forces of poverty,
13 crime, depopulation and abandonmen¹]².
14

15 3. (New section) As used in this act:

16 "Authority" means the New Jersey Economic Development
17 Authority established pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.).

18 "Board" means the State Economic Recovery Board established
19 pursuant to section 36 of P.L. , c. (C.) (pending before the
20 Legislature as this bill).

21 "Chief operating officer" means that person appointed pursuant to
22 P.L. , c. (C.) (pending before the Legislature as this bill)
23 responsible for reorganizing governmental operations of a qualified
24 municipality in order to assure the delivery of essential municipal
25 services and the professional administration of that municipal
26 government.

27 "Commissioner" means the Commissioner of Community Affairs.

28 "Director" means the Director of the Division of Local Government
29 Services in the Department of Community Affairs.

30 "Economic recovery term" means the period commencing with the
31 expiration of the term of the chief operating officer and terminating
32 five years thereafter.

33 "In consultation with" means with consideration of the input of, or
34 the advice of, the mayor, governing body, chief operating officer or
35 director, as the case may be, without regard to the form or manner of
36 the consultation.

37 "Local Finance Board" means the Local Finance Board of the
38 Division of Local Government Services in the Department of
39 Community Affairs.

40 "Project" means: (1) (a) acquisition, construction, reconstruction,
41 repair, alteration, improvement and extension of any building,
42 structure, facility, including water transmission facilities or other
43 improvement, whether or not in existence or under construction, (b)
44 purchase and installation of equipment and machinery, (c) acquisition
45 and improvement of real estate and the extension or provision of
46 utilities, access roads and other appurtenant facilities; and (2) (a) the

1 acquisition, financing, or refinancing of inventory, raw materials,
2 supplies, work in process, or stock in trade, or (b) the financing,
3 refinancing or consolidation of secured or unsecured debt, borrowings,
4 or obligations, or (c) the provision of financing for any other expense
5 incurred in the ordinary course of business; all of which are to be used
6 or occupied by any person in any enterprise promoting employment,
7 either for the manufacturing, processing or assembly of materials or
8 products, or for research or office purposes, including, but not limited
9 to, medical and other professional facilities, or for industrial,
10 recreational, hotel or motel facilities, public utility and warehousing,
11 or for commercial and service purposes, including, but not limited to,
12 retail outlets, retail shopping centers, restaurant and retail food
13 outlets, and any and all other employment promoting enterprises,
14 including, but not limited to, motion picture and television studios and
15 facilities and commercial fishing facilities, commercial facilities for
16 recreational fishermen, fishing vessels, aquaculture facilities and
17 marketing facilities for fish and fish products and (d) acquisition of an
18 equity interest in, including capital stock of, any corporation; or any
19 combination of the above, which the authority determines will: (i) tend
20 to maintain or provide gainful employment opportunities within and
21 for the people of the State, or (ii) aid, assist and encourage the
22 economic development or redevelopment of any political subdivision
23 of the State, or (iii) maintain or increase the tax base of the State or of
24 any political subdivision of the State, or (iv) maintain or diversify and
25 expand employment promoting enterprises within the State; and (3)
26 the cost of acquisition, construction, reconstruction, repair, alteration,
27 improvement and extension of an energy saving improvement or
28 pollution control project which the authority determines will tend to
29 reduce the consumption in a building devoted to industrial or
30 commercial purposes, or in an office building, of nonrenewable
31 sources of energy or to reduce, abate or prevent environmental
32 pollution within the State; and (4) the acquisition, construction,
33 reconstruction, repair, alteration, improvement, extension,
34 development, financing or refinancing of infrastructure and
35 transportation facilities or improvements related to economic
36 development and of cultural, recreational and tourism facilities or
37 improvements related to economic development and of capital facilities
38 for primary and secondary schools and of mixed use projects
39 consisting of housing and commercial development; and (5) the
40 establishment, acquisition, construction, rehabilitation, improvement,
41 and ownership of port facilities as defined in section 3 of P.L.1997,
42 c.150 (C.34:1B-146). Project may also include: reimbursement to any
43 person for costs in connection with any project, or the refinancing of
44 any project or portion thereof, if such actions are determined by the
45 authority to be necessary and in the public interest to maintain
46 employment and the tax base of any political subdivision and likely to

1 facilitate improvements or the completion of the project; and
2 developing property and any construction, reconstruction,
3 improvement, alteration, equipment or maintenance or repair, or
4 planning and designing in connection therewith. For the purpose of
5 carrying out mixed use projects consisting of both housing and
6 commercial development, the authority may enter into agreements with
7 the New Jersey Housing and Mortgage Finance Agency for loan
8 guarantees for any such project in accordance with the provisions of
9 P.L.1995, c.359 (C.55:14K-64 et al.), and for that purpose shall
10 allocate to the New Jersey Housing and Mortgage Finance Agency,
11 under such agreements, funding available pursuant to subsection a. of
12 section 4 of P.L.1992, c.16 (C.34:1B-7.13). "Project" shall not
13 include a school facilities project.

14 "Qualified municipality" means a municipality: (1) that has been
15 subject to the supervision of a financial review board pursuant to the
16 "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et
17 seq.); (2) that has been subject to the supervision of the Local Finance
18 Board pursuant to the "Local Government Supervision Act (1947),"
19 P.L.1947, c.151 (C.52:27BB-1 et seq.); and (3) which, according to
20 its most recently adopted municipal budget on the effective date of
21 P.L. , c. (C.) (pending before the Legislature as this bill), is
22 dependent upon State aid and other State revenues for not less than 55
23 percent of its total budget.

24 ¹["Regional partnership" or "partnership"] "Regional Impact
25 Council" or "council"¹ means that body established pursuant to
26 section 39 of P.L. , c. (C.) (pending before the Legislature as
27 this bill).

28 "Rehabilitation term" means that period during which the qualified
29 municipality is under the direction of the chief operating officer
30 appointed pursuant to section 7 of P.L. , c. (C.) (pending
31 before the Legislature as this bill).

32 "Special arbitrator" means that judge designated by the Chief Justice
33 pursuant to section 5 of P.L. , c. (C.) (pending before the
34 Legislature as this bill).

35 "State supervision" means supervision pursuant to Article 4 of the
36 "Local Government Supervision Act (1947)," P.L.1947, c.151
37 (C.52:27BB-54 et seq.).

38 "Treasurer" or "State treasurer" means the Treasurer of the State
39 of New Jersey.

40 "Under rehabilitation and economic recovery" means that period
41 which coincides with the rehabilitation term and the economic
42 recovery term.

43

44

ARTICLE 2. GOVERNANCE

45

46 4. (New section) Within 30 days of the effective date of P.L. ,

1 c. (C.) (pending before the Legislature as this bill), the
2 commissioner shall notify the mayor and each member of the
3 governing body of each qualified municipality that the municipality is
4 subject to the provisions of the "Municipal Rehabilitation and
5 Economic Recovery Act," P.L. , c. (C.) (pending before the
6 Legislature as this bill). In addition, the commissioner shall notify:
7 a. the freeholder director and each member of the board of chosen
8 freeholders of each county in which is situated a qualified municipality;
9 b. the Chief Justice of the New Jersey Supreme Court; and
10 c. each member of the Senate and General Assembly.

11

12 5. (New section) Upon receipt of notification by the commissioner
13 pursuant to section 4 of P.L. , c. (C.) (pending before the
14 Legislature as this bill), the Chief Justice may designate a Superior
15 Court judge who sits within the vicinage of the county in which the
16 qualified municipality is situated or a retired judge who, during his or
17 her tenure as a judge, served within the vicinage of the county in
18 which the qualified municipality is situated as the special arbitrator as
19 prescribed pursuant to P.L. , c. (C.) (pending before the
20 Legislature as this bill) to serve during the rehabilitation term. The
21 special arbitrator shall, on an expedited basis, oversee the resolution
22 of any impasse brought before the special arbitrator by the chief
23 operating officer pursuant to sections 9, 11, 13, 16, 22, and 27 of
24 P.L. , c. (C.) (pending before the Legislature as this bill) or
25 any other impasse resulting from any action or failure to act on the
26 part of the mayor, the governing body or any other officer or
27 appointee of the municipality. The special arbitrator may adopt those
28 procedures necessary to govern the resolution of an impasse and shall
29 use the following criteria in dispute resolution, as appropriate to the
30 particular circumstances:

31 a. The action or failure to act would be adverse to the rehabilitation
32 or economic recovery of the municipality;

33 b. The action in question or failure to act would represent an
34 unsound decision in violation of the fiduciary responsibility of the
35 municipal officials;

36 c. The action or failure to act would be inconsistent with internal
37 financial controls or would violate prudent standards or practices of
38 municipal administration or would violate or compromise State laws,
39 rules or regulations under which the municipality operates; and

40 d. the action or inaction would delay the implementation of
41 P.L. , c. (C.) (pending before the Legislature as this bill) or
42 the achievement of the goal of fostering the redevelopment and
43 rehabilitation of qualified municipalities and ensuring the effective
44 delivery of municipal services and professionalization of municipal
45 administration.

1 6. (New section) a. Upon the appointment of a chief operating
2 officer pursuant to section 7 of P.L. , c. (C.) (pending before
3 the Legislature as this bill), a qualified municipality shall be under
4 rehabilitation and economic recovery. This period shall begin with the
5 assumption of job responsibilities by the chief operating officer
6 pursuant to this section and terminate five years following the end of
7 the term of the chief operating officer. The period corresponding with
8 the term of the chief operating officer shall be referred to hereinafter
9 as the rehabilitation term. The period commencing with the expiration
10 of the term of the chief operating officer and terminating five years
11 thereafter shall be referred to hereinafter as the economic recovery
12 term.

13 b. During the economic recovery term, the mayor shall exercise
14 those powers delegated to the mayor pursuant to the form of
15 government, the charter and the administrative code of the
16 municipality, and those powers delegated to the mayor under general
17 law. In addition, during the economic recovery term, the mayor shall
18 retain the power to veto the minutes of any independent board or
19 authority, including, but not limited to, the housing authority, parking
20 authority, redevelopment authority, planning board and board of
21 adjustment.

22 While the municipality is under rehabilitation and economic
23 recovery, the mayor shall retain the power to make those appointments
24 to municipal authorities, boards or commissions, as the case may be,
25 which is otherwise allocated to the mayor pursuant to law.

26 The mayor may retain staff for the purpose of advising the mayor
27 and aiding in the performance of constituent services.

28 c. Upon the assumption of job responsibilities by the chief
29 operating officer, the financial review board created pursuant to
30 section 5 of P.L.1999, c.156 (C.52:27D-118.30a) to oversee the
31 finances of the municipality shall cease to function and the municipality
32 shall cease to be under supervision pursuant to Article 4 of P.L.1947,
33 c.151 (C.52:27BB-54 et seq.).

34 All outstanding debts or obligations incurred by the qualified
35 municipality or the New Jersey Housing and Mortgage Finance
36 Agency established pursuant to section 4 of the "New Jersey Housing
37 and Mortgage Finance Agency Law of 1983," P.L.1983, c.530
38 (C.55:14K-4) as of ¹[30] 60¹ days following the effective date of
39 P.L. , c. (C.) (pending before the Legislature as this bill),
40 with any subsidiary of that ²[authority] agency² with jurisdiction in a
41 qualified municipality, other than those debts or obligations
42 represented by bonds or other negotiable instruments, are forgiven.

43 Notwithstanding the termination of the financial review board and
44 supervision, all memorandums of understanding entered into by the
45 municipality as a condition of receiving assistance under P.L.1987,
46 c.75 (C.52:27D-118.24 et seq.) that require the municipality to

1 implement any government, administrative, operational efficiency or
2 oversight measures necessary for the fiscal recovery of the
3 municipality as recommended by the director and approved by the
4 Local Finance Board shall continue to have full force and effect.

5

6 7. (New section) a. Within 30 days following the enactment of
7 P.L. , c. (C.) (pending before the Legislature as this bill), the
8 Governor shall appoint the chief operating officer in consultation with
9 the mayor and the governing body. The chief operating officer shall
10 serve at the pleasure of the Governor. The chief operating officer shall
11 be qualified by training and experience for the position and shall have
12 at least 10 years of experience in the management or supervision of
13 government activities, three years of which may be substituted by an
14 advanced degree in business, law, or public administration.

15 b. Pending the appointment of a chief operating officer or, in the
16 event of the death, resignation, removal or inability of the chief
17 operating officer to discharge the duties of that office, the functions,
18 powers and duties of the chief operating officer shall devolve upon the
19 director, for the time being, until a chief operating officer is appointed
20 or is able to discharge the duties of that office. In the event that the
21 chief operating officer does not serve out the chief operating officer's
22 term of office for any reason, a successor shall be chosen by the
23 Governor.

24 c. The term of the chief operating officer shall terminate five years
25 following the assumption of duties on the part of the chief operating
26 officer. The chief operating officer may be hired as a State employee
27 in the unclassified service of Title 11A, Civil Service, of the New
28 Jersey Statutes or may be hired under contract, as provided hereunder.
29 Notwithstanding any other provision of law, no person so appointed
30 shall acquire tenure.

31 If the chief operating officer is hired under contract, the person
32 hired shall meet the qualifications set forth herein, and it shall be clear
33 from the contract that the position is full-time and that the job site
34 shall be at the principal offices of the municipality. If, for any reason,
35 a person engaged under contract is unable to fulfill the job
36 responsibilities of chief operating officer, the selection process shall be
37 recommenced in accordance with the provisions of this section.

38 If the chief operating officer is hired under contract, the contract
39 shall be available for public inspection in the office of the municipal
40 clerk.

41 d. Subject to the approval of the commissioner, the salary, benefits
42 and costs of the chief operating officer shall be fixed by the board and
43 adjusted from time to time as the board deems appropriate. The salary
44 level and benefits shall be comparable to that of the director of any
45 public authority or agency with jurisdiction in the qualified
46 municipality. The salary, benefits, and costs of the chief operating

1 officer shall be an expense of the State.

2

3 8. (New section) a. At the end of four years following the
4 commencement of duties by the chief operating officer, the chief
5 operating officer shall submit a report to the Governor, each member
6 of the State Economic Recovery Board, each member of the Senate
7 and General Assembly, each member of the county board of
8 freeholders in the county in which the qualified municipality is
9 situated, each member of the regional ¹[partnership] impact council¹,
10 the mayor, and each member of the governing body of the qualified
11 municipality. The report shall evaluate progress made in rehabilitating
12 the qualified municipality and the status of economic recovery efforts.
13 The report shall include an enumeration of any problems or hurdles
14 encountered in rehabilitation and economic recovery and, where
15 applicable, recommendations for any amendments to State law which
16 would promote and encourage rehabilitation and economic recovery.
17 If the chief operating officer anticipates that the rehabilitation term will
18 be insufficient to achieve rehabilitation goals, the chief operating
19 officer shall include in the report a detailed analysis of the causes for
20 the municipality's inability to reestablish local control and an
21 assessment of the amount of time necessary for the continuation of the
22 period of the rehabilitation term.

23 In addition to the foregoing, the report shall include detailed
24 information as to how those funds appropriated pursuant to
25 P.L. , c. (C.) (pending before the Legislature as this bill) are
26 being spent and how those expenditures are serving to promote the
27 economic revitalization of the qualified municipality.

28 b. Within 30 days of receipt of the report by members of the
29 Legislature, a hearing shall be held by the Senate Community and
30 Urban Affairs Committee and the Assembly Housing and Local
31 Government Committee, or their successors, to provide an opportunity
32 for public comment and discussion.

33

34 9. (New section) a. Upon the appointment of the chief operating
35 officer pursuant to subsection a. of section 7 of P.L. , c.
36 (C.) (pending before the Legislature as this bill), all the functions,
37 powers and duties heretofore or hereafter assigned by any statute,
38 regulation, ordinance, resolution, charter or contract for municipal
39 operations, municipal organization and reorganization, development
40 and implementation of workforce training programs, and the hiring and
41 firing of department heads, managers and supervisory employees shall
42 be reallocated to the chief operating officer. The chief operating
43 officer shall exercise those functions, powers and duties in
44 consultation with the mayor as are hereinafter provided.

45 b. Except as otherwise provided in P.L. , c. (C.) (pending
46 before the Legislature as this bill), the chief operating officer shall

1 have the power to perform all acts and do all things consistent with
2 law necessary for the proper conduct, maintenance, rehabilitation and
3 supervision of the qualified municipality. The chief operating officer
4 may propose ordinances, resolutions, rules, policies and guidelines, not
5 inconsistent with law, for the proper conduct, maintenance and
6 supervision of the municipality.

7 Ordinances and resolutions shall be adopted or amended as
8 provided by law except that the chief operating officer shall exercise
9 the functions, powers and duties of the mayor.

10 Failure of the mayor or governing body to act upon or approve any
11 proposal introduced by the chief operating officer shall constitute an
12 impasse and shall be subject to the dispute resolution procedures set
13 forth in section 5 of P.L. , c. (C.) (pending before the
14 Legislature as this bill).

15 c. Notwithstanding the provisions of the "Long Term Tax
16 Exemption Law," P.L.1991, c.431 (C.40A:20-1 et seq.), the chief
17 operating officer may negotiate financial agreements and otherwise
18 exercise the powers of the governing body pursuant thereto, including
19 making available municipal land in order to facilitate a project pursuant
20 to section 17 of P.L.1991, c.431 (C.40A:20-17). Any such
21 agreements negotiated by the chief operating officer shall be presented
22 to the governing body for the information of the members of the
23 governing body.

24 d. Notwithstanding any provisions of P.L.2001, c.310 to the
25 contrary, the chief operating officer may, in consultation with the
26 mayor and governing body, negotiate bond financing pursuant to the
27 "Redevelopment Area Bond Financing Law," sections 1 through 10 of
28 P.L.2001, c.310 (C.40A:12A-64 through 73) and revenue allocation
29 financing pursuant to the "Revenue Allocation District Financing Act,"
30 sections 11 through 41 of P.L.2001, c.310 (C.52:27D-459 through
31 489).

32 e. The functions, powers and duties reallocated to the chief
33 operating officer pursuant to this section shall include, but not be
34 limited to those powers allocated to the mayor which are found in the
35 charter and administrative code of the municipality, Titles 40 and 40A
36 generally and specifically in the "Local Bond Law," N.J.S.40A:2-1 et
37 seq., the "Local Budget Law," N.J.S.40A:4-1 et seq., the "Local Fiscal
38 Affairs Law," N.J.S.40A:5-1 et seq., the "Local Public Contracts
39 Law," P.L.1971, c.198 (C.40A:11-1 et seq.), any specific form of
40 government law according to which the municipality is governed, and
41 such other sections or other laws necessary to the governance and
42 administration of a municipality, the control of litigation, and the
43 determination of service levels as provided in this section.

44 f. During the rehabilitation term, the chief operating officer shall
45 exercise the veto power of the mayor with respect to municipal
46 ordinances; provided, however, that the chief operating officer may

1 delegate the veto power to the mayor. In addition, during the
2 rehabilitation term, the chief operating officer shall have the power to
3 veto the minutes of any independent board or authority, including, but
4 not limited to, the housing authority, parking authority, redevelopment
5 authority, planning board and board of adjustment.

6 During the rehabilitation term, the chief operating officer may refer
7 any matter involving any action or failure to act to the special
8 arbitrator.

9 g. Subject to the approval of the director, the chief operating
10 officer may appoint a confidential secretary and executive assistant
11 who shall be State employees and serve in the unclassified service of
12 the Civil Service. The salary and benefits of these appointees shall be
13 fixed by the director and adjusted from time to time as the director
14 deems appropriate. The salary, benefits, and costs of these appointees
15 shall be an expense of the State.

16 These appointees shall serve at the pleasure of the chief operating
17 officer.

18

19 10. (New section) The chief operating officer may:

20 a. Sue in the municipality's corporate name and submit disputes and
21 controversies to arbitration and determination in the manner provided
22 by law;

23 b. Retain municipal corporation counsel and such other special
24 counsel as the chief operating officer may deem necessary to carry out
25 the functions, powers and duties set forth in P.L. , c. (C.)
26 (pending before the Legislature as this bill); and

27 c. Request the State Treasurer to provide no interest loans to the
28 municipality for cash flow purposes.

29

30 11. (New section) Within 30 days of the assumption of job
31 responsibilities on the part of the chief operating officer, the chief
32 operating officer shall, in consultation with the mayor, recommend the
33 interim appointment of department heads and submit the list of
34 nominees to the governing body for confirmation. The department
35 heads shall include a business administrator, or functional equivalent
36 thereof, who shall not be the chief operating officer. The governing
37 body may only reject a candidate by a 2/3 vote of the fully authorized
38 membership of the governing body. In the event of an impasse in the
39 appointment process, the matter shall be decided by the special
40 arbitrator, whose decision shall not be subject to appeal. In making a
41 determination pursuant to this subsection, the special arbitrator shall
42 uphold the appointment recommended by the chief operating officer
43 if, by any objective measure, the person under consideration for that
44 position is qualified by reason of experience, education or training.

45 These interim appointees shall fulfill those responsibilities delegated
46 to them by the chief operating officer pending the completion of the

1 municipal management study by the chief operating officer pursuant to
2 section 12 of P.L. , c. (C.) (pending before the Legislature
3 as this bill).

4
5 12. (New section) a. Within 30 days following the submission of
6 interim department head appointments to the governing body, the chief
7 operating officer, in consultation with the mayor, shall undertake the
8 preparation of a municipal management study which analyzes the
9 current state of all services provided by each municipal department and
10 the service levels provided in similarly situated municipalities and shall
11 call upon experts or State government officials, as necessary, in order
12 to identify the options available to achieve appropriate levels of
13 service. The study shall include police and fire services provided by
14 the municipality, as well as planning, zoning, code enforcement,
15 permitting and any other municipal permitting.

16 b. The study shall include reference to those studies previously
17 completed by the State during the period of supervision or the
18 operation of the financial review board and any other relevant studies.

19 c. The study shall be completed no later than nine months following
20 the appointment of the interim department heads.

21 d. The study shall include a review of the municipal organizational
22 plan, the management structure of each department, and the specific
23 personnel needs within each department and unit therein necessary to
24 achieve the levels of service identified in the study as appropriate for
25 the qualified municipality.

26 With regard to public safety services, the study shall analyze the
27 current state of services provided in light of such performance
28 measures as calls per officer and call response time and make
29 recommendations for current and future staffing levels in order to
30 realize appropriate levels of service.

31 With respect to other municipal services, the study shall address
32 turnaround time on the processing, review, and approval of
33 applications, permits, grants, loans or other application-driven
34 interactions on the part of private individuals with the municipality and
35 make recommendations for improvement, including considerations of
36 future staffing levels and the logistical support necessary in order to
37 assure more timely processing of such requests.

38 In addition, the study shall include an assessment of the current
39 state of computerization of municipal operations, the extent to which
40 technology and mechanization are used to increase the efficiency of
41 municipal operations, and, in particular, the extent to which
42 geographic information systems are used to assist in municipal
43 resource allocation, and recommendations for ways in which those
44 operations may be made more efficient and accessible to the public
45 through the use of computers and technological innovation, including
46 the use of geographic information systems.

1 e. Following from this review, the study shall include any
2 recommendations for the reorganization of municipal government
3 structure considered necessary in order to achieve the more efficient,
4 orderly, cost-effective and professional delivery of municipal services.

5 In addition, the study shall include an analysis and recommendations
6 concerning appropriate pay scales for department heads in order to
7 assist the chief operating officer in recruiting persons with the training
8 and experience necessary to effectuate their job responsibilities.

9 f. Notwithstanding any other law, rule or regulation to the
10 contrary, the municipal management study shall include an evaluation
11 of the qualification levels of departmental employees in light of their
12 assigned tasks and an identification of training opportunities to assist
13 those employees in better performing their assigned duties, including
14 a program of computer and technology training. The chief operating
15 officer may call upon the Commissioner of Personnel or other
16 appropriate State government appointees or officers in order to
17 perform this evaluation and provide appropriate training.

18 g. Upon completion, the study shall be distributed to the mayor,
19 each member of the governing body ¹[and], every member of the
20 Senate and General Assembly, and¹ the Commissioner of Community
21 Affairs. In addition, the study shall be available for public inspection.

22 h. Following from the municipal management study, the chief
23 operating officer shall prepare the necessary amendments to the
24 municipality's administrative code and ordinance, including salary
25 ordinances, which follow from the recommendations in the study.
26 These ordinances and amendments should be included as an appendix
27 to the municipal management study.

28 The mayor and the governing body shall be kept apprised of the
29 progress of the municipal management study and shall cooperate with
30 the chief operating officer and provide that information and
31 documentation necessary to assure the expeditious completion of the
32 study.

33
34 13. (New section) a. Upon the completion of the municipal
35 management study by the chief operating officer, the chief operating
36 officer shall make available for public inspection a copy of the study
37 in the office of the municipal clerk and each branch of the public
38 library within the municipality.

39 b. The chief operating officer shall cause notice to be published in
40 a newspaper circulating within the municipality that the study is
41 available for public inspection, not less than 14 days before the
42 meeting of the governing body at which the study is to be voted on.

43 c. The municipal management study shall become the official
44 operating plan for the municipality unless the governing body rejects
45 the study by a 2/3 vote of the fully authorized membership of the
46 governing body within 30 days following the publication of notice

1 pursuant to subsection b. of this section.

2 In the event that the governing body rejects the study, the rejection
3 shall be accompanied by a statement specifically outlining the basis for
4 the rejection of each element or component of the study along with an
5 alternative proposal or proposals which accomplish the same
6 objectives.

7 If the chief operating officer does not approve those alternatives
8 proposed by the governing body, any disputed item shall be considered
9 an impasse and subject to the dispute resolution process set forth in
10 section 5 of P.L. , c. (C.) (pending before the Legislature
11 as this bill).

12 If the governing body has not acted within 30 days following the
13 publication of notice pursuant to subsection b. of this section, the
14 study shall be considered adopted.

15 d. Upon the adoption of the municipal management study, the chief
16 operating officer, in consultation with the director, shall establish a
17 salary scale for each department head. To the extent that the
18 established salaries exceed those paid by the municipality at the
19 commencement of the rehabilitation term, the State shall absorb the
20 increased expense for salaries and benefits during the rehabilitation
21 term, and for two years thereafter, subject to appropriation.

22 e. Once the chief operating officer has established the salary scale
23 and the municipal management study has been adopted, the chief
24 operating officer shall cause to be prepared proposed ordinances
25 effectuating the salary scales and those amendments to the
26 administrative code necessary to implement the municipal management
27 study.

28

29 14. (New section) For the purposes of Title 11A, Civil Service, of
30 the New Jersey Statutes, the chief operating officer shall act as the
31 appointing authority.

32 The Commissioner of Personnel, in conjunction with the chief
33 operating officer, shall design a remedial Human Resource Plan for the
34 qualified municipality which best supports the efficient and effective
35 delivery of services to the residents of the municipality. This plan may
36 include, but need not be limited to, such measures as delegation of
37 specified personnel functions, pilot programs, and streamlined
38 appointment processes and shall remain in place during the
39 rehabilitation term.

40 The Commissioner of Personnel may approve such additional
41 changes in the staffing and organization structure as are needed to
42 support the rehabilitation and economic recovery of the qualified
43 municipality pursuant to P.L. , c. (C.) (pending before the
44 Legislature as this bill).

45

46 15. (New section) a. Notwithstanding any other provision of law

1 or contract, the chief operating officer may abolish positions in the
2 municipality not under the direct supervision of the municipal
3 governing body at any time. All of the functions, powers and duties
4 of such abolished positions shall be exercised by the chief operating
5 officer or those persons whom the chief operating officer designates
6 to exercise them during the rehabilitation term. The affected
7 individuals shall be given 60 days' notice of termination or pay for the
8 same period. The notice or payment shall be in lieu of any other claim
9 or recourse against the municipality based on law or contract or term
10 of office.

11 b. Notwithstanding any law, rule or regulation to the contrary, no
12 individual whose position is abolished by operation of this section shall
13 be entitled to assert a claim to any position or to placement upon a
14 preferred eligibility list for any position to which the individual may be
15 entitled by virtue of tenure or seniority within the municipality.
16 Nothing herein shall preclude an individual from asserting upon
17 separation from service any legal contractual right to health care
18 coverage, annuities, accrued vacation days, accrued sick leave,
19 insurance and approved tuition costs. No individual whose position is
20 abolished by operation of this subsection shall retain any right to
21 tenure or seniority in the positions abolished herein.

22 c. Notwithstanding any provision of P.L.1992, c.43 (C.34:15D-1
23 et seq.) to the contrary, the Department of Labor shall, if requested by
24 an employee, provide a training grant under the "Job Training
25 Partnership Act," Pub. L. 97-300 (29 U.S.C. s.1501 et seq), to each
26 person who applies pursuant to this section for a training grant to pay
27 for employment and training services as provided pursuant to section
28 6 of P.L.1992, c.43 (C.34:15D-6).

29

30 16. (New section) a. Following the completion of the municipal
31 management study, the chief operating officer shall, in consultation
32 with the mayor, recommend the appointment of department heads and
33 division heads, as the case may be, and submit the list of nominees to
34 the governing body for approval. Any recommendations provided by
35 the chief operating officer pursuant to this subsection shall be made in
36 consultation with the mayor. Any person who has served as an interim
37 department head pursuant to section 11 of P.L. , c. (C.)
38 (pending before the Legislature as this bill) shall be eligible for
39 appointment pursuant to this section. The governing body may only
40 reject a candidate by a 2/3 vote of the fully authorized membership of
41 the governing body. In the event of an impasse in the appointment
42 process, the matter shall be decided by the special arbitrator, whose
43 decision shall not be subject to appeal. In making a determination
44 pursuant to this subsection, the special arbitrator shall uphold the
45 appointment recommended by the chief operating officer if, by any
46 objective measure, the person under consideration for that position is

1 the most qualified by reason of experience, education or training.

2 Appointment as a department head or division head, as the case may
3 be, shall be for a period of time coinciding with the term of the chief
4 operating officer and an additional two years thereafter; however,
5 department heads and division heads may be removed for cause by the
6 Local Finance Board following a hearing before the board.

7 b. Any person who has served as an employee in a position with
8 tenure rights during the rehabilitation term who is reappointed by the
9 mayor, with the advice and consent of the governing body, as
10 appropriate, following the termination of the rehabilitation term shall
11 receive credit for the years served during the period of rehabilitation
12 for the purposes of establishing eligibility for tenure, so long as the
13 position otherwise qualifies for tenure under general law.

14

15 17. (New section) Upon the adoption of the municipal
16 management study, the chief operating officer, working in conjunction
17 with the Commissioner of Personnel and in consultation with the
18 mayor, shall, within 60 days, transfer, assign or reclassify, as the case
19 may be, those positions recommended for such action in the study.

20 Any residency requirement established pursuant to municipal
21 ordinance shall be waived for those positions which are at the
22 supervisory, management level or above and which are in the
23 unclassified service of Title 11A, Civil Service, of the New Jersey
24 Statutes.

25

26 18. (New section) Any person hired in a position for which the
27 residency requirement has been waived or as a police officer or
28 firefighter after the adoption of the municipal management study, and
29 who purchases a home in the qualified municipality and occupies that
30 home as a principal residence shall, subject to appropriation, receive
31 an annual stipend of 10 percent of the person's base salary upon proper
32 claim made therefor each year to the Department of Community
33 Affairs, so long as the claim is made during the rehabilitation term,
34 subject to appropriation. The department shall pay the stipend upon
35 satisfactory proof by the applicant that the dwelling for which the
36 stipend is being paid continues to be occupied as a principal residence
37 by the applicant. An employee may receive this stipend for a period of
38 five years; however, the requirement that the dwelling be occupied as
39 a principal residence shall extend to the period of rehabilitation and
40 economic recovery. Any person who does not continue to occupy the
41 residence for which that person receives the stipend for the entirety of
42 the period of rehabilitation and economic recovery shall be required to
43 reimburse the State for the entire amount of the stipend received.

44 A municipal tax lien shall attach on the property for which the
45 stipend is being paid, at the time the annual stipend is paid by the State
46 in the amount of stipend received by the applicant. The lien shall have

1 the same status and shall be given the same effect as municipal liens
2 established under R.S.54:5-9. The lien shall remain on the property
3 until the expiration of the period of rehabilitation and economic
4 recovery, or until the entire amount of the stipend paid to the applicant
5 has been reimbursed back to the State, should the applicant not
6 continue to occupy the residence for the entire period of rehabilitation
7 and economic recovery. The amount of the stipend to be reimbursed
8 to the State shall also be a personal debt of the applicant, and both the
9 lien and the debt shall be recoverable in the name of the State by
10 means of any remedy available at law.

11 The chief operating officer shall each year compile a list of those
12 employees eligible to receive the stipend, which shall be used by the
13 department to verify eligibility. An employee who receives the stipend
14 shall be ineligible to receive the property tax credit authorized
15 pursuant to section 56 of P.L. , c. (C.) (pending before
16 the Legislature as this bill).

17 The commissioner shall annually submit a list to the State Treasurer
18 of those persons who receive the stipend.

19

20 19. (New section) Notwithstanding the provisions of any other
21 law, rule or regulation to the contrary, an employee of a qualified
22 municipality who is a member of the Public Employees' Retirement
23 System and is otherwise eligible for retirement may, upon the
24 recommendation of the chief operating officer with the approval of the
25 director, receive an incentive payment for the termination of the
26 employee's employment with the municipality.

27 As used in this section, "incentive payment" shall mean a lump sum
28 payment of 20 percent of the employee's annual base salary, exclusive
29 of overtime.

30 An employee shall only be eligible for an incentive payment
31 pursuant to this section if that person applies for this termination
32 benefit within 60 days of the appointment of the chief operating
33 officer. Payment shall be made not sooner than upon the receipt of the
34 first pension check by the municipal employee.

35 This election to retire on the part of the municipal employee shall
36 be communicated by the member to the retirement system pursuant to
37 Title 43 of the Revised Statutes; however, once the employee has
38 elected to retire, that decision shall be final.

39

40 20. (New section) A resident of a qualified municipality who has
41 paid property taxes for the tax year on a homestead that is owned as
42 such and who is eligible to receive an NJ SAVER rebate pursuant to
43 P.L.1999, c.63 (C.54:4-8.58a et al.) shall, subject to appropriation,
44 receive an NJ SAVER rebate in an amount equal to 150% of the
45 amount otherwise owed that resident pursuant to section 4 of
46 P.L.1999, c.63 (C.54:4-8.58b) during the time that the municipality is

1 under rehabilitation and economic recovery.

2

3 21. (New section) a. The chief operating officer shall conduct
4 monthly meetings with the mayor, department heads and the executive
5 directors of any independent boards or authorities created by the
6 municipality or which otherwise operate in the name of the
7 municipality. Meetings may be held more frequently, as necessary, at
8 the call of the chief operating officer.

9 b. During the rehabilitation term, the chief operating officer may
10 veto the minutes of any independent board or authority, including, but
11 not limited to, the housing authority, parking authority, redevelopment
12 authority, planning board and board of adjustment. The mayor shall
13 retain this power during the economic recovery term.

14 c. A true copy of the minutes of every meeting of any independent
15 board or authority, including, but not limited to, the housing authority,
16 parking authority, redevelopment authority, planning board and board
17 of adjustment, shall be prepared and forthwith delivered to the chief
18 operating officer or mayor, as the case may be. No action taken at any
19 such meeting shall have force or effect until 10 days, exclusive of
20 Saturdays, Sundays and public holidays, after the copy of the minutes
21 shall have been so delivered. If, in that 10-day period, the chief
22 operating officer or mayor returns the copy of the minutes with a veto
23 of any action taken by the board or authority at the meeting, that
24 action shall be null and void and of no force and effect. Following the
25 completion of the 10-day period, those actions not vetoed shall be
26 considered approved.

27 d. To ensure the expeditious consideration of any decision by the
28 planning board and zoning board of adjustment or any other
29 independent board or authority on the part of the chief operating
30 officer or mayor, as appropriate, the secretary of each board or
31 authority shall forward a copy of each resolution adopted by each
32 board or authority within five business days following the adoption
33 thereof. For the purposes of the exercise of the veto power by the
34 chief operating officer or mayor pursuant to subsection c. of this
35 section, the 10-day period shall commence upon the receipt, by the
36 chief operating officer or mayor, as appropriate, of those resolutions.

37

38 22. (New section) a. Any applicable period for review or appeal
39 in connection with any application acted upon by either the planning
40 board or zoning board, as the case may be, as provided for under the
41 "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.),
42 shall be extended to incorporate that amount of time taken by the chief
43 operating officer in reviewing the minutes pursuant to subsection c. of
44 section 21 of P.L. , c. (C.) (pending before the Legislature as
45 this bill).

46 b. In the event that the veto of the chief operating officer reverses

1 an approval that has been granted by the planning board or board of
2 adjustment, as the case may be, or allows an application that has
3 otherwise been denied by either board, the chief operating officer shall
4 direct the secretary of the planning board or board of adjustment, as
5 the case may be, to notify the applicant, by certified mail, at the same
6 time that the secretary receives the copy of the minutes with the veto
7 from the chief operating officer pursuant to subsection c. of section 21
8 of P.L. , c. (C.) (pending before the Legislature as this bill).

9
10 23. (New section) a. Within three business days following each
11 meeting of the governing body, a copy of each ordinance and
12 resolution which has been adopted by the governing body shall be
13 forwarded to the chief operating officer or mayor, as the case may be,
14 who shall have 10 days from the receipt thereof to veto the ordinance
15 or resolution, as the case may be. Any veto action by the chief
16 operating officer or mayor shall be submitted to the governing body
17 within 10 days of the veto. Within five business days thereafter, the
18 governing body may override the veto by a two-thirds vote of the fully
19 authorized membership thereof.

20 If, in the opinion of the chief operating officer, the action is
21 contrary to the rehabilitation of economic recovery goals which
22 justified the rehabilitation declaration, the chief operating officer can
23 submit the action to the special arbitrator, who shall allow the action
24 only upon a finding that the action is consistent with the rehabilitation
25 and economic recovery of the qualified municipality. The decision of
26 the special arbitrator shall not be subject to appeal.

27 b. The chief operating officer shall have full access to all municipal
28 records and to municipal information from all officials and employees
29 of the municipality. If the chief operating officer believes that an
30 official or employee of the municipality is not answering the questions
31 of the chief operating officer accurately or completely or is not
32 furnishing information requested by the chief operating officer, the
33 chief operating officer may notify the official or employee in writing
34 to furnish answers to questions or to furnish documents or records, or
35 both. If the official or employee refuses, the chief operating officer
36 may seek a subpoena in the Superior Court, in a summary manner, to
37 compel testimony and furnish records and documents.

38
39 24. (New section) The governing body, in conjunction with the
40 Eagleton Institute of Politics and the Rand Institute at Rutgers, The
41 State University, shall hire a non-partisan, professional staff to assist
42 the governing body in the execution of its governmental functions and
43 shall provide the staff with the computer hardware and software
44 necessary to perform their assigned tasks. Computer equipment shall
45 be provided at State expense. The staff members shall possess
46 expertise in areas of municipal government operation, including but

1 not limited to, municipal law, planning, social services, public health,
2 public finance and public works administration. Candidates for
3 appointment shall possess a college degree which is relevant to the
4 position which may include, but not be limited to, business, law and
5 public administration. Although a candidate may possess a law
6 degree, staff members shall serve as subject matter experts to the
7 governing body and shall not serve as legal counsel.

8 The Eagleton Institute and the Rand Institute shall also provide
9 comprehensive training for members of the governing body and the
10 non-partisan, professional staff to better enable them to discharge their
11 representative functions in the public interest. The State shall
12 adequately compensate the Eagleton Institute and the Rand Institute
13 for their services, subject to appropriation.

14

15 25. (New section) Unless otherwise provided pursuant to
16 P.L. , c. (C.) (pending before the Legislature as this bill), the
17 governing body shall retain all functions, powers and duties prescribed
18 to it pursuant to the charter and administrative code of the
19 municipality, Titles 40 and 40A generally and specifically in the "Local
20 Bond Law," N.J.S.40A:2-1 et seq., the "Local Budget Law,"
21 N.J.S.40A:4-1 et seq., the "Local Fiscal Affairs Law," N.J.S.40A:5-1
22 et seq., the "Local Public Contracts Law," P.L.1971, c.198
23 (C.40A:11-1 et seq.), the "New Jersey Water Supply Public-Private
24 Contracting Act," P.L.1995, c.101 (C.58:26-19 et seq.), any specific
25 form of government law according to which the municipality is
26 governed, and such other sections or other laws which govern
27 municipal operation or administration.

28 The governing body shall set the schedule and agenda for meetings
29 of the governing body, which shall be duly advertised pursuant to the
30 "Open Public Meetings Act," P.L.1975, c.231 (C.10:4-6 et seq.).
31 Meetings shall be presided over by the president of the governing
32 body.

33

34 26. (New section) a. The director may provide for oversight or
35 audit of the activities of each qualified municipality and report the
36 findings to the Local Finance Board and the chief operating officer.
37 The cost of providing oversight and audit functions shall be borne by
38 the State. The power to negotiate collective bargaining agreements
39 pursuant to section 20 of P.L.1981, c.211 (C.52:27BB-66.1) shall be
40 vested in the chief operating officer. Collective bargaining agreements
41 entered into by the municipality prior to the commencement of the
42 rehabilitation term shall remain in force as provided in those
43 agreements, except when otherwise expressly provided in P.L. , c.
44 (C.) (pending before the Legislature as this bill).

45 b. The director may make grants to a municipality under
46 rehabilitation, using such funds as may be available to the director, for

1 the purposes of conducting studies or engaging consultants as may be
2 authorized by P.L. , c. (C.) (pending before the Legislature as
3 this bill) to assist in rehabilitation, or those that the director and the
4 chief operating officer or mayor, as appropriate, determine are
5 necessary to the rehabilitation of the municipality. Grants may be
6 made subject to conditions deemed necessary by the director.

7
8 27. (New section) a. During the rehabilitation term, the chief
9 operating officer shall not increase the municipal portion of the general
10 tax rate over the rate established for the year during which the
11 rehabilitation took effect.

12 b. The chief operating officer shall, in consultation with the mayor,
13 annually prepare a budget pursuant to the provisions of the "Local
14 Budget Law," N.J.S.40A:4-1 et seq. This budget shall conform in all
15 respects with the requirements of the "Local Budget Law,"
16 N.J.S.40A:4-1 et seq. and shall be subject to the limitations on
17 spending by municipalities set forth in P.L.1976, c.68 (C.40A:4-45.1
18 et seq.). The Local Finance Board may grant exceptions to the
19 spending limitations set forth in P.L.1976, c.68 (C.40A:4-45.1 et seq.)
20 upon application by the chief operating officer, if the Local Finance
21 Board finds such exceptions to be necessary for the rehabilitation of
22 the municipality.

23 c. Upon the preparation of the budget, the chief operating officer,
24 in consultation with the mayor, shall fix: a date, place and time for the
25 holding of a public hearing upon the budget; the amounts of money
26 necessary to be appropriated for the use of the municipality for the
27 ensuing year; and the various items and purposes for which the same
28 are to be appropriated. The hearing shall be held in accordance with
29 the provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq.;
30 however, the hearing shall be held at least 28 days after the date on
31 which the budget is advertised. Notice of hearing, contents of the
32 notice and the format and purpose of the hearing shall be as provided
33 in that law. As part of the budget request, the chief operating officer
34 may include provision for anticipation of rehabilitation aid if other
35 revenues are insufficient to meet the revenues needed to offset total
36 appropriations.

37 d. Following the hearing or hearings on the budget, the governing
38 body shall vote upon the proposed budget. Failure to adopt the
39 budget shall be communicated to the chief operating officer along with
40 the reasons for each line item that is rejected. If the chief operating
41 officer does not approve those alternatives proposed by the governing
42 body, any disputed line item shall be considered an impasse and subject
43 to the dispute resolution process set forth in section 5 of P.L. , c.
44 (C.) (pending before the Legislature as this bill).

45 e. If the budget proposed by the chief operating officer includes a
46 provision for rehabilitation aid, the chief operating officer shall apply

1 to the director for approval of the amount and shall supply the director
2 with documentation justifying the need. The director shall then
3 recommend an amount to the State Treasurer. The treasurer, after
4 consideration of the recommendation, shall determine the amount of
5 the rehabilitation aid to be requested.

6 f. During the period that the municipality is under rehabilitation and
7 economic recovery, the commissioner shall ensure that those
8 appropriations in the municipal budget ¹[or departmental budget, as
9 the case may be,]¹ necessary for the ¹[rehabilitation and economic
10 recovery of the qualified municipality either appropriated pursuant to
11 the "Municipal Rehabilitation and Economic Recovery Act," P.L. ,
12 c. (C.) (pending before the Legislature as this bill) anticipated
13 by the programs established pursuant thereto, or otherwise necessary
14 to assure the municipality's rehabilitation and revitalization, are fully
15 funded and continued during the entire period of rehabilitation and
16 economic recovery] improvement of internal audit mechanisms and
17 controls are present on an annual basis¹.

18

19 28. (New section) During the rehabilitation term, all ordinances
20 authorizing the issuance of debt shall be subject to approval of the
21 Local Finance Board. Provisions of the "Local Bond Law,"
22 N.J.S.40A:2-1 et seq., with regard to the introduction of bond
23 ordinances shall be followed, and approval of the chief operating
24 officer shall serve as approval of the bond ordinance for publication.
25 After a public hearing held by the governing body and approval of a
26 bond ordinance by the chief operating officer, the chief operating
27 officer shall apply to the Local Finance Board for approval of the bond
28 ordinance. No bond ordinance shall take effect without the approval
29 of the Local Finance Board. Amendments to existing bond ordinances
30 that do not increase the amount of bonded indebtedness may be
31 approved by the chief operating officer without the approval of the
32 Local Finance Board.

33

34 29. (New section) The chief operating officer shall biannually
35 provide to the Local Finance Board a report on the progress of each
36 qualified municipality toward achieving municipal rehabilitation and
37 economic recovery. The director shall formally report annually to the
38 Local Finance Board, the commissioner, the Attorney General, the
39 treasurer, the Governor, each member of the governing body of each
40 qualified municipality, including the mayor, each member of the county
41 board of freeholders in the county in which the qualified municipality
42 is situated, each member of the regional ¹[partnership] impact
43 council¹, and each member of the Legislature on the municipality's
44 progress towards achieving these goals. The reports may also include
45 recommendations to the Legislature by the chief operating officer for
46 specific changes to the law that the chief operating officer believes

1 would facilitate the goal of rehabilitating the qualified municipality.

2

3 30. (New section) The mayor of each qualified municipality and
4 the chief operating officer shall establish a community advisory
5 committee in order to provide an efficient means of eliciting citizen
6 input in the rehabilitation and economic recovery and community
7 development of that municipality, which shall exist while the qualified
8 municipality is under rehabilitation and economic recovery. The
9 community advisory committee shall consist of 13 members as follows:
10 three to be appointed by the Commissioner of Community Affairs;
11 three by the governing body; and three by the chief operating officer.
12 The mayor shall serve as an ex officio member of the committee and
13 shall appoint an additional three members. Members shall serve for
14 a term of five years.

15 Membership of the committee shall include representatives of the
16 municipality's neighborhood, business, labor, faith-based, civic, and
17 public interest organizations. No fewer than three members of the
18 committee shall represent private businesses situated within the
19 qualified municipality.

20 The committee shall meet not less than twice a year, at the pleasure
21 of the chief operating officer, and shall assist the chief operating
22 officer in the conduct of the municipal management study pursuant to
23 section 12 of P.L. , c. (C.) (pending before the Legislature
24 as this bill) and such other functions as are assigned to it by the chief
25 operating officer.

26

27 31. (New section) a. All State departments and agencies, to the
28 extent not inconsistent with law and within budget constraints, shall
29 cooperate with the chief operating officer and respond to requests for
30 such information and assistance as are necessary to accomplish the
31 purposes of P.L. , c. (C.) (pending before the Legislature as
32 this bill).

33 b. Notwithstanding any law or regulation to the contrary, during
34 the period of rehabilitation and economic recovery, each State
35 department, agency, or authority shall supersede existing priority
36 setting or ranking systems to place applications from the qualified
37 municipality in the highest priority or ranking category for award or
38 approval of grants, benefits, loans, projects, including highway, roads,
39 sewer and other infrastructure projects or other considerations that
40 would benefit the municipality. This shall be done to the greatest
41 extent possible to benefit the municipality.

42

43 32. (New section) The State shall not be liable in tort, contract or
44 in the nature of tort for any action or inaction involving the
45 rehabilitation or revitalization of the municipality. The chief operating
46 officer, assistant chief operating officer, and any State officer or

1 employee involved in the rehabilitation or revitalization of the
2 municipality shall not be liable in tort, contract or in the nature of tort
3 personally or as State employees for any action or inaction involving
4 the rehabilitation or revitalization of the municipality.

5 This section shall not be construed to preclude an aggrieved person
6 from maintaining an action in tort, contract or in the nature of tort
7 against the chief operating officer or a State officer or employee
8 involved in the rehabilitation or revitalization of the municipality, as
9 municipal employees. For purposes of those actions the chief
10 operating officer, appointees of the chief operating officer pursuant to
11 subsection g. of section 9 of P.L. , c. (C.) (pending before
12 the Legislature as this bill), and any State officer or employee involved
13 in the rehabilitation shall be deemed officers or employees of the
14 municipality and shall be entitled to the defenses and immunities as
15 provided under the "New Jersey Tort Claims Act," N.J.S.59:1-1 et
16 seq. and the "New Jersey Contractual Liability Act," N.J.S.59:13-1 et
17 seq. for public employees and shall be entitled to defense and
18 indemnification by the municipality as provided to other municipal
19 employees.

20
21 33. (New section) The commissioner shall utilize available
22 mechanisms, such as the Urban Coordinating Council, to coordinate
23 and facilitate communications between the chief operating officer and
24 the various State departments and agencies.

25
26 34. (New section) a. Notwithstanding that a municipality has been
27 placed under rehabilitation and economic recovery under P.L. ,
28 c. (C.) (pending before the Legislature as this bill), the
29 municipality shall remain a body corporate and politic in the same
30 manner as existed prior to rehabilitation and economic recovery.

31 b. Nothing in P.L. , c. (C.) (pending before the Legislature
32 as this bill) shall be construed to interrupt the holding of regular
33 elections of the governing body, mayor or other chief executive
34 officer.

35
36 35. (New section) Notwithstanding any law, rule or regulation to
37 the contrary, the governing body of any qualified municipality in which
38 a free public library has been established pursuant to R.S.40:54-1 et
39 seq. situated in a county in which a free county library has been
40 established pursuant to R.S.40:33-1 et seq. and in which is situated a
41 qualified municipality may enter into an agreement with the governing
42 body of the county, acting on behalf of the county library commission,
43 for the county library to assume responsibility for the administration
44 and operation of the municipal library system. The agreement shall
45 provide for those financial arrangements necessary in order to assure
46 a smooth transition from municipal to county operation and the

1 transfer of library personnel from the municipal, to the county library
2 system.

3

4 ARTICLE 3. REDEVELOPMENT MANAGEMENT

5

6 36. (New section) a. In order to facilitate the rehabilitation and
7 economic recovery of each qualified municipality, there is created a
8 subsidiary corporation of the New Jersey Economic Development
9 Authority, which shall be known as the State Economic Recovery
10 Board for (insert name of qualified municipality). The board shall
11 operate for the period during which the municipality is under
12 rehabilitation and economic recovery and for a period of two years
13 thereafter. Any outstanding debts or obligations which remain at the
14 termination of board operation shall be assumed by the authority and
15 any accounts payable to the board shall be due and payable to the
16 authority.

17 b. The board shall consist of 15 voting members, as follows: the
18 mayor of the qualified municipality; a representative of the municipal
19 governing body selected by the governing body; the chief operating
20 officer; the State Treasurer; the Commissioner of Community Affairs;
21 the chairperson of the authority; a representative of the regional
22 ¹[partnership] impact council¹ selected by the ¹[partnership]
23 council¹; the director of the board of chosen freeholders of the county
24 in which the qualified municipality is situated, as provided hereunder,
25 all of whom shall serve ex officio and may select a designee to serve
26 in their stead; one public member chosen by the Senate President and
27 one public member chosen by the Assembly Speaker; and five public
28 members to be appointed by the Governor, to include one
29 representative of organized labor and one representing the business
30 community. Of the public members appointed by the Governor, at
31 least three shall be municipal residents. In addition, the Senior
32 Community Builder in the State office of the federal Department of
33 Housing and Urban Development shall serve as an ex officio, non-
34 voting member of the board.

35 ¹A majority of the entire authorized membership of the board shall
36 constitute a quorum at any meeting thereof.¹

37 c. Each public member shall serve for a term of five years.
38 Vacancies in the public membership of the board shall be filled in the
39 same manner as the original appointments are made and a member may
40 be eligible for reappointment. Vacancies occurring other than by
41 expiration of a term shall be filled for the unexpired term. Each ex
42 officio member shall serve for the period during which the municipality
43 is under rehabilitation and economic recovery and for a period of two
44 years thereafter.

45 The Governor shall designate the chairperson of the board.

46 d. The board shall be appointed as expeditiously as possible upon

1 the enactment of P.L. , c. (C.) (pending before the
2 Legislature as this bill) and shall convene not later than 30 days
3 following enactment of P.L. , c. (C.) (pending before the
4 Legislature as this bill) for its organizational meeting. Thereafter, the
5 board shall meet regularly and on not less than a quarterly basis. ¹At
6 its first organizational meeting, the board shall appoint one of the
7 public members to serve as its designee on the New Jersey Economic
8 Development Authority pursuant to section ²[68] 69² of P.L. , c.
9 (C.) (pending before the Legislature as this bill).¹

10 e. The voting authority of the director of the county board of
11 chosen freeholders shall not become effective until the filing with the
12 Secretary of State of an agreement entered into by the chief operating
13 officer, acting on behalf of the municipality, and the county, detailing
14 the financial commitment of the county to the redevelopment of the
15 infrastructure of the municipality which shall include improvements or
16 other economic benefits totalling not less than \$20 million and a
17 proposed construction schedule for the completion thereof.

18

19 37. (New section) The duties of the board shall include, but not be
20 limited to:

21 a. in consultation with the chief operating officer and the mayor,
22 the preparation of the capital improvement and infrastructure master
23 plan, identification of resources necessary to assure its implementation,
24 marshaling of efforts of public and private entities which operate
25 within the qualified municipality, and performance of any other tasks
26 requested by the chief operating officer to assure the efficient use of,
27 and maximum access to, public resources in order to assure the
28 economic recovery of the qualified municipality;

29 b. the preparation of a strategic revitalization plan for the qualified
30 municipality in accordance with the provisions of section 38 of
31 P.L. , c. (C.) (pending before the Legislature as this bill);

32 c. ¹[the making of grants, matching grants or loans, as appropriate,
33 to finance, in whole or in part, projects which further economic
34 recovery goals of the "Municipal Rehabilitation and Economic
35 Recovery Act," P.L. , c. (C.) (pending before the Legislature
36 as this bill);

37 d.]¹ the review and approval of plans submitted by any institution
38 of higher education as a prerequisite for the receipt of funding
39 pursuant to P.L. , c. (C.) (pending before the Legislature
40 as this bill). The approval of these plans shall not be unreasonably or
41 arbitrarily withheld;

42 ¹[e.] d.¹ the review, on a timely basis, of all programs or projects
43 undertaken pursuant to P.L. , c. (C.) (pending before the
44 Legislature as this bill), including but not limited to development and
45 redevelopment efforts, including commercial, residential and industrial
46 projects, facilities or sites, the issuance of any loan, grant or other

1 equity investment pursuant to P.L. , c. (C.) (pending before
2 the Legislature as this bill) or any other State appropriation or
3 allocation for the qualified municipality;

4 ¹[f.] e.¹ the preparation of project lists ¹and financial plan¹ in
5 accordance with the provisions of section 45 of P.L. , c. (C.)
6 (pending before the Legislature as this bill);

7 ¹[g.] f.¹ the review of all recommendations, studies or other
8 proposals related to the purposes of, and undertaken pursuant to
9 P.L. , c. (C.) (pending before the Legislature as this bill); and

10 ¹[h.] g.¹ the engagement, through contract or other appropriate
11 means, of those professionals or organizations whose expertise and
12 experience would prove essential to achieving a comprehensive and
13 strategic economic development plan.

14

15 38. (New section) a. Concurrently with the preparation of the
16 capital improvement and infrastructure plan pursuant to section 42 of
17 P.L. , c. (C.) (pending before the Legislature as this bill),
18 the board shall oversee the preparation of a strategic revitalization plan
19 for the qualified municipality.

20 The strategic revitalization plan shall incorporate a blueprint for the
21 economic, social, and cultural revitalization of the municipality
22 through the promotion of development and redevelopment in both the
23 downtown business district and residential neighborhoods. The plan
24 shall promote diversification of land uses, including housing where
25 appropriate, and enhance the linkages of these uses to the rest of the
26 community. The plan shall ensure a full range of housing choices
27 through redevelopment, new construction, rehabilitation, adaptive
28 reuse of nonresidential buildings, to the extent possible, and the
29 introduction of new housing into appropriate nonresidential settings.
30 To the extent that the existing housing stock can be preserved, the
31 plan shall encourage ²[maintainence] maintenance,² rehabilitation and
32 flexible regulation, where possible.

33 The plan shall promote economic development by encouraging
34 strategic land assembly, site preparation and infill development and
35 assure that infrastructure improvements support a central role for the
36 municipality within the regional context. The plan shall include
37 strategies for integrating port redevelopment, downtown regeneration
38 and the revitalization of residential neighborhoods. The plan shall also
39 provide for the maintenance and enhancement of a transportation
40 system that capitalizes on high density settlement patterns by
41 encouraging the use of public transit, walking, and alternative modes
42 of transportation, including the use of water transportation, where
43 appropriate.

44 In addition, the plan shall provide for maximum active and passive
45 recreational opportunities and facilities at the neighborhood, local and
46 regional levels by concentrating on the maintenance and rehabilitation

1 of existing parks and open space while expanding and linking the
2 system through redevelopment and reclamation projects.

3 The strategic revitalization plan shall be drafted by urban planners
4 recruited through a comprehensive nationwide search.

5 b. The strategic revitalization plan shall be submitted to the chief
6 operating officer, the mayor, each member of the governing body, the
7 commissioner, the Governor, ¹[and] each member of the Senate and
8 General Assembly, and¹ each member of the regional ¹[partnership]
9 impact council¹ within six months after the first meeting of the board.

10 c. The strategic revitalization plan shall be adopted upon an
11 affirmative vote of a majority of the full authorized membership of the
12 board.

13

14 39. (New section) a. There is established for each qualified
15 municipality a regional ¹[partnership] impact council¹ to serve for that
16 period during which the municipality is under rehabilitation and
17 economic recovery. The ¹[partnership] council¹ shall consist of: the
18 mayor of the qualified municipality or his or her designee; the mayor
19 of any municipality in the county in which the qualified municipality is
20 situated which on or before the effective date of P.L. , c.

21 (C.) (pending before the Legislature as this bill) has participated
22 in a regional collaborative established to further the strategic
23 revitalization of the qualified municipality or the mayor's designee; the
24 director of the board of chosen freeholders of the county in which the
25 qualified municipality is situated or his or her designee; the director of
26 the Office of State Planning or his or her designee; one representative
27 of the New Jersey Regional Coalition, to be appointed as provided
28 hereinafter; and four public members, two of whom shall be appointed
29 by the Governor, one of whom shall be appointed by the Senate
30 President and one of whom shall be appointed by the Speaker of the
31 General Assembly. The four public members shall include at least one
32 member of the faith-based community within the region; one member
33 of the business community; one member of the higher education
34 community; and one member of the labor community within the region.

35 b. Within 30 days of the effective date of P.L. , c. (C.)
36 (pending before the Legislature as this bill), the New Jersey Regional
37 Coalition shall submit to the Governor three nominees for
38 consideration, from which the Governor may choose. If the
39 organization does not submit three nominees for consideration at any
40 time required, the Governor may appoint a member of the Governor's
41 choice.

42 c. No member of the ¹[partnership] council¹ shall receive a salary
43 for service on the council but shall be reimbursed for reasonable and
44 necessary expenses associated with serving on the ¹[partnership]
45 council¹.

46 d. A majority of the members of the ¹[partnership] council¹ shall

1 choose one of the members to serve as the chair. Each member of the
2 ¹[partnership] council¹ shall serve for a two year term and, upon
3 expiration of that term, may be reappointed. Vacancies among the
4 membership shall be filled in the same manner in which the original
5 appointment was made.

6 e. The ¹[partnership] council¹ shall select an appropriate location
7 or locations in which to meet. The council may adopt its own bylaws
8 and procedures that are not inconsistent with P.L. , c. (C.)
9 (pending before the Legislature as this bill).

10 f. The ¹[partnership] council¹ shall be eligible for and may employ
11 a consultant and such staff as it deems necessary, to the extent that
12 funds are made available pursuant to P.L. , c. (C.) (pending
13 before the Legislature as this bill) or other sources. The
14 ¹[partnership] council¹ may call upon the commissioner for such
15 assistance as it deems necessary.

16 g. The ¹[partnership] council¹ may hold public hearings at the call
17 of the chair and pursuant to the "Open Public Meetings Act,"
18 P.L.1975, c.231 (C.10:4-6 et seq.).

19

20 40. (New section) It shall be the role of the regional
21 ¹[partnership] impact council¹ to promote coordination among
22 communities within the region surrounding a qualified municipality and
23 to assist in the formulation of long range strategies to address regional
24 issues, including public safety, economic development, housing, and
25 environmental issues with the goal of improving the quality of life
26 within the region.

27 In fulfilling this role, the responsibilities of the regional
28 ¹[partnership] impact council¹ shall include, but not be limited to:

29 a. the representation of the regional interest in the economic
30 recovery of the qualified municipality through participation in the State
31 Economic Recovery Board established pursuant to section 36 of
32 P.L. , c. (C.) (pending before the Legislature as this bill);

33 b. the review of the strategic revitalization plan prepared pursuant
34 to section 38 of P.L. , c. (C.) (pending before the
35 Legislature as this bill), the capital improvement and infrastructure
36 plan pursuant to section 42 of P.L. , c. (C.) (pending
37 before the Legislature as this bill), and of the report submitted by the
38 chief operating officer pursuant to section 8 of P.L. , c. (C.)
39 (pending before the Legislature as this bill), and provision of
40 comments and recommendations, as appropriate, in order to reflect
41 regional concerns;

42 c. if deemed necessary and appropriate by the ¹[partnership]
43 council¹, a review of the county master plan and other regional plans
44 and development of recommendations for the county planning board
45 or other regional entities in order to strengthen the functioning of the
46 municipalities in the regional context;

1 d. the formulation of an action plan which includes a series of tasks
2 necessary to enhance the functioning of the region, including planning,
3 programs and projects and the identification of the technical,
4 institutional and financial resources necessary to execute them, the
5 agencies and organizations responsible for each activity and a
6 timetable for completion; and

7 e. any recommendations for legislation deemed advisable by the
8 board to enhance regional cooperation among municipalities and
9 maximize the efficient utilization of federal, State, local and private
10 resources.

11

12 41. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read as
13 follows:

14 5. The authority shall have the following powers:

15 a. To adopt bylaws for the regulation of its affairs and the conduct
16 of its business;

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

18 c. To sue and be sued;

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

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

42 f. To establish and maintain reserve and insurance funds with
43 respect to the financing of the project or the school facilities project
44 ¹and any project financed pursuant to the "Municipal Rehabilitation
45 and Economic Recovery Act," P.L. , c. (C.) (pending
46 before the Legislature as this bill)¹;

- 1 g. To sell, convey or lease to any person all or any portion of a
2 project or school facilities project, for such consideration and upon
3 such terms as the authority may determine to be reasonable;
- 4 h. To mortgage, pledge or assign or otherwise encumber all or any
5 portion of a project, school facilities project or revenues, whenever it
6 shall find such action to be in furtherance of the purposes of this act
7 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
8 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
9 (pending before the Legislature as this bill);
- 10 i. To grant options to purchase or renew a lease for any of its
11 projects or school facilities projects on such terms as the authority may
12 determine to be reasonable;
- 13 j. To contract for and to accept any gifts or grants or loans of
14 funds or property or financial or other aid in any form from the United
15 States of America or any agency or instrumentality thereof, or from
16 the State or any agency, instrumentality or political subdivision
17 thereof, or from any other source and to comply, subject to the
18 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
19 P.L.2001, c.401 (C.34:1B-4.1) [and], P.L.2000, c.72 (C.18A:7G-1 et
20 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
21 P.L. , c. (C.) (pending before the Legislature as this bill) with
22 the terms and conditions thereof;
- 23 k. In connection with any application for assistance under
24 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
25 (C.34:1B-4.1) [or], P.L.2000, c.72 (C.18A:7G-1 et al.) or the
26 "Municipal Rehabilitation and Economic Recovery Act," P.L. ,
27 c. (C.) (pending before the Legislature as this bill) or
28 commitments therefor, to require and collect such fees and charges as
29 the authority shall determine to be reasonable;
- 30 l. To adopt, amend and repeal regulations to carry out the
31 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
32 P.L.2001, c.401 (C.34:1B-4.1) [and], P.L.2000, c.72 (C.18A:7G-1 et
33 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
34 P.L. , c. (C.) (pending before the Legislature as this bill);
- 35 m. To acquire, purchase, manage and operate, hold and dispose of
36 real and personal property or interests therein, take assignments of
37 rentals and leases and make and enter into all contracts, leases,
38 agreements and arrangements necessary or incidental to the
39 performance of its duties;
- 40 n. To purchase, acquire and take assignments of notes, mortgages
41 and other forms of security and evidences of indebtedness;
- 42 o. To purchase, acquire, attach, seize, accept or take title to any
43 project or school facilities project by conveyance or by foreclosure,
44 and sell, lease, manage or operate any project or school facilities
45 project for a use specified in this act [and], P.L.2000, c.72
46 (C.18A:7G-1 et al.), and the "Municipal Rehabilitation and Economic

1 Recovery Act," P.L. , c. (C.) (pending before the Legislature
2 as this bill);

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 P.L.1974,
5 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
6 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
7 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
8 (pending before the Legislature as this bill);

9 q. To extend credit or make loans to any person for the planning,
10 designing, acquiring, constructing, reconstructing, improving,
11 equipping and furnishing of a project or school facilities project, which
12 credits or loans may be secured by loan and security agreements,
13 mortgages, leases and any other instruments, upon such terms and
14 conditions as the authority shall deem reasonable, including provision
15 for the establishment and maintenance of reserve and insurance funds,
16 and to require the inclusion in any mortgage, lease, contract, loan and
17 security agreement or other instrument, such provisions for the
18 construction, use, operation and maintenance and financing of a
19 project or school facilities project as the authority may deem necessary
20 or desirable;

21 r. To guarantee up to 90% of the amount of a loan to a person, if
22 the proceeds of the loan are to be applied to the purchase and
23 installation, in a building devoted to industrial or commercial
24 purposes, or in an office building, of an energy improvement system;

25 s. To employ consulting engineers, architects, attorneys, real
26 estate counselors, appraisers, and such other consultants and
27 employees as may be required in the judgment of the authority to carry
28 out the purposes 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) [and], P.L.2000, c.72 (C.18A:7G-1 et
30 al.), and the "Municipal Rehabilitation and Economic Recovery Act,"
31 P.L. , c. (C.) (pending before the Legislature as this bill) and
32 to fix and pay their compensation from funds available to the authority
33 therefor, all without regard to the provisions of Title 11A of the New
34 Jersey Statutes;

35 t. To do and perform any acts and things authorized by P.L.1974,
36 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
37 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
38 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
39 (pending before the Legislature as this bill) under, through or by
40 means of its own officers, agents and employees, or by contract with
41 any person;

42 u. To procure insurance against any losses in connection with its
43 property, operations or assets in such amounts and from such insurers
44 as it deems desirable;

45 v. To do any and all things necessary or convenient to carry out its
46 purposes and exercise the powers given and granted in P.L.1974, c.80

1 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1)
2 [and], P.L.2000, c.72 (C.18A:7G-1 et al.), and the "Municipal
3 Rehabilitation and Economic Recovery Act," P.L. _____, c. (C. _____)
4 (pending before the Legislature as this bill);

5 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
6 maintain or repair or provide for the construction, reconstruction,
7 improvement, alteration, equipping or maintenance or repair of any
8 development property and lot, award and enter into construction
9 contracts, purchase orders and other contracts with respect thereto,
10 upon such terms and conditions as the authority shall determine to be
11 reasonable, including, but not limited to, reimbursement for the
12 planning, designing, financing, construction, reconstruction,
13 improvement, equipping, furnishing, operation and maintenance of any
14 such development property and the settlement of any claims arising
15 therefrom and the establishment and maintenance of reserve funds with
16 respect to the financing of such development property;

17 x. When authorized by the governing body of a municipality
18 exercising jurisdiction over an urban growth zone, to construct, cause
19 to be constructed or to provide financial assistance to projects in an
20 urban growth zone which shall be exempt from the terms and
21 requirements of the land use ordinances and regulations, including, but
22 not limited to, the master plan and zoning ordinances, of such
23 municipality;

24 y. To enter into business employment incentive agreements as
25 provided in the "Business Employment Incentive Program Act,"
26 P.L.1996, c.26 (C.34:1B-124 et al.);

27 z. To undertake school facilities projects and to enter into
28 agreements or contracts, execute instruments, and do and perform all
29 acts or things necessary, convenient or desirable for the purposes of
30 the authority to carry out any power expressly provided pursuant to
31 P.L.1974, c.80 (C.34:1B-1 et seq.) and P.L.2000, c.72 (C.18A:7G-1
32 et al.), including, but not limited to, entering into contracts with the
33 State Treasurer, the Commissioner of Education, districts and any
34 other entity which may be required in order to carry out the provisions
35 of P.L.2000, c.72 (C.18A:7G-1 et al.);

36 aa. To enter into leases, rentals or other disposition of a real
37 property interest in and of any school facilities project to or from any
38 local unit pursuant to P.L.2000, c.72 (C.18A:7G-1 et al.);

39 bb. To make and contract to make loans or leases and to make
40 grants to local units to finance the cost of school facilities projects and
41 to acquire and contract to acquire bonds, notes or other obligations
42 issued or to be issued by local units to evidence the loans or leases, all
43 in accordance with the provisions of P.L.2000, c.72 (C.18A:7G-1 et
44 al.);

45 cc. Subject to any agreement with holders of its bonds issued to
46 finance a project or school facilities project, obtain as security or to

1 provide liquidity for payment of all or any part of the principal of and
2 interest and premium on the bonds of the authority or for the purchase
3 upon tender or otherwise of the bonds, lines of credit, letters of credit,
4 reimbursement agreements, interest rate exchange agreements,
5 currency exchange agreements, interest rate floors or caps, options,
6 puts or calls to hedge payment, currency, rate, spread or similar
7 exposure or similar agreements, float agreements, forward agreements,
8 insurance contract, surety bond, commitment to purchase or sell
9 bonds, purchase or sale agreement, or commitments or other contracts
10 or agreements, and other security agreements or instruments in any
11 amounts and upon any terms as the authority may determine and pay
12 any fees and expenses required in connection therewith;

13 dd. To charge to and collect from local units, the State and any
14 other person, any fees and charges in connection with the authority's
15 actions undertaken with respect to school facilities projects, including,
16 but not limited to, fees and charges for the authority's administrative,
17 organization, insurance, operating and other expenses incident to the
18 financing, construction and placing into service and maintenance of
19 school facilities projects; [and]

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

1 with the issuance of bonds pursuant to this subsection may be paid by
2 the authority from the proceeds of these bonds. Any county or public
3 authority is hereby authorized to enter into any agreement with the
4 authority necessary, desirable or convenient to effectuate the
5 provisions of this subsection.

6 The authority shall not issue bonds or other obligations to effect the
7 refunding or rescheduling of solid waste facility bonds after December
8 31, 2002. The authority may refund its own bonds issued for the
9 purposes herein at any time[.]¹ [;and]¹ ²;and²

10 ff. To finance projects approved by the board, provide staff support
11 to the board, oversee and monitor progress on the part of the board in
12 carrying out the revitalization, economic development and restoration
13 projects authorized pursuant to the "Municipal Rehabilitation and
14 Economic Recovery Act," P.L. , c. (C.) (pending before the
15 Legislature as this bill) and otherwise fulfilling its responsibilities
16 pursuant thereto ²[¹;

17 gg. In addition to the exercise of any of its other powers with
18 respect to the funds established in section 48 of P.L. , c. (C.)
19 (pending before the Legislature as this bill), the authority may serve as
20 fiscal agent for the funds in order to determine the amount of funds
21 deposited or credited to the funds and the amount spent from the
22 funds. To this end, the authority may enter into interagency
23 agreements with any agency, department, board or authority that is
24 directed to spend funds pursuant to the project list and financial plan
25 received by the authority pursuant to section 45 of P.L. , c.
26 (C.) (pending before the Legislature as this bill).

27 Pursuant to the interagency agreement, the agency or authority shall
28 indicate the amount authorized to be spent and the projected timetable
29 for the expenditure. The agency shall also agree to allow the authority
30 to determine at the end of each fiscal year the amount of funds spent
31 or obligated. The authority shall credit the amount of the
32 authorization to the relevant account, but shall reduce the amount of
33 the credit to the extent that the money is not expended at the end of
34 the project. The authority may also enter into agreements to transfer
35 the proceeds of bonds or notes as provided in section 46 of P.L. , c.
36 (C.) (pending before the Legislature as this bill) or other funds
37 received by the authority to any agency, department, board or
38 authority that has the capacity to undertake any project;

39 hh. To the extent bonds are issued by a qualified municipality
40 pursuant to P.L.2001, c.310, the authority may guarantee the debt
41 service on those bonds; and

42 ii. To enter into an agreement to transfer the proceeds of any bonds
43 or notes issued pursuant to section 46 of the "Municipal Rehabilitation
44 and Economic Recovery Act," P.L. , c. (C.) (pending
45 before the Legislature as this bill) to any agency, department, board or
46 authority that has the capacity to undertake the project¹]².

1 (cf: P.L.2001, c.401, s.3)

2 ARTICLE 4. DEMOLITION, CAPITAL IMPROVEMENT AND
3 INFRASTRUCTURE

4
5 42. (New section) a. The chief operating officer and the mayor of
6 the qualified municipality shall consult with the State Economic
7 Recovery Board established pursuant to section 36 of P.L. , c.
8 (C.) (pending before the Legislature as this bill) in its preparation
9 of a capital improvement and infrastructure plan for each qualified
10 municipality. The plan shall be submitted to the chief operating
11 officer, the mayor, each member of the governing body, the
12 commissioner, the Governor, each member of the county board of
13 freeholders in the county in which the qualified municipality is
14 situated, ¹each member of the Senate and General Assembly.¹ and
15 each member of the regional ¹[partnership] impact council¹ within six
16 months after the first meeting of the board.

17 The first section of the plan shall be a water and sewer subplan
18 where necessary¹[, which shall be completed within one year]¹. The
19 water and sewer subplan shall provide a detailed blueprint for the
20 separation of storm drains from the sewer system throughout the
21 municipality, which improvements shall be completed within four
22 years. In addition, the water and sewer subplan shall coordinate the
23 overlay of municipal roads following the separation of underground
24 lines and designate those roads which require reconstruction and
25 allocate administrative and financial responsibility among various
26 agencies for effectuating the plan. Funds shall be earmarked by the
27 appropriate State agencies from the "Transportation Trust Fund
28 Account," created pursuant to section 20 of P.L.1984, c.73 (C.27:1B-
29 20) and the "New Jersey Environmental Infrastructure Trust" created
30 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4), in order to
31 accomplish the work plan set forth in the water and sewer subplan.

32 The capital improvement and infrastructure plan shall include those
33 features of the municipal capital improvement program authorized
34 pursuant to section 20 of P.L.1975, c.291 (C.40:55D-29). In addition,
35 the plan shall specifically incorporate: a time frame for making any
36 improvements necessary in the public water system to accommodate
37 proposed redevelopment in the municipality and surrounding areas; a
38 parks and open public space subplan which encompasses projects to
39 improve the streetscapes, parks, public spaces, and any other relevant
40 aspects of the public environment; and an analysis of public building
41 needs, including administrative offices of the municipality, firehouses,
42 police stations, libraries, and any other municipal government
43 functions in light of the organizational and functional analysis of
44 municipal government operations contained in the municipal
45 management study.

46 The capital improvement and infrastructure plan shall recognize the

1 plans of the county in which the qualified municipality is situated, any
2 regional authorities with jurisdiction in the municipality, the State
3 Department of Transportation, the New Jersey Transit Corporation,
4 any State universities situated within the municipality, and any other
5 public and non-profit entities which operate in the municipality.

6 Any municipal plan which affects the physical development of the
7 municipality and is adopted by the municipality or any agency or
8 instrumentality thereof after the adoption of the capital improvement
9 and infrastructure plan shall be consistent with that plan.

10 b. The capital improvement and infrastructure plan shall be adopted
11 upon an affirmative vote of a majority of the full authorized
12 membership of the board.

13
14 43. (New section) In addition to the municipal management study,
15 the chief operating officer in consultation with the mayor, shall cause
16 to be conducted a property tax collection audit in order to ascertain
17 those properties which are in arrears with regard to property taxes and
18 subject to tax sale or foreclosure. The study shall identify the
19 ownership of those properties, the length of time during which taxes
20 have been in arrears, and the likelihood that the properties might be
21 developed individually or assembled with adjacent properties for
22 demolition or redevelopment.

23 Following the completion of the property tax collection audit, the
24 chief operating officer shall submit the study to the Commissioner of
25 Community Affairs, who shall designate the board to assist in the
26 preparation of a demolition funding plan.

27 The State shall provide the necessary level of funding to allow for
28 the demolition of unsafe structures and clearing of those lots for future
29 development.

30
31 44. (New section) The governing body of each qualified
32 municipality shall convey to the board, for the period of rehabilitation
33 and economic recovery, its right, title and interest in any real property,
34 acquired through the purchase of any tax sale certificate covering that
35 real property whose rights of redemption have been foreclosed under
36 the In Rem Tax Foreclosure Act (1948), P.L.1948, c.96 (C.54:5-
37 104.29 et seq.), so long as the liens have previously been offered by
38 the municipality at a public tax lien sale.

39
40 ARTICLE 5. PROJECT FINANCING

41
42 45. (New section) a. The board shall prepare and submit a project
43 list, as provided hereunder. The list shall be consistent with the
44 strategic revitalization plan and capital improvement and infrastructure
45 plans for the qualified municipality to the extent practicable and shall
46 include a series of projects which are prioritized according to their

1 importance in revitalizing the qualified municipality.

2 Following the enactment of P.L. , c. (C.) (pending before
3 the Legislature as this bill) and the preparation of the plans mentioned
4 above, the capital and infrastructure needs shall be assessed and
5 projects shall be anticipated over a three year period. The bond
6 moneys authorized to be issued pursuant to section ¹[47] ²[46¹] ⁴⁷²
7 of P.L. , c. (C.) (pending before the Legislature as this bill)
8 shall be expended over a three year period.

9 ¹The board shall adopt each project list by a majority of those
10 members present. In the event that the board selects to rescind a
11 project from the list, such a vote shall be by a two-thirds vote of the
12 fully authorized membership thereof.¹

13 Each project list shall be submitted to the Commission on Capital
14 Budgeting and Planning, the Chairperson of the Senate Appropriations
15 Committee and the Chairperson of the Assembly Appropriations
16 Committee, or their successors, and the Legislative Budget and
17 Finance Officer, on or before March 1 of each year.

18 b. The President of the Senate and the Speaker of the General
19 Assembly shall cause the date of submission of the project list to be
20 entered upon the Senate Journal and the Minutes of the General
21 Assembly.

22 c. On or before March 1 of each year, the board shall submit a
23 report of general project categories and proposed projects thereunder
24 to be financed in the ensuing fiscal year, including therewith a
25 description of the projects, the county or counties within which they
26 are to be located, a distinction between State, local and private
27 projects, and the amount estimated to be expended on each project.
28 This report shall be known as the "Annual Qualified Municipality
29 Capital and Economic Recovery Program" for the upcoming fiscal
30 year. The program shall be consistent with, and reflective of, the goals
31 and priorities of the Strategic Revitalization Plan, capital improvement
32 and infrastructure plan, and the program shall include an explanation
33 which demonstrates how it is consistent with, and reflective of, the
34 goals and priorities.

35 d. On or before August 1 of each year, the board shall also submit
36 a "Qualified Municipality Capital and Economic Recovery Financial
37 Plan" designed to implement the financing of the proposed projects.
38 The financial plan shall contain an enumeration of the bonds, notes or
39 other obligations of the authority which the authority intends to issue,
40 including the amounts thereof and the conditions therefor.

41 In addition, the plan shall contain proposed amounts to be
42 appropriated and expended, as well as amounts for which the authority
43 anticipates to obligate during the ensuing fiscal year for any future
44 expenditures.

45

46 ¹[46. (New section) As used in this article:

1 "Authority reserves" means the unrestricted funds of the authority
2 that have not been designated for authority programs;

3 "Bonds" means bonds, notes or other obligations issued by the
4 authority pursuant to P.L. , c. (C.) (pending before the
5 Legislature as this bill); and

6 "Refunding bonds" means bonds, notes or other obligations issued
7 to refinance bonds, notes or other obligations previously issued by the
8 authority pursuant to section 47 of P.L. , c. (C.) (pending
9 before the Legislature as this bill).]¹

10
11 ¹[47. (New section) Notwithstanding the provisions of any law,
12 rule, regulation or order to the contrary:

13 a. The authority shall issue bonds and refunding bonds, incur
14 indebtedness and borrow money secured, in whole or in part, by
15 money received pursuant to sections 48 and 49 of P.L. ,
16 c. (C.) (pending before the Legislature as this bill), for the
17 purpose of making the deposits described in section 50 of P.L. ,
18 c. (C.) (pending before the Legislature as this bill). The total
19 outstanding principal amount of the bonds shall not exceed
20 \$175,000,000. In computing the foregoing limitation as to amount,
21 there shall be excluded all bonds which shall be issued for (1) costs
22 incurred in connection with the issuance of the bonds and (2)
23 refunding purposes, provided that the refunding shall be determined by
24 the authority to result in a debt service savings. The authority may
25 establish reserve or other funds to further secure bonds and refunding
26 bonds.

27 In computing the foregoing limitation, the authority may include
28 those reserves of the authority or other State authorities to be made
29 available for the purposes of P.L. , c. (C.) (pending before the
30 Legislature a this bill) or those amounts to be made available by any
31 bistate or other agency with jurisdiction in the qualified municipality.

32 b. The authority may, in any resolution authorizing the issuance of
33 bonds or refunding bonds, pledge the contract with the State
34 Treasurer, provided for in section 49 of P.L. , c. (C.)
35 (pending before the Legislature as this bill), or any part thereof, for the
36 payment or redemption of the bonds or refunding bonds, and covenant
37 as to the use and disposition of money available to the authority for
38 payments of bonds and refunding bonds. All costs associated with the
39 issuance of bonds and refunding bonds by the authority for the
40 purposes set forth in P.L. , c. (C.) (pending before the
41 Legislature as this act) may be paid by the authority from amounts it
42 receives from the proceeds of the bonds or refunding bonds and from
43 amounts it receives pursuant to sections 48 and 49 of
44 P.L. , c. (C.) (pending before the Legislature as this bill),
45 which costs may include, but are not limited to, any costs relating to
46 the issuance of the bonds or refunding bonds and costs attributable to

1 the agreements described in subsection c. of this section. The bonds
2 or refunding bonds shall be authorized by resolution, which shall
3 stipulate the manner of execution and form of the bonds whether the
4 bonds are in one or more series, the date or dates of issue, time or
5 times of maturity, which shall not exceed 40 years, the rate or rates of
6 interest payable on the bonds, which may be at fixed rates or variable
7 rates, and which interest may be current interest or may accrue, the
8 denomination or denominations in which the bonds are issued,
9 conversion or registration privileges, the sources and medium of
10 payment and place or places of payment, terms of redemption,
11 privileges of exchangeability or interchangeability, and entitlement to
12 priorities of payment or security in the amounts to be received by the
13 authority pursuant to sections 48 and 49 of P.L. , c. (C.)
14 (pending before the Legislature as this bill). The bonds may be sold
15 at a public or private sale at a price or prices determined by the
16 authority. The authority is authorized to enter into any agreements
17 necessary or desirable to effectuate the purposes of this section,
18 including agreements to sell bonds or refunding bonds to any persons
19 and to comply with the laws of any jurisdiction relating thereto.

20 c. In connection with any bonds or refunding bonds issued pursuant
21 to P.L. , c. (C.) (pending before the Legislature as this bill),
22 the authority may also enter into any revolving credit agreement,
23 agreement establishing a line of credit or letter of credit,
24 reimbursement agreement, interest rate exchange agreement, currency
25 exchange agreement, interest rate floor or cap, options, puts or calls
26 to hedge payment, currency, rate, spread or similar exposure, or
27 similar agreements, float agreements, forward agreements, insurance
28 contract, surety bond, commitment to purchase or sell bonds, purchase
29 or sale agreement, or commitments or other contracts or agreements
30 and other security agreements approved by the authority.

31 d. No resolution adopted by the authority authorizing the issuance
32 of bonds or refunding bonds pursuant to P.L. , c. (C.)
33 (pending before the Legislature as this bill) shall be adopted or
34 otherwise made effective without the approval in writing of the State
35 Treasurer. Except as provided by subsection i. of section 4 of
36 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued
37 without obtaining the consent of any department, division,
38 commission, board, bureau or agency of the State, other than the
39 approval as required by this subsection, and without any other
40 proceedings or the occurrence of any other conditions or other things
41 other than those proceedings, conditions or things which are
42 specifically required by P.L. , c. (C.) (pending before the
43 Legislature as this bill).

44 e. Bonds and refunding bonds issued by the authority pursuant to
45 P.L. , c. (C.) (pending before the Legislature as this bill)
46 shall be special and limited obligations of the authority payable from,

1 and secured by, such funds and moneys determined by the authority in
2 accordance with this section. Neither the members of the authority
3 nor any other person executing the bonds or refunding bonds shall be
4 personally liable with respect to payment of interest and principal on
5 these bonds or refunding bonds. Bonds or refunding bonds issued
6 pursuant to the provisions of P.L. , c. (C.) (pending before
7 the Legislature as this bill) shall not be a debt or liability of the State
8 or any agency or instrumentality thereof, except as otherwise provided
9 by this subsection, either legal, moral or otherwise, and nothing
10 contained in P.L. , c. (C.) (pending before the Legislature as
11 this bill) shall be construed to authorize the authority to incur any
12 indebtedness on behalf of or in any way to obligate the State or any
13 political subdivision thereof, and all bonds and refunding bonds issued
14 by the authority shall contain a statement to that effect on their face.

15 f. The authority is authorized to engage, subject to the approval of
16 the State Treasurer and in such manner as the State Treasurer shall
17 determine, the services of financial advisors and experts, placement
18 agents, underwriters, appraisers, and such other advisors, consultants
19 and agents as may be necessary to effectuate the purposes of
20 P.L. , c. (C.) (pending before the Legislature as this bill).

21 g. The proceeds from the sale of the bonds, other than refunding
22 bonds, issued pursuant to P.L. , c. (C.) (pending before the
23 Legislature as this bill), after payment of any costs related to the
24 issuance of such bonds, shall be applied to the purposes set forth in
25 section 50 of P.L. , c. (C.) (pending before the Legislature
26 as this bill).

27 h. All bonds or refunding bonds issued by the authority are deemed
28 to be issued by a body corporate and politic of the State for an
29 essential governmental purpose, and the interest thereon and the
30 income derived from all funds, revenues, incomes and other moneys
31 received for or to be received by the authority and pledged and
32 available to pay or secure the payment on bonds or refunding bonds
33 and the interest thereon, shall be exempt from all taxes levied pursuant
34 to the provisions of Title 54 of the Revised Statutes or Title 54A of
35 the New Jersey Statutes, except for transfer, inheritance and estate
36 taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

37 i. The State hereby pledges and covenants with the holders of any
38 bonds or refunding bonds issued pursuant to the provisions of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), that it will
40 not limit or alter the rights or powers vested in the authority by
41 P.L. , c. (C.) (pending before the Legislature as this bill), nor
42 limit or alter the rights or powers of the State Treasurer in any manner
43 which would jeopardize the interest of the holders or any trustee of
44 such holders, or inhibit or prevent performance or fulfillment by the
45 authority or the State Treasurer with respect to the terms of any
46 agreement made with the holders of these bonds or refunding bonds or

1 agreements made pursuant to subsection e. of this section, except that
2 the failure of the Legislature to appropriate moneys for any purpose
3 of P.L. , c. (C.) (pending before the Legislature as this bill)
4 shall not be deemed a violation of this section.

5 j. Notwithstanding any restriction contained in any other law, rule,
6 regulation or order to the contrary, the State and all political
7 subdivisions of this State, their officers, boards, commissioners,
8 departments or other agencies, all banks, bankers, trust companies,
9 savings banks and institutions, building and loan associations, saving
10 and loan associations, investment companies and other persons
11 carrying on a banking or investment business, and all executors,
12 administrators, guardians, trustees and other fiduciaries, and all other
13 persons whatsoever who now are or may hereafter be authorized to
14 invest in bonds or other obligations of the State, may properly and
15 legally invest any sinking funds, moneys or other funds, including
16 capital, belonging to them or within their control, in any bonds or
17 refunding bonds issued by the authority under the provisions of
18 P.L. , c. (C.) (pending before the Legislature as this bill);
19 and said bonds and refunding bonds are hereby made securities which
20 may properly and legally be deposited with, and received by any State
21 or municipal officers or agency of the State, for any purpose for which
22 the deposit of bonds or other obligations of the State is now, or may
23 hereafter be authorized by law.]¹

24
25 ¹[48. (New section) a. The State Treasurer shall, in each State
26 fiscal year, pay from the General Fund to the authority, in accordance
27 with a contract or contracts between the State Treasurer and the
28 authority, authorized pursuant to section 49 of P.L. , c.
29 (C.) (pending before the Legislature as this bill), an amount
30 equivalent to the amount due to be paid in such State fiscal year to pay
31 the debt service incurred for such State fiscal year on the bonds or
32 refunding bonds of the authority issued pursuant to P.L. , c.
33 (C.) (pending before the Legislature as this bill) and any additional
34 costs authorized by section 47 of P.L. , c. (C.) (pending
35 before the Legislature as this bill); and

36 b. In addition to such terms and conditions as are agreed upon
37 pursuant to section 49 of P.L. , c. (C.) (pending before the
38 Legislature as this bill), the contract or contracts shall provide that all
39 such payments from the General Fund shall be subject to, and
40 dependent upon, appropriations being made from time to time by the
41 Legislature for these purposes.]¹

42
43 ¹[49. (New section) The State Treasurer and the authority are
44 authorized to enter into one or more contracts to implement the
45 payment arrangement that is provided for in section 48 of P.L. , c.
46 (C.) (pending before the Legislature as this bill). The contract or

1 contracts shall provide for payment by the State Treasurer of the
2 amounts required to be paid pursuant to section 48 of P.L. , c.
3 (C.) (pending before the Legislature as this bill) and shall set forth
4 the procedure for the transfer of moneys for the purpose of paying
5 such moneys. The contract or contracts shall contain such terms and
6 conditions as are determined by the parties, and shall include, but not
7 be limited to, terms and conditions necessary pursuant to P.L. ,
8 c. (C.) (pending before the Legislature as this bill); provided,
9 however, that notwithstanding any other provision of any law, rule,
10 regulation or order to the contrary, the authority shall be paid only
11 such funds as shall be determined by the contract or contracts and
12 further provided that the incurrence of any obligation of the State
13 under the contract or contracts, including any payments to be made
14 thereunder from the General Fund, shall be subject to and dependent
15 upon appropriations being made from time to time by the Legislature
16 for the purposes of P.L. , c. (C.) (pending before the
17 Legislature as this bill).]¹

18

19 ²[¹46. (New section) a. The authority may pay from available
20 funds or issue bonds, notes and refunding bonds, incur indebtedness
21 and borrow money for projects authorized on the project list and
22 financial plan. The bond proceeds of that issuance shall be deposited
23 in the funds established pursuant to section 48 of P.L. , c.
24 (C.) (pending before the Legislature as this bill). Those deposits,
25 in addition to other deposits and credits, shall not exceed
26 \$175,000,000, provided that that sum shall be determined by
27 aggregating all appropriations, grants or allocation of bond proceeds
28 to the qualifying municipality that do not represent a continuation of
29 funding levels established on or before the enactment of P.L. , c.
30 (C.) (pending before the Legislature as this bill) or an allocation
31 of funds that as of the enactment of P.L. , c. (C.) (pending
32 before the Legislature as this bill) were already assigned, anticipated
33 in any priority setting or ranking system for capital projects or
34 otherwise pledged to the municipality.

35 Any moneys which are made available to qualified municipalities
36 pursuant to State aid, special municipal aid or any other formula-
37 driven program or any moneys which have been committed to a
38 qualified municipality as a result of any change in law enacted prior to
39 the effective date of P.L. , c. (C.) (pending before the
40 Legislature as this bill) shall not be included in calculating the \$175
41 million. The authority shall credit the amount of payment from
42 available funds to the relevant fund established in section 48 hereof,
43 but will reduce the credit to the extent the money is not spent by the
44 end of the project. In computing the foregoing limitation as to
45 amount, there shall be excluded all bonds which shall be issued for (1)
46 costs incurred in connection with the issuance of the bonds; and (2)

1 refunding purposes, provided that the refunding shall be determined by
2 the authority to result in a debt service savings. The authority may
3 establish reserve or other funds to further secure bonds and refunding
4 bonds.

5 b. In the event an independent authority is unable to fund an
6 approved project in the time frame indicated on the final project list
7 and financial plan, the authority may issue funding anticipation notes.
8 The authority shall issue funding anticipation notes only upon receipt
9 of a binding commitment of the independent authority seeking such
10 assistance that such notes, including principal and interest, shall be
11 repaid by that agency on a specified timetable.

12 The authority may transfer the proceeds of the funding anticipation
13 notes to the independent agency for its use and from time to time
14 determine the amount spent or obligated by the independent authority.
15 The authority shall credit the amount of the funding anticipation notes
16 and any interest paid thereon to the relevant fund established pursuant
17 to section 48 of P.L. , c. (C.) (pending before the
18 Legislature as this bill), but shall reduce the credit to the extent the
19 money is not spent by the end of the project.

20 c. In connection with any bonds, notes or refunding bonds issued
21 pursuant to P.L. , c. (C.) (pending before the Legislature as
22 this bill), the authority may also enter into any revolving credit
23 agreement, agreement establishing a line of credit or letter of credit,
24 reimbursement agreement, interest rate exchange agreement, currency
25 exchange agreement, interest rate floor or cap, options, puts or calls
26 to hedge payment, currency, rate, spread or similar exposure, or
27 similar agreements, float agreements, forward agreements, insurance
28 contract, surety bond, commitment to purchase or sell bonds, purchase
29 or sale agreement, or commitments or other contracts or agreements
30 and other security agreements approved by the authority.

31 d. Bonds, notes and refunding bonds issued by the authority
32 pursuant to P.L. , c. (C.) (pending before the Legislature as
33 this bill) shall be special and limited obligations of the authority
34 payable from, and secured by, such funds and moneys determined by
35 the authority in accordance with this section. Neither the members of
36 the authority nor any other person executing the bonds or refunding
37 bonds shall be personally liable with respect to payment of interest and
38 principal on these bonds or refunding bonds. Bonds or refunding
39 bonds issued pursuant to the provisions of P.L. , c. (C.)
40 (pending before the Legislature as this bill) shall not be a debt or
41 liability of the State or any agency or instrumentality thereof, except
42 as otherwise provided by this subsection, either legal, moral or
43 otherwise, and nothing contained in P.L. , c. (C.) (pending
44 before the Legislature as this bill) shall be construed to authorize the
45 authority to incur any indebtedness on behalf of or in any way to
46 obligate the State or any political subdivision thereof, and all bonds

1 and refunding bonds issued by the authority shall contain a statement
2 to that effect on their face.

3 e. The authority is authorized to engage, subject to the approval of
4 the State Treasurer and in such manner as the State Treasurer shall
5 determine, the services of financial advisors and experts, placement
6 agents, underwriters, appraisers, and such other advisors, consultants
7 and agents as may be necessary to effectuate the purposes of P.L. ,
8 c. (C.) (pending before the Legislature as this bill).

9 f. All bonds, notes or refunding bonds issued by the authority are
10 deemed to be issued by a body corporate and politic of the State for
11 an essential government purpose, and the interest thereon and the
12 income derived from all funds, revenues, incomes and other moneys
13 received for or to be received by the authority and pledged and
14 available to pay or secure the payment on bonds or refunding bonds
15 and the interest thereon, shall be exempt from all taxes levied pursuant
16 to Title 54 of the Revised Statutes or Title 54A of the New Jersey
17 Statutes, except for transfer, inheritance and estate taxes levied
18 pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

19 g. The State hereby pledges and covenants with the holders of any
20 bonds, notes or refunding bonds issued pursuant to P.L. , c.
21 (C.) (pending before the Legislature as this bill), that it will not
22 limit or alter the rights or powers vested in the authority by P.L. ,
23 c. (C.) (pending before the Legislature as this bill), nor limit or
24 alter the rights or powers of the State Treasurer in any manner which
25 would jeopardize the interest of the holders or any trustee of such
26 holders, or inhibit or prevent performance or fulfillment by the
27 authority or the State Treasurer with respect to the terms of any
28 agreement made with the holders of these bonds or refunding bonds or
29 agreements made pursuant to subsection e. of this section, except that
30 the failure of the Legislature to appropriate moneys for any purpose
31 of P.L. , c. (C.) (pending before the Legislature as this bill)
32 shall not be deemed a violation of this section.

33 h. Notwithstanding any restriction contained in any other law, rule,
34 regulation or order to the contrary, the State and all political
35 subdivisions of this State, their officers, boards, commissioners,
36 departments or other agencies, all banks, bankers, trust companies,
37 savings banks and institutions, building and loan associations, saving
38 and loan associations, investment companies and other persons
39 carrying on a banking or investment business, and all executors,
40 administrators, guardians, trustees and other fiduciaries, and all other
41 persons whatsoever who now are or may hereafter be authorized to
42 invest in bonds or other obligations of the State, may properly and
43 legally invest any sinking funds, moneys or other funds, including
44 capital, belonging to them or within their control, in any bonds or
45 refunding bonds issued by the authority under P.L. , c. (C.)
46 (pending before the Legislature as this bill); and those bonds and

1 refunding bonds are hereby made securities which may properly and
2 legally be deposited with, and received by, any State or municipal
3 officers or agency of the State, for any purpose for which the deposit
4 of bonds or other obligations of the State is now, or may hereafter, be
5 authorized by law.¹²

6
7 ²46. (New section) As used in this article:

8 "Authority reserves" means the unrestricted funds of the authority
9 that have not been designated for authority programs;

10 "Bonds" means bonds, notes or other obligations issued by the
11 authority pursuant to P.L. , c. (C.) (pending before the
12 Legislature as this bill); and

13 "Refunding bonds" means bonds, notes or other obligations issued
14 to refinance bonds, notes or other obligations previously issued by the
15 authority pursuant to section 47 of P.L. , c. (C.) (pending
16 before the Legislature as this bill).²

17
18 ²47. (New section) Notwithstanding the provisions of any law,
19 rule, regulation or order to the contrary:

20 a. The authority shall issue bonds and refunding bonds, incur
21 indebtedness and borrow money secured, in whole or in part, by
22 money received pursuant to sections 48 and 49 of P.L. ,
23 c. (C.) (pending before the Legislature as this bill), for the
24 purpose of making the deposits described in section 50 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill). The total
26 outstanding principal amount of the bonds shall not exceed
27 \$175,000,000. In computing the foregoing limitation as to amount,
28 there shall be excluded all bonds which shall be issued for (1) costs
29 incurred in connection with the issuance of the bonds and (2)
30 refunding purposes, provided that the refunding shall be determined by
31 the authority to result in a debt service savings. The authority may
32 establish reserve or other funds to further secure bonds and refunding
33 bonds.

34 In computing the foregoing limitation, the authority may include
35 those reserves of the authority or other State authorities to be made
36 available for the purposes of P.L. , c. (C.) (pending before the
37 Legislature a this bill) or those amounts to be made available by any
38 bistate or other agency with jurisdiction in the qualified municipality.
39 Prior to the approval of this financing plan, the authority shall submit
40 a copy for review and approval of the Joint Budget and Oversight
41 Committee.

42 b. The authority may, in any resolution authorizing the issuance of
43 bonds or refunding bonds, pledge the contract with the State
44 Treasurer, provided for in section 49 of P.L. , c. (C.)
45 (pending before the Legislature as this bill), or any part thereof, for the
46 payment or redemption of the bonds or refunding bonds, and covenant

1 as to the use and disposition of money available to the authority for
2 payments of bonds and refunding bonds. All costs associated with the
3 issuance of bonds and refunding bonds by the authority for the
4 purposes set forth in P.L. , c. (C.) (pending before the
5 Legislature as this bill) may be paid by the authority from amounts it
6 receives from the proceeds of the bonds or refunding bonds and from
7 amounts it receives pursuant to sections 48 and 49 of
8 P.L. , c. (C.) (pending before the Legislature as this bill),
9 which costs may include, but are not limited to, any costs relating to
10 the issuance of the bonds or refunding bonds and costs attributable to
11 the agreements described in subsection c. of this section. The bonds
12 or refunding bonds shall be authorized by resolution, which shall
13 stipulate the manner of execution and form of the bonds whether the
14 bonds are in one or more series, the date or dates of issue, time or
15 times of maturity, which shall not exceed 40 years, the rate or rates of
16 interest payable on the bonds, which may be at fixed rates or variable
17 rates, and which interest may be current interest or may accrue, the
18 denomination or denominations in which the bonds are issued,
19 conversion or registration privileges, the sources and medium of
20 payment and place or places of payment, terms of redemption,
21 privileges of exchangeability or interchangeability, and entitlement to
22 priorities of payment or security in the amounts to be received by the
23 authority pursuant to sections 48 and 49 of P.L. , c. (C.)
24 (pending before the Legislature as this bill). The bonds may be sold
25 at a public or private sale at a price or prices determined by the
26 authority. The authority is authorized to enter into any agreements
27 necessary or desirable to effectuate the purposes of this section,
28 including agreements to sell bonds or refunding bonds to any persons
29 and to comply with the laws of any jurisdiction relating thereto.

30 c. In connection with any bonds or refunding bonds issued pursuant
31 to P.L. , c. (C.) (pending before the Legislature as this bill),
32 the authority may also enter into any revolving credit agreement,
33 agreement establishing a line of credit or letter of credit,
34 reimbursement agreement, interest rate exchange agreement, currency
35 exchange agreement, interest rate floor or cap, options, puts or calls
36 to hedge payment, currency, rate, spread or similar exposure, or
37 similar agreements, float agreements, forward agreements, insurance
38 contract, surety bond, commitment to purchase or sell bonds, purchase
39 or sale agreement, or commitments or other contracts or agreements
40 and other security agreements approved by the authority.

41 d. No resolution adopted by the authority authorizing the issuance
42 of bonds or refunding bonds pursuant to P.L. , c. (C.)
43 (pending before the Legislature as this bill) shall be adopted or
44 otherwise made effective without the approval in writing of the State
45 Treasurer. Except as provided by subsection i. of section 4 of
46 P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued

1 without obtaining the consent of any department, division,
2 commission, board, bureau or agency of the State, other than the
3 approval as required by this subsection, and without any other
4 proceedings or the occurrence of any other conditions or other things
5 other than those proceedings, conditions or things which are
6 specifically required by P.L. , c. (C.) (pending before the
7 Legislature as this bill).

8 e. Bonds and refunding bonds issued by the authority pursuant to
9 P.L. , c. (C.) (pending before the Legislature as this bill)
10 shall be special and limited obligations of the authority payable from,
11 and secured by, such funds and moneys determined by the authority in
12 accordance with this section. Neither the members of the authority
13 nor any other person executing the bonds or refunding bonds shall be
14 personally liable with respect to payment of interest and principal on
15 these bonds or refunding bonds. Bonds or refunding bonds issued
16 pursuant to the provisions of P.L. , c. (C.) (pending before
17 the Legislature as this bill) shall not be a debt or liability of the State
18 or any agency or instrumentality thereof, except as otherwise provided
19 by this subsection, either legal, moral or otherwise, and nothing
20 contained in P.L. , c. (C.) (pending before the Legislature as
21 this bill) shall be construed to authorize the authority to incur any
22 indebtedness on behalf of or in any way to obligate the State or any
23 political subdivision thereof, and all bonds and refunding bonds issued
24 by the authority shall contain a statement to that effect on their face.

25 f. The authority is authorized to engage, subject to the approval of
26 the State Treasurer and in such manner as the State Treasurer shall
27 determine, the services of financial advisors and experts, placement
28 agents, underwriters, appraisers, and such other advisors, consultants
29 and agents as may be necessary to effectuate the purposes of
30 P.L. , c. (C.) (pending before the Legislature as this bill).

31 g. The proceeds from the sale of the bonds, other than refunding
32 bonds, issued pursuant to P.L. , c. (C.) (pending before the
33 Legislature as this bill), after payment of any costs related to the
34 issuance of such bonds, shall be applied to the purposes set forth in
35 section 50 of P.L. , c. (C.) (pending before the Legislature
36 as this bill).

37 h. All bonds or refunding bonds issued by the authority are deemed
38 to be issued by a body corporate and politic of the State for an
39 essential governmental purpose, and the interest thereon and the
40 income derived from all funds, revenues, incomes and other moneys
41 received for or to be received by the authority and pledged and
42 available to pay or secure the payment on bonds or refunding bonds
43 and the interest thereon, shall be exempt from all taxes levied pursuant
44 to the provisions of Title 54 of the Revised Statutes or Title 54A of
45 the New Jersey Statutes, except for transfer, inheritance and estate
46 taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

1 i. The State hereby pledges and covenants with the holders of any
2 bonds or refunding bonds issued pursuant to the provisions of P.L. ,
3 c. (C.) (pending before the Legislature as this bill), that it will
4 not limit or alter the rights or powers vested in the authority by
5 P.L. , c. (C.) (pending before the Legislature as this bill), nor
6 limit or alter the rights or powers of the State Treasurer in any manner
7 which would jeopardize the interest of the holders or any trustee of
8 such holders, or inhibit or prevent performance or fulfillment by the
9 authority or the State Treasurer with respect to the terms of any
10 agreement made with the holders of these bonds or refunding bonds or
11 agreements made pursuant to subsection e. of this section, except that
12 the failure of the Legislature to appropriate moneys for any purpose
13 of P.L. , c. (C.) (pending before the Legislature as this bill)
14 shall not be deemed a violation of this section.

15 j. Notwithstanding any restriction contained in any other law, rule,
16 regulation or order to the contrary, the State and all political
17 subdivisions of this State, their officers, boards, commissioners,
18 departments or other agencies, all banks, bankers, trust companies,
19 savings banks and institutions, building and loan associations, saving
20 and loan associations, investment companies and other persons
21 carrying on a banking or investment business, and all executors,
22 administrators, guardians, trustees and other fiduciaries, and all other
23 persons whatsoever who now are or may hereafter be authorized to
24 invest in bonds or other obligations of the State, may properly and
25 legally invest any sinking funds, moneys or other funds, including
26 capital, belonging to them or within their control, in any bonds or
27 refunding bonds issued by the authority under the provisions of
28 P.L. , c. (C.) (pending before the Legislature as this bill);
29 and said bonds and refunding bonds are hereby made securities which
30 may properly and legally be deposited with, and received by any State
31 or municipal officers or agency of the State, for any purpose for which
32 the deposit of bonds or other obligations of the State is now, or may
33 hereafter be authorized by law.²

34
35 ²48. (New section) a. The State Treasurer shall, in each State
36 fiscal year, pay from the General Fund to the authority, in accordance
37 with a contract or contracts between the State Treasurer and the
38 authority, authorized pursuant to section 49 of P.L. , c.
39 (C.) (pending before the Legislature as this bill), an amount
40 equivalent to the amount due to be paid in such State fiscal year to pay
41 the debt service incurred for such State fiscal year on the bonds or
42 refunding bonds of the authority issued pursuant to P.L. , c.
43 (C.) (pending before the Legislature as this bill) and any additional
44 costs authorized by section 47 of P.L. , c. (C.) (pending
45 before the Legislature as this bill); and

46 b. In addition to such terms and conditions as are agreed upon

1 pursuant to section 49 of P.L. , c. (C.) (pending before the
2 Legislature as this bill), the contract or contracts shall provide that all
3 such payments from the General Fund shall be subject to, and
4 dependent upon, appropriations being made from time to time by the
5 Legislature for these purposes.²

6
7 ²49. (New section) The State Treasurer and the authority are
8 authorized to enter into one or more contracts to implement the
9 payment arrangement that is provided for in section 48 of P.L. , c.
10 (C.) (pending before the Legislature as this bill). The contract or
11 contracts shall provide for payment by the State Treasurer of the
12 amounts required to be paid pursuant to section 48 of P.L. , c.
13 (C.) (pending before the Legislature as this bill) and shall set forth
14 the procedure for the transfer of moneys for the purpose of paying
15 such moneys. The contract or contracts shall contain such terms and
16 conditions as are determined by the parties, and shall include, but not
17 be limited to, terms and conditions necessary pursuant to P.L. ,
18 c. (C.) (pending before the Legislature as this bill); provided,
19 however, that notwithstanding any other provision of any law, rule,
20 regulation or order to the contrary, the authority shall be paid only
21 such funds as shall be determined by the contract or contracts and
22 further provided that the incurrence of any obligation of the State
23 under the contract or contracts, including any payments to be made
24 thereunder from the General Fund, shall be subject to and dependent
25 upon appropriations being made from time to time by the Legislature
26 for the purposes of P.L. , c. (C.) (pending before the
27 Legislature as this bill).²

28
29 ¹[50.]²[47. ¹] 50.² (New section) a. The authority shall establish
30 and maintain a series of special funds as provided in ¹[sections 51 and
31 52] ²[section 48¹] sections 51 and 52² of P.L. , c. (C.)
32 (pending before the Legislature as this bill) into which shall be
33 deposited such moneys: (1) as shall be paid to the funds by the State
34 Treasurer ¹for the purposes of those funds ;¹(2) as shall be
35 appropriated by the State for the purpose of such funds; (3) as shall be
36 deposited²[¹or allocated¹]² into the funds²[¹, as the case may
37 be¹]²in accordance with ¹[section 69] the "Annual Qualified
38 Municipal Capital and Economic Recovery Program" and the
39 "Qualified Municipality Capital and Economic Recovery Financial
40 Plan" adopted pursuant to section 45¹ of P.L. , c. (C.)
41 (pending before the Legislature as this bill) and (4) any other moneys
42 or funds of the authority which it determines to deposit therein.
43 Moneys in the funds may be invested in such obligations as the
44 authority may approve and interest or other earnings on such
45 investments shall be credited to the funds.

46 b. ¹[In addition to the powers of the authority set forth in section

1 5 of P.L.1974, c.80 (C.34:1B-5) and other powers which may be
2 conferred on the authority or the executive director by P.L. , c.
3 (C.) (pending before the Legislature as this bill), the authority, by
4 resolution, shall have the power to: (1) pay all or part of the cost of
5 an eligible project; and (2) make loans, guarantees, equity investments,
6 and grants, or provide other forms of financing for an eligible project.

7 c.]¹ In addition to the powers of the authority set forth in section
8 5 of P.L.1974, c.80 (C.34:1B-5) and other powers which may be
9 conferred on the authority or the executive director by P.L. , c.
10 (C.) (pending before the Legislature as this bill), the authority, by
11 resolution, shall have the power to: (1) pay all or part of the cost of
12 an eligible project; and (2) make loans, guarantees, equity investments,
13 and grants, or provide other forms of financing for an eligible project.

14 c.² The purpose of the special funds established pursuant to
15 subsection a. of this section shall be to provide ¹[grants and]¹ loans
16 ¹, guarantees, equity investments, and grants or other forms of
17 financing¹ of a sufficient scale and visibility to expand and sustain
18 economic activity in qualified municipalities, both within the central
19 business district ¹[and port district]¹ ²and port district² and in order
20 to encourage revitalization of the municipality's neighborhoods outside
21 of the central business district through the rehabilitation, acquisition,
22 demolition and redevelopment of property within those
23 neighborhoods, the improvement of municipally-owned water supply
24 and distribution facilities, and, where necessary, the remediation of
25 brownfields sites to foster redevelopment. Grants shall be made
26 available to qualified municipalities in order to strengthen the
27 provision of municipal services through capital construction and
28 reconstruction of public buildings and financial assistance necessary to
29 allow for the purchase of equipment considered vital to the sustenance
30 of municipal public services, particularly public safety.

31
32 ¹[51.]² [~~48.~~¹] 51.² (New section) The board shall ¹[administer]
33 oversee¹ the following funds:

34 a. the "Residential Neighborhood Improvement Fund," into which
35 shall be deposited the sum of \$35 million from bond proceeds, to be
36 disbursed at the direction of the board and upon the recommendation
37 of the chief operating officer, to make grants, matching grants or
38 loans, to support water and sewer improvements not funded by the
39 county, to support the removal of litter and clean community activities,
40 the development of tot-lots, community gardens, landscape amenities,
41 small scale demolitions, streetscape improvements, property
42 acquisition, ¹housing,¹ and restoration in neighborhoods outside of the
43 central business district;

44 b. the "Demolition and Redevelopment Financing Fund," into which
45 shall be deposited the sum of \$43 million from bond proceeds, to be
46 disbursed at the direction of the board and upon the recommendation

1 of the chief operating officer, which shall be used to provide grants,
2 matching grants or loans to support neighborhood rehabilitation, land
3 acquisition, brownfields remediation, demolition and redevelopment;
4 c. the "Downtown Revitalization and Recovery Fund" into which
5 shall be deposited the sum of \$45.8 million from bond proceeds, to be
6 disbursed at the direction of the board and upon the recommendation
7 of the chief operating officer, which shall be used to make grants,
8 matching grants or loans to support streetscape improvements, facade
9 restoration, street signage improvements, street resurfacing,
10 demolition and restoration of commercial structures, property
11 acquisition, and redevelopment projects, brownfields remediation in
12 order to foster redevelopment, industrial development ¹[and], ¹ port
13 redevelopment¹ [, and of which \$25 million shall be used to make
14 grants, matching grants or loans to support], and¹ the development of
15 entertainment and cultural facilities such as aquariums ¹and community
16 schools for the arts¹.

17 ¹The sum of \$25 million out of this fund shall be used to make
18 grants, matching grants or loans to support from bond proceeds ²[to
19 be made available for]² the expansion and upgrade of an aquarium in
20 a qualified municipality by a private developer. Moneys from the fund
21 ²[made available]² for aquarium purposes shall be made available on
22 a matching basis, with three dollars of State money to be made
23 available for every dollar raised by a private developer. The receipt of
24 funds by a private developer shall be subject to those conditions set
25 forth pursuant to section ²[52] 53² of P.L. , c. (C.) (pending
26 before the Legislature as this bill).

27 Funds paid out of this fund in support of an aquarium may be used
28 for debt retirement; however, any funds used for that purpose shall not
29 be subject to the matching requirement pursuant to this subsection.¹

30 d. the "Higher Education and Regional Health Care Development
31 Fund" into which shall be deposited the sum of ¹[\$46.2] \$47.7¹
32 million from bond proceeds, to be disbursed at the direction of the
33 board and upon the recommendation of the chief operating officer, in
34 accordance with the provisions of section ¹[52]²[51¹] 52²
35 P.L. , c. (C.) (pending before the Legislature as this bill);

36 e. the "Economic Recovery Planning Fund" into which shall be
37 deposited the sum of ¹[\$5] \$3.5¹ million from bond proceeds, to be
38 disbursed at the direction of the board and upon the recommendation
39 of the chief operating officer, to cover those planning and
40 administrative costs incurred in preparing the strategic revitalization
41 plan pursuant to section 38 of P.L. , c. (C.) (pending
42 before the Legislature as this bill), the capital improvement and
43 infrastructure plan prepared pursuant to section 42 of P.L. , c.
44 (C.) (pending before the Legislature as this bill), and such other
45 plans as are required to be prepared pursuant to P.L. , c. (C.)

1 (pending before the Legislature as this bill); and
2 f. the "Qualified Municipality Economic Opportunity Fund" into
3 which shall be deposited the sum of ¹[\$2.5] \$1.5¹ million, which shall
4 be used, in coordination with the job training provisions of the State's
5 school construction program, to create employment and
6 entrepreneurial opportunities through the completion of projects in the
7 central business district, entrepreneurial training, and grants and loans
8 to small business development in residential neighborhoods, and loans
9 for housing development.

10
11 ²[¹49. (New section) Notwithstanding any law, rule or regulation
12 to the contrary, any agency, department, board or authority directed
13 to spend funds pursuant to the project list and financial plan adopted
14 pursuant to section 45 of P.L. , c. (C.) (pending before the
15 Legislature as this bill) is authorized to enter into one or more
16 contracts with the authority in order to implement the purposes of
17 P.L. , c. (C.) (pending before the Legislature as this bill).¹²

18
19 ²[¹50. (New section) The following moneys shall be deposited or
20 credited to the funds established pursuant to section 51 of P.L. , c.
21 (C.) (pending before the Legislature as this bill):

22 a. funds that are allocated to each fund pursuant to the project list
23 and for which the authority has entered into an interagency fiscal
24 agreement;

25 b. moneys that are otherwise appropriated by the State for which
26 the appropriation states that those moneys are for the purposes of that
27 fund;

28 c. if the authority so determines in any resolution authorizing any
29 particular bonds, as shall be received by the authority from the
30 proceeds of the bonds; and

31 d. any other moneys or funds that the authority determines to
32 deposit therein.¹²

33
34 ¹[52.]²[51.¹ 52.² (New section) There is created the "Higher
35 Education and Regional Health Care Development Fund" which shall
36 be used to provide grants, to non-profit educational institutions and
37 regional health care facilities, as provided hereunder.

38 a. Those grants to be provided to non-profit educational
39 institutions under this section shall be provided on a one-to-one
40 matching basis in order to encourage the development of student
41 housing, retail facilities and commercial enterprises in the central
42 business district of the qualified municipality, subject to those
43 conditions set forth in section ¹[53] ²[52¹] 53² of P.L. , c.
44 (C.) (pending before the Legislature as this bill).

45 Any facility constructed using bond proceeds shall be located within
46 the central business district of the qualified municipality and shall be

1 co-located with other university buildings.

2 With respect to ¹[State universities] Rowan University¹, these
3 funds shall be made available on the condition that the university shall
4 offer at least two full four- year programs, thereby allowing students
5 to complete an entire course of study on the campus housed in the
6 central business district. In addition, any of these institutions may use
7 these matching funds in conjunction with land acquisition moneys
8 received by that university from the Delaware River Port Authority.

9 The bond proceeds shall be allocated as follows:

10 (1) the sum of \$11 million shall be made available to Rutgers, the
11 State University;

12 (2) the sum of \$5.1 million shall be made available to Rowan
13 University;

14 (3) the sum of \$9 million shall be made available to the University
15 of Medicine & Dentistry of New Jersey; and

16 (4) the sum of \$3.5 million shall be made available to Camden
17 County College.

18 Moneys shall be committed within four years of the effective date
19 of P.L. , c. (C.) (pending before the Legislature as this
20 bill).

21 b. Those grants to be provided to regional health care facilities
22 under this section shall be provided, on a matching basis, to regional
23 health care facilities situated within the qualified municipality, to allow
24 for facility expansion, including but not limited to, facilities for pre-
25 admission testing, occupational health, health-related educational
26 facilities such as a school of nursing and emergency room facilities,
27 subject to those conditions set forth in section ¹[53] ²[.52¹] 53² of
28 P.L. , c. (C.) (pending before the Legislature as this bill).
29 Each health care facility shall be required to raise one dollar for every
30 three dollars provided by the State. The bond proceeds shall be
31 allocated as follows:

32 (1) the sum of ¹[\$3] \$4.5¹ million shall be made available to Our
33 Lady of Lourdes Medical Center;

34 (2) the sum of \$13.35 million shall be made available to Cooper
35 Hospital/University Medical Center; provided, however, that no funds
36 shall be made available to Cooper Hospital/University Medical Center
37 for the purpose of establishing or expanding family practice facilities.
38 Cooper Hospital/University Medical Center may make available a
39 portion of these funds to a federally-qualified health center operating
40 in the City of Camden;

41 (3) the sum of \$1 million shall be made available to Virtua Hospital
42 to allow for the establishment of an in-patient drug treatment facility;
43 and

44 (4) the sum of \$250,000 shall be made available to Partners in
45 Health to further community outreach efforts in underserved
46 communities and the promotion of programs for minority children, the

1 elderly, uninsured or underinsured families and disabled persons.

2 ¹[Notwithstanding any law to the contrary, any hospital in a
3 qualified municipality authorized to provide treatment services as a
4 Level I trauma center shall receive an annual subsidy payment in each
5 year that the qualified municipality is under rehabilitation and
6 economic recovery from the Health Care Subsidy Fund created
7 pursuant to section 8 of P.L.1992, c.160 (C.26:2H-18.58), at a rate of
8 not less than the highest rate per dollar of audited, documented charity
9 care valued at the Medicaid rate received by any other hospital in the
10 State designated as a Level I trauma center.

11 For the purposes of this subsection, "Level I trauma center" means
12 any hospital so designated by the Department of Health and Senior
13 Services which maintains a minimum volume of major trauma cases
14 per year and is currently in receipt of verification from the Committee
15 on Trauma of the American College of Surgeons to that effect.]¹

16

17 ¹[53.] ²[52.1] 53.² (New section) Any entity which is otherwise
18 tax-exempt pursuant to Title 54 of the Revised Statutes and which
19 receives funding pursuant to the "Municipal Rehabilitation and
20 Economic Recovery Act," P.L. , c. (C.) (pending before the
21 Legislature as this bill) to finance the purchase of any real property or
22 construction of any improvement which would otherwise be tax-
23 exempt shall be subject to the following conditions:

24 a. The entity shall pay an annual service charge for a period of
25 20 years following the receipt of funding pursuant thereto, which shall
26 be negotiated by the tax-exempt entity and the chief operating officer
27 on behalf of the qualified municipality according to the formula set
28 forth pursuant to section 12 of P.L.1991, c.431 (C.40A:20-12).

29 b. The board shall approve in advance any facility plans or other
30 such documentation produced by the tax-exempt entity which include
31 detailed information concerning the projects proposed to be funded
32 with the matching grants and the agreement negotiated by the chief
33 operating officer pursuant to subsection a. of this section.

34 The receipt of matching funds by such an entity pursuant to
35 P.L. , c. (C.) (pending before the Legislature as this bill)
36 shall be conditioned upon compliance with the provisions of this
37 section, as determined by the board.

38

39 ARTICLE 6. ECONOMIC DEVELOPMENT

40

41 ¹[54.]²[53.¹] 54.² (New section) As used in this section and
42 section ¹[55]²[54¹] 55² of P.L. , c. (C.) (pending before the
43 Legislature as this bill):

44 a. "Business facility" means any factory, mill, plant, refinery,
45 warehouse, building, complex of buildings or structural components
46 of buildings, and all machinery, equipment and personal property

1 located within a qualified municipality, used in connection with the
2 operation of the business of a corporation that is subject to the tax
3 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5), and
4 all facility preparation and start-up costs of the taxpayer for the
5 business facility which it capitalizes for federal income tax purposes.

6 b. "Business relocation or business expansion property" means
7 improvements to real property and tangible personal property, but only
8 if that improvement or personal property is constructed or purchased
9 and placed in service or use by the taxpayer, for use as a component
10 part of a new or expanded business facility located in a qualified
11 municipality.

12 (1) Business relocation or business expansion property shall include
13 only:

14 (a) improvements to real property placed in service or use as a
15 business facility on or after the operative date of P.L. , c. (C.)
16 (pending before the Legislature as this bill) by the taxpayer;

17 (b) tangible personal property placed in service or use by the
18 taxpayer on or after the operative date of P.L. , c. (C.)(pending
19 before the Legislature as this bill), with respect to which depreciation,
20 or amortization in lieu of depreciation, is allowable in determining the
21 corporation business tax liability of the taxpayer under P.L.1945,
22 c.162, and which has a remaining recovery period of three or more
23 years at the time the property is placed in service or use in a qualified
24 municipality; or

25 (c) tangible personal property owned and used by the taxpayer at
26 a business location outside a qualified municipality which is moved
27 into a qualified municipality on or after the effective date of P.L. , c.
28 (C.) (pending before the Legislature as this bill), for use as a
29 component part of a new or expanded business facility located in the
30 qualified municipality; provided that the property is depreciable or
31 amortizable personal property for income tax purposes, and has a
32 remaining recovery period of three or more years at the time the
33 property is placed in service or use in a qualified municipality.

34 (2) Property purchased for business relocation or expansion shall
35 not include:

36 (a) repair costs, including materials used in the repair, unless for
37 federal income tax purposes, the cost of the repair must be capitalized
38 and not expensed;

39 (b) airplanes;

40 (c) property which is primarily used outside a qualified municipality
41 with that use being determined based upon the amount of time the
42 property is actually used both within and without the qualified
43 municipality;

44 (d) property which is acquired incident to the purchase of the stock
45 or assets of the seller.

46 (3) Property shall be deemed to have been purchased prior to a

1 specified date only if:

2 (a) the physical construction, reconstruction or erection of the
3 property was begun prior to the specified date, or such property was
4 constructed, reconstructed, erected or acquired pursuant to a written
5 contract as existing and binding on the purchase prior to the specified
6 date; or

7 (b) the machinery or equipment was owned by the taxpayer prior
8 to the specified date, or was acquired by the taxpayer pursuant to a
9 binding purchase contract which was in effect prior to the specified
10 date.

11 c. "Business relocation or expansion" means capital investment in
12 a new or expanded business facility in a qualified municipality.

13 d. "Controlled group" means one or more chains of corporations
14 connected through stock ownership with a common parent corporation
15 if stock possessing at least 50% of the voting power of all classes of
16 stock of each of the corporations is owned directly or indirectly by one
17 or more of the corporations; and the common parent owns directly
18 stock possessing at least 50% of the voting power of all classes of
19 stock of at least one of the other corporations.

20 e. "Director" means the Director of the Division of Taxation in the
21 Department of the Treasury.

22 f. "Expanded business facility" means any business facility, other
23 than a new business facility, resulting from acquisition, construction,
24 reconstruction, installation or erection of improvements or additions
25 to existing property if such improvements or additions are purchased
26 on or after the effective date of rehabilitation and economic recovery.

27 g. "Incentive payment" means: the amount of tax owed by a
28 taxpayer for a privilege period, as computed pursuant to section 5 of
29 P.L.1945, c.162 (C.54:10A-5), multiplied by a fraction, the numerator
30 of which is the average value of the taxpayer's business relocation or
31 business expansion property within a qualified municipality during the
32 period covered by its report, and the denominator of which is the
33 average value of all the taxpayer's real and tangible personal property
34 in New Jersey during such period which result is multiplied by 96
35 percent; provided, however, that for the purpose of determining
36 average value, the provisions with respect to depreciation as set forth
37 in subparagraph (F) of paragraph (2) of subsection (k) of section 4 of
38 P.L.1945, c.162 (C.54:10A-4) shall be taken into account for arriving
39 at such value; and provided further that incentive payments shall be
40 made for a period not to exceed 10 years, commencing on the date of
41 a taxpayer's first acquisition of business relocation or business
42 expansion property in the qualified municipality following the
43 operative date of P.L. , c. (C.) (pending before the Legislature
44 as this bill).

45 h. "New business facility" means a business facility which:

46 (1) is employed by a taxpayer in the conduct of a business which

1 is or will be taxable under P.L.1945, c.162 (C.54:10A-1 et seq.). A
2 business facility shall not be considered a new business facility in the
3 hands of a taxpayer if the taxpayer's only activity with respect to the
4 facility is to lease it to another person;

5 (2) is purchased by a taxpayer and is placed in service or use on or
6 after the effective date of rehabilitation and economic recovery;

7 (3) was not purchased by a taxpayer from a related person; and

8 (4) was not in service or use during the 90 day period immediately
9 prior to transfer of the title to the facility.

10 i. "Partnership" means a syndicate, group, pool, joint venture or
11 other unincorporated organization through or by means of which any
12 business, financial operation or venture is carried on, and which is not
13 a trust or estate, a corporation or a sole proprietorship. The term
14 "partner" includes a member in such a syndicate, group, pool, joint
15 venture or organization.

16 j. "Purchase" means, with respect to the determination of whether
17 business relocation or business expansion property was purchased, any
18 acquisition of property, including an acquisition pursuant to a lease,
19 but only if:

20 (1) the property is not acquired from a person whose relationship
21 to the person acquiring it would result in the disallowance of
22 deductions under section 267 or subsection (b) of section 707 of the
23 federal Internal Revenue Code of 1986, 26 U.S.C.s.267 or s.707;

24 (2) the property is not acquired by one member of a controlled
25 group from another member of the same controlled group; and

26 (3) the basis of the property for federal income tax purposes, in the
27 hands of the person acquiring it, is not determined:

28 (a) in whole or in part by reference to the federal adjusted basis of
29 such property in the hands of the person from whom it was acquired;
30 or

31 (b) under subsection (e) of section 1014 of the federal Internal
32 Revenue Code of 1986, 26 U.S.C. s.1014.

33 k. "Related person" means:

34 (1) a corporation, partnership, association or trust controlled by the
35 taxpayer;

36 (2) an individual, corporation, partnership, association or trust that
37 is in control of the taxpayer;

38 (3) a corporation, partnership, association or trust controlled by an
39 individual, corporation, partnership, association or trust that is in
40 control of the taxpayer; or

41 (4) a member of the same controlled group as the taxpayer.

42

43 ¹[55.] ²[54.¹] 55.² (New section) a. There is established in the
44 authority the "Qualified Municipality Open For Business Incentive
45 Program," the purpose of which is to foster business investment in
46 qualified municipalities. Businesses that locate or expand in a qualified

1 municipality during the period that the municipality is under
2 rehabilitation and economic recovery shall be eligible to receive a
3 rebate from the "Corporation Business Tax Act (1945)," P.L.1945,
4 c.162 (C.54:10A-1 et seq.) as provided herein.

5 b. For each year in which a taxpayer is eligible for a rebate of a
6 portion of the incentive payment, the Director of the Division of
7 Taxation shall certify to the State Treasurer (1) that the taxpayer's
8 corporation business tax return has been filed; (2) that the taxpayer's
9 entire corporation business tax obligation has been satisfied; and (3)
10 the amount of the taxpayer's incentive payment entitlement. Upon
11 such certification, the treasurer shall certify to the executive director
12 of the authority the amount of the taxpayer's incentive payment and,
13 subject to the approval of the Director of the Division of Budget and
14 Accounting, transfer that incentive payment to the fund established
15 with the proceeds of those funds appropriated pursuant to subsection
16 b. of section ¹[70] ²[72¹] 73² of P.L. , c. (pending before the
17 Legislature as this bill).

18 c. The executive director of the authority shall rebate to the
19 taxpayer up to 75% of the incentive payment paid by the taxpayer and
20 placed by the treasurer into a fund established using those funds
21 appropriated pursuant to subsection b. of section ¹[70] ²[72¹] 73² of
22 P.L. , c. (pending before the Legislature as this bill) if the
23 taxpayer applies for a rebate within two years of deposit of the
24 incentive payment into the fund and establishes to the satisfaction of
25 the executive director of the authority that the taxpayer will utilize
26 those monies for business relocation or business expansion property.
27 The cumulative amount of monies distributed to the taxpayer pursuant
28 to this section shall not exceed the amount paid or to be paid by the
29 taxpayer for the business relocation or business expansion property. In
30 the event that the taxpayer does not establish its eligibility for a rebate
31 of a portion of the incentive payment within two years of its deposit
32 into the fund, the fund shall retain any remaining amount of the
33 incentive payment.

34
35 ¹[56.] ²[55.¹] 56.² (New section) a. A taxpayer engaged in the
36 conduct of business within a qualified municipality and who is not
37 receiving a benefit under the "New Jersey Urban Enterprise Zones
38 Act," P.L.1983, c.303 (C.52:27H-60 et seq.), may apply to receive a
39 tax credit against the amount of tax otherwise imposed under the
40 "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1
41 et seq.) equal to: \$2,500 for each new full-time position at that
42 location in credit year one and \$1,250 for each new full-time position
43 at that location in credit year two.

44 b. (1) The credit pursuant to subsection a. of this section for credit
45 year one shall be allowed for the privilege period in which or with
46 which credit year one ends; the credit pursuant to subsection a. of this

1 section for credit year two shall be allowed for the privilege period in
2 which or with which credit year two ends.

3 (2) An unused credit may be carried forward, if necessary, for use
4 in the five privilege periods following the privilege period for which
5 the credit is allowed.

6 (3) The order of priority of the application of the credit allowed
7 under this section and any other credits allowed by law shall be as
8 prescribed by the Director of the Division of Taxation. The amount
9 of the credit applied under this section against the tax imposed
10 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a privilege
11 period, together with any other credits allowed by law, shall not
12 exceed 50% of the tax liability otherwise due and shall not reduce the
13 tax liability to an amount less than the statutory minimum provided in
14 subsection (e) of section 5 of P.L.1945, c.162.

15 c. (1) Notwithstanding the provisions of subsection b. of this
16 section to the contrary, the credit allowed for credit year one may be
17 refundable at the close of the privilege period in which or with which
18 credit year two ends, pursuant to the requirements and limitations of
19 this subsection.

20 (2) That amount of the credit received for credit year one
21 remaining, if any, after the liabilities for the privilege period in which
22 or with which credit year two ends and for any prior privilege period
23 have been satisfied, multiplied by the sustained effort ratio, shall be an
24 overpayment for the purposes of section R.S.54:49-15 for the privilege
25 period in which or with which credit year two ends; that amount of the
26 credit received for credit year one remaining, if any, that is not an
27 overpayment pursuant to this paragraph may be carried forward
28 pursuant to subsection b. of this section.

29 d. The burden of proof shall be on the taxpayer to establish by clear
30 and convincing evidence that the taxpayer is entitled to the credits or
31 refund allowed pursuant to this section. The director shall by
32 regulation establish criteria for the determination of when new or
33 expanded operations have begun at a location. No taxpayer shall be
34 allowed more than a single 24 month continuous period in which
35 credits shall be allowed for activity at a location within a qualified
36 municipality pursuant to P.L. , c. (C.) (pending before the
37 Legislature as this bill).

38 e. For the purposes of this section:

39 "Credit year one" means the first twelve calendar months following
40 initial or expanded operations at a location within a qualified
41 municipality pursuant to P.L. , c. (C.) (pending before the
42 Legislature as this bill).

43 "Credit year two" means the twelve calendar months following
44 credit year one.

45 "Employee of the taxpayer" does not include an individual with an
46 ownership interest in the business, that individual's spouse or

1 dependants, or that individual's ancestors or descendants.

2 "Full time position" means a position filled by an employee of the
3 taxpayer for at least 140 hours per month on a permanent basis, which
4 does not include employment that is temporary or seasonal.

5 "New full time position" means a position that did not exist prior to
6 credit year one. New full time positions shall be measured by the
7 increase, from the twelve month period preceding credit year one to
8 the measured credit year, in the average number of full-time positions
9 and full-time position equivalents employed by the taxpayer at the
10 location within a qualified municipality pursuant to P.L. , c.
11 (C.) (pending before the Legislature as this bill). The hours of
12 employees filling part-time positions shall be aggregated to determine
13 the number of full-time position equivalents.

14 "Part-time position" means a position filled by an employee of the
15 taxpayer for at least 20 hours per week for at least 3 months during
16 the credit year.

17 "Sustained effort ratio" means the proportion that the credit year
18 two new full-time positions bears to the credit year one new full-time
19 positions, not to exceed one.

20

21 ¹[57.] ²[56.1] 57.² (New section) a. For the purposes of
22 subsection b. of this section, "residential property" shall include land,
23 a dwelling house or a condominium unit under the form of real
24 property ownership provided for under the "Condominium Act,"
25 P.L.1969, c.257 (C.46:8B-1 et seq.).

26 b. A taxpayer who shall not previously have occupied property
27 owned by the taxpayer as a principal residence and who, during the
28 taxable year, purchases residential property within a qualified
29 municipality for the purpose of occupying the property as the
30 taxpayer's principal residence shall be allowed in that taxable year, and
31 for four taxable years thereafter, a credit not to exceed \$5,000 against
32 the tax otherwise due under N.J.S.54A:1-1 et seq. The credit shall be
33 allowed beginning in any taxable year during the period of
34 rehabilitation and economic recovery.

35 No taxpayer filing either a single or a joint return shall be eligible
36 for a credit under this section: (1) if, in a prior taxable year, the
37 taxpayer or the taxpayer's spouse, either singly or jointly with each
38 other or with another, shall have owned and occupied as a principal
39 residence any residential property; or (2) if the taxpayer or the
40 taxpayer's spouse has received an annual stipend pursuant to section
41 18 of P.L. , c. (C.) (pending before the Legislature as this
42 bill).

43 In the case of a husband and wife who elect to file separate tax
44 returns, each shall, unless otherwise ineligible, be entitled to one-half
45 of the credit allowed.

46 If a taxpayer who shall have been allowed a credit under the

1 provisions of this section with respect to the purchase of residential
2 property fails to occupy the property as the taxpayer's principal
3 residence within one year after the date of the purchase, or terminates
4 occupation of the property as the taxpayer's principal residence within
5 10 years after the date of the purchase or the date on which such
6 occupation shall have commenced, whichever is later, the taxpayer
7 shall be liable for tax in an amount equal to the credit previously so
8 allowed.

9
10 ARTICLE 7. LABOR RELATIONS AND CONTRACTS

11
12 ¹[58.] ²[57.¹] 58.² Section 1 of P.L.1979, c.303 (C.34:1B-5.1) is
13 amended to read as follows:

14 1. The New Jersey Economic Development Authority shall adopt
15 rules and regulations requiring that not less than the prevailing wage
16 rate be paid to workers employed in the performance of construction
17 contracts undertaken in connection with any of its projects, those
18 projects which it undertakes pursuant to P.L. , c. (C.)
19 (pending before the Legislature as this bill) or school facilities
20 projects. The prevailing wage rate shall be the rate determined by the
21 Commissioner of Labor pursuant to the provisions of P.L.1963, c.150
22 (C.34:11-56.25 et seq.).
23 (cf: P.L.2000, c.72, s.47)

24
25 ¹[59.] ²[58.¹] 59.² (New section) Not less than the prevailing
26 wage rate shall be paid to any workers employed in the performance
27 of construction contracts undertaken in connection with any projects
28 undertaken pursuant to P.L. , c. (C.) (pending before the
29 Legislature as this bill). The prevailing wage rate shall be the rate
30 determined by the Commissioner of Labor pursuant to the provisions
31 of P.L.1963, c.150 (C.34:11-56.25 et seq.).

32
33 ¹[60.] ²[59.¹] 60.² (New section) In order to fulfill its obligation
34 to establish an affirmative action program for the hiring of minority
35 and female workers employed in the performance of construction
36 contracts undertaken in connection with a project undertaken or
37 financed by the authority pursuant to P.L. , c. (C.) (pending
38 before the Legislature as this bill), the authority shall comply with all
39 requirements for pre-apprenticeship and apprenticeship applicable to
40 the authority on or after the effective date of P.L. , c. (C.)
41 (pending before the Legislature as this bill).

42
43 ¹[61.] ²[60.¹] 61.² (New section) For the purposes of section 3
44 of P.L.1977, c.85 (C.34:13A-16), when deciding the award in a
45 dispute involving public fire or police departments of the qualified
46 municipality during the rehabilitation term, the arbitrator or panel of

1 arbitrators shall, when considering the interests and welfare of the
2 public and the lawful authority of the employer, include in those
3 assessments the fact that the municipality is under rehabilitation
4 pursuant to P.L. , c. (C.) (pending before the Legislature as
5 this bill.

6
7 ¹[62.] ²[61.1] 62.² (New section) During the rehabilitation term,
8 the qualified municipality may enter into arrangements with other
9 municipalities, counties, local public authorities, or the State, for the
10 purpose of affording the municipality those benefits which may accrue
11 pursuant to any laws providing for contracted provision of goods or
12 services. Notwithstanding any other provision of law to the contrary
13 all State agencies are authorized to enter into such agreements or
14 arrangements with the qualified municipality during the rehabilitation
15 term as are necessary or useful in furthering the purposes of P.L. ,
16 c. (C.) (pending before the Legislature as this bill).

17
18 ¹[63.] ²[62.1] 63.² (New section) All contracts and agreements
19 entered into by the qualified municipality during the rehabilitation term
20 pursuant to P.L. , c. (C.) (pending before the Legislature as
21 this bill) shall contain provisions stating that the director or chief
22 operating officer may, upon 30 days' notice, terminate the contract or
23 agreement for any reason without payment of penalty or damages.
24 This section shall not apply to collective bargaining agreements.

25
26 ARTICLE 8. MISCELLANEOUS

27
28 ¹[64.] ²[63.1] 64.² Section 2 of P.L.1991, c.266 (C.40:14B-23.1)
29 is amended to read as follows:

30 2. a. As used in this section:

31 "Residential property" means any building or part of a building
32 used, to be used or held for use as a home or residence, together with
33 the land upon which it is situate. A residential property shall include
34 single family dwellings, multifamily dwellings as defined under
35 subsection (k) of section 3 of the "Hotel and Multiple Dwelling Law,"
36 P.L.1967, c.76 (C.55:13A-1 et seq.), and other rental unit property,
37 and individual residences within a horizontal property regime as
38 defined pursuant to the "Horizontal Property Act," P.L.1963, c.168
39 (C.46:8A-1 et seq.), or a condominium as defined pursuant to the
40 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.), units in a
41 cooperative, and units in a mutual housing corporation;

42 "Cooperative" means a housing corporation or association which
43 entitles the holder of a share or membership interest thereof to possess
44 and occupy for dwelling purposes a house, apartment, manufactured
45 or mobile home or other unit of housing owned or leased by the
46 corporation or association, or to lease or purchase a unit of housing

1 constructed or to be constructed by the corporation or association;
2 "Mutual housing corporation" means a corporation not-for-profit,
3 incorporated under the laws of this State on a mutual or cooperative
4 basis within the scope of section 607 of the "National Defense
5 Housing Act," Pub.L.76-849, (42 U.S.C. s. 1521 et seq.), as amended,
6 which acquired a National Defense Housing Project pursuant to that
7 act;
8 "Qualified resident" means a person who owns, rents or occupies
9 residential property;
10 "Qualified entity" means a building or facility which is owned and
11 used by:
12 (1) a public or private school, university, college or seminary for
13 either classroom space or administrative office space;
14 (2) a church, synagogue or temple for holding religious services,
15 or which is used to house church-, synagogue- or temple- related
16 personnel;
17 (3) a clinic or hospital, including a residential building which is
18 used to house personnel who are employed by the clinic or hospital;
19 (4) a nonprofit organization which operates under the provisions
20 of Title 15A of the New Jersey Statutes, for the purposes for which
21 the organization was created, or for administrative office space; or
22 (5) a business which has less than 10 full-time employees.
23 b. A city of the second class with a population of more than
24 ~~[80,000]~~ 79,000 but less than 88,000 according to the latest federal
25 decennial census, located in a county of the second class with a
26 population of more than 455,000 but less than 510,000 according to
27 the latest federal decennial census, and a county or municipal utilities
28 authority whose operations plant is located within the city's boundaries
29 may negotiate a host community benefit for qualified residents and
30 qualified entities within the city. The benefit may be applied against
31 the rate, fee or charge assessed pursuant to section 23 of P.L.1957,
32 c.183 (C.40:14B-23) or the connection fee or tapping fee assessed
33 pursuant to section 21 of P.L.1957, c.183 (C.40:14B-21), or both, at
34 the discretion of the county or municipal utilities authority. The
35 benefit shall be provided as a credit against the individual accounts of
36 the qualified resident or entity, and the county or municipal utilities
37 authority and the city shall negotiate the amount of the benefit. Upon
38 agreement of the parties, the governing body of the city shall adopt an
39 ordinance setting forth the specific requirements under the agreement.
40 In cases in which a qualified resident is not billed directly for the
41 county or municipal utilities authority's services, the city shall, as part
42 of the ordinance setting forth the specific requirements of the
43 agreement, establish procedures under which the owner of the
44 appropriate property shall insure that the qualified resident is
45 compensated for the amount of the credit.
46 (cf: P.L.1991, c.266, s.2)

1 ¹[65.] ²[64.¹] 65.² Section 8 of P.L.1983, c.530 (C.55:14K-8) is
2 amended to read as follows:

3 8. a. Admission to housing projects constructed, improved or
4 rehabilitated under this act shall be limited to families whose gross
5 aggregate family income at the time of admission does not exceed six
6 times the annual rental or carrying charges, including the value or cost
7 to them of heat, light, water, sewerage, parking facilities and cooking
8 fuel, of the dwellings that may be furnished to such families, or seven
9 times those charges if there are three or more dependents. There may
10 be included in the carrying charges to any family for residence in any
11 mutual housing project constructed, improved or rehabilitated with a
12 loan from the agency an amount equal to 6% of the original cash
13 investment of the family in the mutual housing project and, to the
14 extent authorized by the agency where not included in the carrying
15 charges, the value or cost of repainting the apartment and replacing
16 any fixtures or appliances. Notwithstanding the provisions of this
17 section, no family or individual shall be eligible for admission to any
18 housing project constructed, improved or rehabilitated with a loan
19 from the agency, whose gross aggregate family income exceeds such
20 amount as shall be established from time to time by the agency, by
21 rules or regulations promulgated hereunder; except that with respect
22 to any project financed by an agency loan insured or guaranteed by the
23 United States of America or any agency or instrumentality thereof, the
24 agency may adopt the admission standards for such projects then
25 currently utilized or required by the guarantor or insurer.

26 The provisions of this subsection shall not apply to any housing
27 project situated in a qualified municipality that is constructed,
28 improved or rehabilitated on or after the effective date of P.L. _____,
29 c. (C. _____) (pending before the Legislature as this bill).

30 b. The agency shall by rules and regulations provide for the
31 periodic examination of the income of any person or family residing in
32 any housing project constructed, improved or rehabilitated with a loan
33 from the agency. If the gross aggregate family income of a family
34 residing in a housing project increases and the ratio to the current
35 rental or carrying charges of the dwelling unit becomes greater than
36 the ratio prescribed for admission in subsection a. of this section but
37 is not more than 25% above the family income so prescribed for
38 admission to the project, the owner or managing agent of the housing
39 project shall permit the family to continue to occupy the unit. The
40 agency or (with the approval of the agency) the housing sponsor of
41 any housing project constructed, improved or rehabilitated with a loan
42 from the agency, may terminate the tenancy or interest of any family
43 residing in the housing project whose gross aggregate family income
44 exceeds by 25% or more the amount prescribed herein and which
45 continues to do so for a period of six months or more; but no tenancy
46 or interest of any such family in any such housing project shall be

1 terminated except upon reasonable notice and opportunity to obtain
2 suitable alternate housing, in accordance with rules and regulations of
3 the agency; and any such family, with the approval of the agency, may
4 be permitted to continue to occupy the unit, subject to payment of a
5 rent or carrying charge surcharge to the housing sponsor in
6 accordance with a schedule of surcharges fixed by the agency. The
7 housing sponsor shall pay the surcharge to the municipality granting
8 tax exemption, but only up to an amount that together with payments
9 made to the municipality in lieu of taxes and for any land taxes equals
10 25% of the total rents or carrying charges of the housing project for
11 the current and any prior years that the project has been in operation.

12 The provisions of this subsection shall not apply to any housing
13 project situated in a qualified municipality that is constructed,
14 improved or rehabilitated on or after the effective date of P.L. , c.
15 (C.) (pending before the Legislature as this bill).

16 c. For projects on which the agency has made a loan and financed
17 the loan with the proceeds of bonds issued prior to January 1, 1973,
18 any remainder of the surcharge, or the total surcharge if tax exemption
19 has not been granted, shall be paid into the housing finance fund
20 securing the bonds issued to finance the project for the use of the
21 agency; for projects financed on or after January 1, 1973, any
22 remainder of the surcharge, or the total surcharge if tax exemption has
23 not been granted, shall be paid to the agency.

24 d. Any family residing in a mutual housing project required to
25 remove from the project because of excessive income as herein
26 provided shall be discharged from liability on any note, bond or other
27 evidence of indebtedness relating thereto and shall be reimbursed, in
28 accordance with the rules of the agency, for all sums paid by the
29 family to the housing sponsor on account of the purchase of stock or
30 debentures as a condition of occupancy or on account of the
31 acquisition of title for such purpose.

32 The provisions of this subsection shall not apply to any housing
33 project situated in a qualified municipality that is constructed,
34 improved or rehabilitated on or after the effective date of P.L. , c.
35 (C.) (pending before the Legislature as this bill).

36 e. The agency shall establish admission rules and regulations for
37 any housing project financed in whole or in part by loans authorized
38 hereunder which shall provide priority categories for person displaced
39 by urban renewal projects, highway programs or other public works,
40 persons living in substandard housing, persons and families who, by
41 reason of family income, family size or disabilities, have special needs,
42 elderly persons and families living under conditions violative of
43 minimum health and safety standards.

44 The provisions of this subsection shall not apply to any housing
45 project situated in a qualified municipality that is constructed,
46 improved or rehabilitated on or after the effective date of P.L. , c.

1 (C.) (pending before the Legislature as this bill).

2 (cf: P.L.1983, c.530, s.8)

3

4 ¹[66.] ²[65.] 66. ² (New section) Upon the enactment of
5 P.L. , c. (C.) (pending before the Legislature as this bill) and
6 during the ¹[period that a municipality is under]¹ rehabilitation ¹[and
7 economic recovery] term¹, there shall be a moratorium on regional
8 contribution agreements pursuant to P.L.1985, c.222 (C.52:27D-301
9 et al.) in any qualified municipality.

10

11 ²[¹66.] 67.² (New section) a. Notwithstanding the provisions of
12 any law to the contrary, in the case of a Type II school district which
13 is contiguous with a qualified municipality and which has a nine-
14 member board of education, the Governor shall appoint three
15 additional members to the board of education upon the enactment of
16 P.L. , c. (C.)(now pending before the Legislature as this bill).
17 The appointed members shall be voting members of the board who
18 shall serve at the pleasure of the Governor for three year terms and
19 they shall be eligible for reappointment. Two members shall be
20 residents of the qualified municipality and one member shall be
21 employed in the qualified municipality.

22

23 b. At the first organizational meeting conducted pursuant to
24 N.J.S.18A:10-3 following the establishment of the qualified
25 municipality, the voting membership of the board of education shall be
26 comprised of the three members appointed by the Governor pursuant
27 to subsection a. of this section and any member of the board of
28 education as comprised prior to the establishment of a qualified
29 municipality with an unexpired term.

30

31 c. At the second organizational meeting conducted pursuant to
32 N.J.S.18A:10-3 following the establishment of the qualified
33 municipality, the voting membership of the board of education shall
34 be comprised of the three members appointed by the Governor
35 pursuant to subsection a. of this section, three members appointed by
36 the mayor of the qualified municipality with the advice and consent of
37 the city council and any member of the board of education as
38 comprised prior to the establishment of a qualified municipality with
39 an unexpired term. Members appointed by the mayor, with the advice
40 and consent of the city council shall serve three year terms and shall
41 be eligible for reappointment.

42

43 d. There shall be no school election of school board members
44 conducted in the first two years following the establishment of a
45 qualified municipality. In the third year following the establishment of
46 the qualified municipality, a school election of school board members
shall be conducted pursuant to P.L.1995, c.278 (C.19:60-1 et seq.)
and three members of the board of education shall be elected by the
voters to serve three year terms.

1 e. In the fourth year and each subsequent year thereafter, up until
2 the tenth year following the establishment of the qualified municipality,
3 members shall be appointed or elected as provided hereinabove upon
4 the expiration of the members' terms. In the tenth year following the
5 establishment of the qualified municipality, a school election of school
6 board members shall be conducted pursuant to P.L.1995, c.278
7 (C.19:60-1 et seq.) and three members of the board of education shall
8 be elected by the voters to fill the vacancies of the Governor's
9 appointees whose terms expire. The elected members shall serve
10 three year terms. In the eleventh year following the establishment of
11 the qualified municipality, a school election of school board members
12 shall be conducted pursuant to P.L.1995, c.278 (C.19:60-1 et seq.)
13 and three members of the board of education shall be elected by the
14 voters to fill the vacancies of the mayor's appointees whose terms
15 expire. The elected members shall serve three year terms. In the
16 twelfth year following the establishment of the qualified municipality
17 and each year thereafter successors to the members whose terms
18 expire shall be elected for three year terms as provided by law.

19 f. At all times the board of education and its membership shall
20 comply with the requirements of the "Open Public Meetings Act,"
21 P.L.1975, c.231 (C.10:4-6 et seq.) and the "School Ethics Act,"
22 P.L.1991, c.393 (C.18A:12-21 et seq.), and meet the requirements and
23 qualifications for board membership established pursuant to chapter 12
24 of Title 18A of the New Jersey Statutes.¹

25

26 ²[67.] 68.² (New section) a. Notwithstanding the provisions of
27 Title 18A or any other law, rule, or regulation to the contrary, the
28 minutes of every meeting of the board of education of a school district
29 contiguous with a qualified municipality and constituted pursuant to
30 N.J.S.18A:9-3 shall be subject to the veto provisions set forth in
31 subsection b. of this section.

32 b. A true copy of the minutes of every meeting of a board of
33 education described in subsection a. of this section shall be forthwith
34 delivered by and under the certification of the secretary thereof to the
35 Governor. No action taken at that meeting of the board of education
36 shall have force or effect until 15 days after a copy of the minutes shall
37 have been so delivered unless during that 15-day period the Governor
38 shall approve those minutes, in which case the action shall become
39 effective upon that approval. If, in the 15-day period, the Governor
40 returns the copy of those minutes with a veto of any action taken by
41 the board of education or any member thereof at that meeting, the
42 action shall be null and void and of no effect.

43

44 ²[168.] 69.² Section 4 of P.L.1974, c.80 (C.34:1B-4) is amended
45 to read as follows:

46 4. a. There is hereby established in, but not of, the Department of

1 the Treasury a public body corporate and politic, with corporate
2 succession, to be known as the "New Jersey Economic Development
3 Authority." The authority is hereby constituted as an instrumentality
4 of the State exercising public and essential governmental functions,
5 and the exercise by the authority of the powers conferred by the
6 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.) or section 6 of
7 P.L.2001, c.401 (C.34:1B-4.1) shall be deemed and held to be an
8 essential governmental function of the State.

9 b. The authority shall consist of the Commissioner of Banking and
10 Insurance, the Chief Executive Officer and Secretary of the New
11 Jersey Commerce and Economic Growth Commission, the
12 Commissioner of Labor, the Commissioner of Education, and the State
13 Treasurer, who shall be members ex officio, and eight public members
14 appointed by the Governor as follows: two public members (who shall
15 not be legislators) shall be appointed by the Governor upon
16 recommendation of the Senate President; two public members (who
17 shall not be legislators) shall be appointed by the Governor upon
18 recommendation of the Speaker of the General Assembly; and four
19 public members shall be appointed by the Governor, all for terms of
20 three years. In addition, a public member of the State Economic
21 Recovery Board established pursuant to section 36 of P.L. _____, c.
22 (C. _____) (pending before the Legislature as this bill) appointed by the
23 board, shall serve as a non-voting, ex officio member of the authority.
24 Each member shall hold office for the term of the member's
25 appointment and until the member's successor shall have been
26 appointed and qualified. A member shall be eligible for reappointment.
27 Any vacancy in the membership occurring other than by expiration of
28 term shall be filled in the same manner as the original appointment but
29 for the unexpired term only. In the event the authority shall by
30 resolution determine to accept the declaration of an urban growth zone
31 by any municipality, the mayor or other chief executive officer of such
32 municipality shall ex officio be a member of the authority for the
33 purpose of participating and voting on all matters pertaining to such
34 urban growth zone.

35 The Governor shall appoint three alternate members of the
36 authority, of which one alternate member (who shall not be a
37 legislator) shall be appointed by the Governor upon the
38 recommendation of the Senate President, and one alternate member
39 (who shall not be a legislator) shall be appointed by the Governor
40 upon the recommendation of the Speaker of the General Assembly;
41 and one alternate member shall be appointed by the Governor, all for
42 terms of three years. The chairperson may authorize an alternate
43 member, in order of appointment, to exercise all of the powers, duties
44 and responsibilities of such member, including, but not limited to, the
45 right to vote on matters before the authority.

46 Each alternate member shall hold office for the term of the

1 member's appointment and until the member's successor shall have
2 been appointed and qualified. An alternate member shall be eligible for
3 reappointment. Any vacancy in the alternate membership occurring
4 other than by the expiration of a term shall be filled in the same
5 manner as the original appointment but for the unexpired term only.
6 Any reference to a member of the authority in this act shall be deemed
7 to include alternate members unless the context indicates otherwise.

8 The terms of office of the members and alternate members of the
9 authority appointed by the Governor who are serving on July 18, 2000
10 shall expire upon the appointment by the Governor of eight public
11 members and three alternate members. The initial appointments of the
12 eight public members shall be as follows: the two members appointed
13 upon the recommendation of the President of the Senate and the two
14 members appointed upon the recommendation of the Speaker of the
15 General Assembly shall serve terms of three years; two members shall
16 serve terms of two years; and two members shall serve terms of one
17 year. The initial appointments of the alternate members shall be as
18 follows: the alternate member appointed upon the recommendation of
19 the President of the Senate shall serve a term of three years; the
20 alternate member appointed upon the recommendation of the Speaker
21 of the General Assembly shall serve a term of two years; and one
22 alternate member shall serve a term of one year. No member shall be
23 appointed who is holding elective office.

24 c. Each member appointed by the Governor may be removed from
25 office by the Governor, for cause, after a public hearing, and may be
26 suspended by the Governor pending the completion of such hearing.
27 Each member before entering upon his duties shall take and subscribe
28 an oath to perform the duties of the office faithfully, impartially and
29 justly to the best of his ability. A record of such oaths shall be filed in
30 the office of the Secretary of State.

31 d. A chairperson shall be appointed by the Governor from the
32 public members. The members of the authority shall elect from their
33 remaining number a vice chairperson and a treasurer thereof. The
34 authority shall employ an executive director who shall be its secretary
35 and chief executive officer. The powers of the authority shall be
36 vested in the members thereof in office from time to time and seven
37 members of the authority shall constitute a quorum at any meeting
38 thereof²; provided, however, that the public member designated by
39 the State Economic Recovery Board pursuant to the "Municipal
40 Rehabilitation and Economic Recovery Act," P.L. , c. (C.)
41 (pending before the Legislature as this bill) shall not count toward the
42 quorum². Action may be taken and motions and resolutions adopted
43 by the authority at any meeting thereof by the affirmative vote of at
44 least seven members of the authority. No vacancy in the membership
45 of the authority shall impair the right of a quorum of the members to
46 exercise all the powers and perform all the duties of the authority.

1 e. Each member of the authority shall execute a bond to be
2 conditioned upon the faithful performance of the duties of such
3 member in such form and amount as may be prescribed by the Director
4 of the Division of Budget and Accounting in the Department of the
5 Treasury. Such bonds shall be filed in the office of the Secretary of
6 State. At all times thereafter the members and treasurer of the
7 authority shall maintain such bonds in full force and effect. All costs
8 of such bonds shall be borne by the authority.

9 f. The members of the authority shall serve without compensation,
10 but the authority shall reimburse its members for actual expenses
11 necessarily incurred in the discharge of their duties. Notwithstanding
12 the provisions of any other law, no officer or employee of the State
13 shall be deemed to have forfeited or shall forfeit any office or
14 employment or any benefits or emoluments thereof by reason of the
15 acceptance of the office of ex officio member of the authority or any
16 services therein.

17 g. Each ex officio member of the authority may designate an
18 officer or employee of the member's department to represent the
19 member at meetings of the authority, and each such designee may
20 lawfully vote and otherwise act on behalf of the member for whom the
21 person constitutes the designee. Any such designation shall be in
22 writing delivered to the authority and shall continue in effect until
23 revoked or amended by writing delivered to the authority.

24 h. The authority may be dissolved by act of the Legislature on
25 condition that the authority has no debts or obligations outstanding or
26 that provision has been made for the payment or retirement of such
27 debts or obligations. Upon any such dissolution of the authority, all
28 property, funds and assets thereof shall be vested in the State.

29 i. A true copy of the minutes of every meeting of the authority
30 shall be forthwith delivered by and under the certification of the
31 secretary thereof to the Governor. No action taken at such meeting
32 by the authority shall have force or effect until 10 days, Saturdays,
33 Sundays, and public holidays excepted, after the copy of the minutes
34 shall have been so delivered, unless during such 10-day period the
35 Governor shall approve the same in which case such action shall
36 become effective upon such approval. If, in that 10-day period, the
37 Governor returns such copy of the minutes with veto of any action
38 taken by the authority or any member thereof at such meeting, such
39 action shall be null and void and of no effect. The powers conferred
40 in this subsection i. upon the Governor shall be exercised with due
41 regard for the rights of the holders of bonds and notes of the authority
42 at any time outstanding, and nothing in, or done pursuant to, this
43 subsection i. shall in any way limit, restrict or alter the obligation or
44 powers of the authority or any representative or officer of the
45 authority to carry out and perform in every detail each and every
46 covenant, agreement or contract at any time made or entered into by

1 or on behalf of the authority with respect to its bonds or notes or for
2 the benefit, protection or security of the holders thereof.

3 j. On or before March 31 in each year, the authority shall make an
4 annual report of its activities for the preceding calendar year to the
5 Governor and the Legislature. Each such report shall set forth a
6 complete operating and financial statement covering the authority's
7 operations during the year. The authority shall cause an audit of its
8 books and accounts to be made at least once in each year by certified
9 public accountants and cause a copy thereof to be filed with the
10 Secretary of State and the Director of the Division of Budget and
11 Accounting in the Department of the Treasury.

12 k. The Director of the Division of Budget and Accounting in the
13 Department of the Treasury and the director's legally authorized
14 representatives are hereby authorized and empowered from time to
15 time to examine the accounts, books and records of the authority
16 including its receipts, disbursements, contracts, sinking funds,
17 investments and any other matters relating thereto and to its financial
18 standing.

19 l. No member, officer, employee or agent of the authority shall be
20 interested, either directly or indirectly, in any project or school
21 facilities project, or in any contract, sale, purchase, lease or transfer of
22 real or personal property to which the authority is a party.¹

23 (cf: P.L.2001, c.401, s.2)

24

25 ²[¹69.] 70.² Section 3 of P.L.1991, c.431 (C.40A:20-3) is
26 amended to read as follows:

27 3. As used in this act:

28 a. "Gross revenue" means annual gross revenue or gross shelter
29 rent or annual gross rents, as appropriate, and other income, for each
30 urban renewal entity designated pursuant to this act. The financial
31 agreement shall establish the method of computing gross revenue for
32 the entity, and the method of determining insurance, operating and
33 maintenance expenses paid by a tenant which are ordinarily paid by a
34 landlord, which shall be included in the gross revenue; provided,
35 however, that any federal funds received, whether directly or in the
36 form of rental subsidies paid to tenants, by a nonprofit corporation
37 that is the sponsor of a qualified subsidized housing project, shall not
38 be included in the gross revenue of the project for purposes of
39 computing the annual services charge for municipal services supplied
40 to the project.

41 b. "Limited-dividend entity" means an urban renewal entity
42 incorporated pursuant to Title 14A of the New Jersey Statutes, or
43 established pursuant to Title 42 of the Revised Statutes, for which the
44 profits and the entity are limited as follows. The allowable net profits
45 of the entity shall be determined by applying the allowable profit rate
46 to each total project unit cost, if the project is undertaken in units, or

1 the total project cost, if the project is not undertaken in units, for the
2 period commencing on the date on which the construction of the unit
3 or project is completed, and terminating at the close of the fiscal year
4 of the entity preceding the date on which the computation is made,
5 where:

6 "Allowable profit rate" means the percentage per annum arrived at
7 by adding 1 1/4% to the annual interest percentage rate payable on the
8 entity's initial permanent mortgage financing. If the initial permanent
9 mortgage is insured or guaranteed by a governmental agency, the
10 mortgage insurance premium or similar charge, if payable on a per
11 annum basis, shall be considered as interest for this purpose. If there
12 is no permanent mortgage financing the allowable profit rate shall be
13 arrived at by adding 1 1/4% per annum to the interest rate per annum
14 which the municipality determines to be the prevailing rate on
15 mortgage financing on comparable improvements in the county.

16 c. "Net profit" means the gross revenues of the urban renewal
17 entity less all operating and non-operating expenses of the entity, all
18 determined in accordance with generally accepted accounting
19 principles, but:

20 (1) there shall be included in expenses: (a) all annual service
21 charges paid pursuant to section 12 of P.L.1991, c.431
22 (C.40A:20-12); (b) all payments to the municipality of excess profits
23 pursuant to section 15 or 16 of P.L.1991, c.431 (C.40A:20-15 or
24 40A:20-16); (c) an annual amount sufficient to amortize the total
25 project cost over the life of the improvements, as set forth in the
26 financial agreement, which shall not be less than the terms of the
27 financial agreement; and (d) all reasonable annual operating expenses
28 of the urban renewal entity, including the cost of all management fees,
29 brokerage commissions, insurance premiums, all taxes or service
30 charges paid, legal, accounting, or other professional service fees,
31 utilities, building maintenance costs, building and office supplies, and
32 payments into repair or maintenance reserve accounts;

33 (2) there shall not be included in expenses either depreciation or
34 obsolescence, interest on debt, income taxes, or salaries, bonuses or
35 other compensation paid, directly or indirectly to directors, officers
36 and stockholders of the entity, or officers, partners or other persons
37 holding any proprietary ownership interest in the entity.

38 The urban renewal entity shall provide to the municipality an annual
39 audited statement which clearly identifies the calculation of net profit
40 for the urban renewal entity during the previous year. The annual
41 audited statement shall be prepared by a certified public accountant
42 and shall be submitted to the municipality within 90 days of the close
43 of the fiscal year.

44 d. "Nonprofit entity" means an urban renewal entity incorporated
45 pursuant to Title 15A of the New Jersey Statutes for which no part of
46 its net profits inures to the benefit of its members.

1 e. "Project" means any work or undertaking pursuant to a
2 redevelopment plan adopted pursuant to the "Local Redevelopment
3 and Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.), which has as
4 its purpose the redevelopment of all or any part of a redevelopment
5 area including any industrial, commercial, residential or other use, and
6 may include any buildings, land, including demolition, clearance or
7 removal of buildings from land, equipment, facilities, or other real or
8 personal properties which are necessary, convenient, or desirable
9 appurtenances, such as, but not limited to, streets, sewers, utilities,
10 parks, site preparation, landscaping, and administrative, community,
11 health, recreational, educational and welfare facilities.

12 f. "Redevelopment area" means an area determined to be in need
13 of redevelopment and for which a redevelopment plan has been
14 adopted by a municipality pursuant to the "Local Redevelopment and
15 Housing Law," P.L.1992, c.79 (C.40A:12A-1 et al.).

16 g. "Urban renewal entity" means a limited-dividend entity, the New
17 Jersey Economic Development Authority or a nonprofit entity which
18 enters into a financial agreement pursuant to this act with a
19 municipality to undertake a project pursuant to a redevelopment plan
20 for the redevelopment of all or any part of a redevelopment area, or a
21 project necessary, useful, or convenient for the relocation of residents
22 displaced or to be displaced by the redevelopment of all or any part of
23 one or more redevelopment areas, or a low and moderate income
24 housing project.

25 h. "Total project unit cost" or "total project cost" means the
26 aggregate of the following items as related to a unit of a project, if the
27 project is undertaken in units, or to the total project, if the project is
28 not undertaken in units, all of which as limited by, and approved as
29 part of the financial agreement: (1) cost of the land and improvements
30 to the entity, whether acquired from a private or a public owner, with
31 cost in the case of leasehold interests to be computed by capitalizing
32 the aggregate rental at a rate provided in the financial agreement; (2)
33 architect, engineer and attorney fees, paid or payable by the entity in
34 connection with the planning, construction and financing of the
35 project; (3) surveying and testing charges in connection therewith; (4)
36 actual construction costs which the entity shall cause to be certified
37 and verified to the municipality and the municipal governing body by
38 an independent and qualified architect, including the cost of any
39 preparation of the site undertaken at the entity's expense; (5)
40 insurance, interest and finance costs during construction; (6) costs of
41 obtaining initial permanent financing; (7) commissions and other
42 expenses paid or payable in connection with initial leasing; (8) real
43 estate taxes and assessments during the construction period; (9) a
44 developer's overhead based on a percentage of actual construction
45 costs, to be computed at not more than the following schedule:

1	\$500,000 or less	-	10%
2			
3	\$500,000 through \$1,000,000	-	\$50,000 plus 8% on excess above
4	\$500,000		
5			
6	\$1,000,001 through \$2,000,000	-	\$90,000 plus 7% on excess
7	above \$1,000,000		
8			
9	\$2,000,001 through \$3,500,000	-	\$160,000 plus 5.6667% on
10	excess above \$2,000,000		
11			
12	\$3,500,001 through \$5,500,000	-	\$245,000 plus 4.25% on excess
13	above \$3,500,000		
14			
15	\$5,500,001 through \$10,000,000	-	\$330,000 plus 3.7778% on
16	excess above \$5,500,000		
17			
18	over \$10,000,000	-	5%
19			

20 If the financial agreement so provides, there shall be excluded from
21 the total project cost actual costs incurred by the entity and certified
22 to the municipality by an independent and qualified architect or
23 engineer which are associated with site remediation and cleanup of
24 environmentally hazardous materials or contaminants in accordance
25 with State or federal law.

26 i. "Housing project" means any work or undertaking to provide
27 decent, safe, and sanitary dwellings for families in need of housing; the
28 undertaking may include any buildings, land (including demolition,
29 clearance or removal of buildings from land), equipment, facilities, or
30 other real or personal properties or interests therein which are
31 necessary, convenient or desirable appurtenances of the undertaking,
32 such as, but not limited to, streets, sewers, water, utilities, parks; site
33 preparation; landscaping, and administrative, community, health,
34 recreational, educational, welfare, commercial, or other facilities, or
35 to provide any part or combination of the foregoing.

36 j. "Redevelopment relocation housing project" means a housing
37 project which is necessary, useful or convenient for the relocation of
38 residents displaced by redevelopment of all or any part of one or more
39 redevelopment areas.

40 k. "Low and moderate income housing project" means a housing
41 project which is occupied, or is to be occupied, exclusively by
42 households whose incomes do not exceed income limitations
43 established pursuant to any State or federal housing program.

44 l. "Qualified subsidized housing project" means a low and
45 moderate income housing project owned by a nonprofit corporation
46 organized under the provisions of Title 15A of the New Jersey

1 Statutes for the purpose of developing, constructing and operating
2 rental housing for senior citizens under section 202 of Pub.L. 86-372
3 (12 U.S.C. s.1701q) or rental housing for persons with disabilities
4 under section 811 of Pub.L. 101-625 (42 U.S.C. s.8013), or under any
5 other federal program that the Commissioner of Community Affairs by
6 rule may determine to be of a similar nature and purpose.¹
7 (cf: P.L.1994, c.87,s.1)

8
9 ¹[68.] ²[70.¹] 71.² (New section) If any section, subsection,
10 paragraph, sentence or other part of P.L. , c. (C.) (pending
11 before the Legislature as this bill) is adjudged unconstitutional or
12 invalid, that judgment shall not affect, impair or invalidate the
13 remainder of this act, but shall be confined in its effect to the section,
14 subsection, paragraph, sentence or other part of this act directly
15 involved in the controversy in which that judgment shall have been
16 rendered.

17
18 ARTICLE 9. APPROPRIATIONS

19
20 ¹[69.] ²[71.¹] 72.² (New section) From the proceeds of bonds
21 authorized pursuant to section ¹[47]²[46¹] 47² of P.L. , c.
22 (C.) (pending before the Legislature as this bill) ²[1 or from any
23 other source, as provided pursuant to P.L. , c. (C.) (pending
24 before the Legislature as this bill)¹]², the New Jersey Economic
25 Development Authority shall deposit ²[1, or allocate, as the case may
26 be¹]²:

27 a. \$35 million into the "Residential Neighborhood Improvement
28 Fund" created pursuant to section ¹[51]²[48¹] 51² of P.L. , c.
29 (C.) (pending before the Legislature as this bill);

30 b. \$43 million into the "Demolition and Redevelopment Financing
31 Fund" created pursuant to section ¹[51] ²[48¹] 51² of P.L. , c.
32 (C.) (pending before the Legislature as this bill);

33 c. \$45.8 million into the "Downtown Revitalization and Recovery
34 Fund" created pursuant to section ¹[51]²[48¹] 51² of P.L. , c.
35 (C.) (pending before the Legislature as this bill);

36 d. ¹[\$46.2] \$47.7¹ million into the "Higher Education and
37 Regional Health Care Development Fund" created pursuant to section
38 ¹[52]²[50¹] 52² of P.L. , c. (C.) (pending before the
39 Legislature as this bill); and

40 e. ¹[\$5] \$3.5¹ million into the "Economic Recovery Planning
41 Fund" created pursuant to section ¹[51]²[48¹] 51² of P.L. , c.
42 (C.) (pending before the Legislature as this bill).

43 Notwithstanding this division of bond funds, up to 20% of the total
44 amount deposited into these funds may be reallocated among these
45 funds and subaccounts thereof, with the approval of the executive

1 director of the authority and the chief operating officer, in order to
2 serve the economic revitalization goals which P.L. , c. (C.)
3 (pending before the Legislature as this bill) seeks to promote.

4
5 ¹[70.]²[72.¹] 73.² a. There is appropriated from the General
6 Fund to the Department of Community Affairs such sums as may be
7 required for rehabilitation aid to be allocated pursuant to subsection
8 b. of section 26 of P.L. , c. (C.) (pending before the
9 Legislature as this bill) ²[¹and those sums necessary to fund the
10 incentives provided for Article 6 of P.L. , c. (C.) (pending
11 before the Legislature as this bill)¹]² .

12 b. There is appropriated from the General Fund to the Department
13 of the Treasury such sums as may be required to fund the buyout of
14 retirees who choose the retirement option set forth in section 19 of
15 P.L. , c. (C.) (pending before the Legislature as this bill) ¹and
16 those sums necessary to fund the incentives provided for in Article 6
17 of P.L. , c. (C.) (pending before the Legislature as this bill)¹ .

18 c. There is appropriated from the General Fund such sums as may
19 be required, not to exceed \$1,500,000, to the Department of
20 Community Affairs, Division of Local Government Services for the
21 costs of: the salaries of the chief operating officer and the staff thereto;
22 any salary differentials incurred in recruiting qualified personnel to
23 serve under the chief operating officer; the stipend provided to
24 encourage residency in qualified municipalities pursuant to section 18
25 of P.L. , c. (C.) (pending before the Legislature as this bill);
26 and the additional SAVER rebate provided under section 20 of
27 P.L. , c. (C.) (pending before the Legislature as this bill); all
28 subject to the approval of the Director of the Division of Budget and
29 Accounting in the Department of the Treasury.

30 d. There is appropriated from the General Fund to the Department
31 of Law and Public Safety the sum of \$1,500,000 for police services
32 and special initiatives in qualified municipalities.

33 ¹e. There is appropriated from the General Fund to the Department
34 of Health and Senior Services the sum of \$3 million to be made
35 available as an operating subsidy to the Neo-Natal Intensive Care Unit
36 of the Children's Regional Hospital at Cooper Hospital/Medical
37 Center.¹

38
39 ¹[71.]² [73.¹] 74.² There is appropriated from the General Fund
40 to the Department of Labor the sum of ¹[\$2.5] ²[\$1¹]²\$1.5² million
41 to capitalize the "Qualified Municipality Economic Opportunity Fund"
42 created pursuant to section ¹[51]²[48¹] 51² of P.L. c. (C.)
43 (pending before the Legislature as this bill).

44
45 ¹[72.]²[74.¹] 75.² This act shall take effect immediately², but in
46 any case shall be retroactive to June 30, 2002².

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Press Releases

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McGreevey Signs Legislation to Revitalize Camden New law will encourage public/private partnerships and increase accountability

(TRENTON)—Governor James E. McGreevey signed into law today legislation that would revitalize Camden as a ‘university city’ by rebuilding its infrastructure, improving public safety and increasing fiscal and governmental accountability. The Governor was joined by Camden Mayor Gwendolyn Faison, State Senator Wayne Bryant, Assemblyman Joe Roberts and Assemblywoman Nilsa Cruz-Perez.

“This new law will provide Camden with the tools it needs for progress and economic growth,” said McGreevey. “This legislation provides the resources needed for improved infrastructure, housing, business, university and medical facilities. More importantly, it is a long term solution that will position Camden for substantial increases in private investment.”

"Today brings renewed hope of a fresh beginning for Camden and all of southern New Jersey. My legislation that the Governor signed puts into action a block-by-block strategy to rebuild Camden's neighborhoods, invest in the region's educational and health care system and strengthen the city's tax base. This initiative will bring an unprecedented level of resources and a refreshing spirit of state and local partnership for the betterment of Camden," said Senator Bryant.

"This comprehensive initiative will set the foundation for Camden's road to self-sufficiency," said Assembly Majority Leader Joseph J. Roberts Jr. "A few generations ago, Camden was the nucleus of South Jersey and home to an abundance of jobs and retail establishments. By building on the city's remaining strengths, Camden once again can become an economic and cultural engine for the region."

“Because of the leadership of Governor McGreevey and my colleagues, Senator Bryant and Assemblyman Roberts, the bill being signed into law today represents a vision that will uplift the City of Camden and its residents by revitalizing its neighborhoods, strengthening its schools and using renewed universities, hospitals and entertainment venues as the platform for its rebirth,” said Assemblywoman Cruz-Perez.

“This legislation provides Camden with the resources we need to rebuild and revitalize the City, and to improve the quality of life for our residents,” said Mayor Faison. “We anticipate receiving additional private investment that will result from the State’s investment.”

Over the next three years the bill allocates \$175 million to the city of Camden. To ensure

success, a State Economic Recovery Board will be established to oversee the process. The Board will be comprised of cabinet members, members selected by the Governor, the legislature, and representatives of local government.

A major component of the state's investment will go towards the creation of the Higher Education and Regional Health Care Development Fund. State funding of \$47.7 million will be used to leverage over \$35 million in other public/private investments for the development of more than half a million square feet of higher education and medical center space in the city. The result is an infusion of over \$82.5 million into the city of Camden.

Participating institutions include Camden County Community College, Cooper Hospitals/University Health Center, Our Lady of Lourdes Medical Center, Partners in Health, Rowan University, Rutgers University, University of Medicine and Dentistry of New Jersey (UMDNJ), and Virtua Hospital.

“Government can serve as an economic catalyst in the renewal of Camden. Our administration has worked side by side with Mayor Faison and area church groups, as well as with leaders in the healthcare and higher education communities,” said McGreevey. “Such collaborative efforts have resulted in a plan that will empower residents, improve their quality of life and bring economic investment to the city of Camden.

“Senator Wayne Bryant, Assembly Majority Leader Joe Roberts, and Assemblywoman Nilsa Cruz-Perez should be commended for their leadership in ensuring Camden's revitalization,” said McGreevey. “Their commitment and hard work has resulted in a plan that will make Camden a city that will serve as a vital hospital and university district for both the city and the entire region.”

To enhance the State's investment in the City, to provide accountability and to improve education for the City's children, the new law allows the Governor to immediately appoint three members to the Camden Board of Education. By the spring of 2003, the Board will consist of three appointments by the Governor, three appointments by the Mayor with the advice and consent of the City Council, and three members elected at large. The Governor will have veto power over the minutes of the Camden Board of Education.

Assembly Bill 2054 was sponsored by Assembly Majority Leader Joe Roberts (D-Camden/Gloucester), Assemblywoman Nilsa Cruz-Perez (D-Camden/Gloucester), and Assemblyman George Geist (R-Camden/Gloucester). An identical version of the bill, Senate Bill 428, was sponsored by Senator Wayne Bryant (D-Camden/Gloucester) and Senator Martha Bark (R-Camden/Gloucester). The bill was co-sponsored by Senator Diane Allen (R-Burlington/Camden) and Senator Joseph Kyriillos (R-Middlesex/Monmouth).

