

40:37A-54 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 40:37A-54 et al; 40A:6-45.11

(County Improvement Authority law--amends)

LAWS 1981

CHAPTER 460

Bill No. A3672

Sponsor(s) Matthews

Date Introduced Nov 16, 1981

Committee: Assembly

Senate

Amended during passage Yes No Substituted for S3384 (not attached since identical to A3672)

Date of Passage: Assembly Nov 23, 1981

Senate Dec 3, 1981

Date of approval January 8, 1982

Following statements are attached if available:

Sponsor statement	Yes	No
Committee Statement: Assembly	Yes	No
Senate	Yes	No
Fiscal Note	Yes	No
Veto Message	Yes	No
Message on signing	Yes	No <i>yes</i>

Following were printed:

Reports Yes No

Hearings Yes No

5/22/81

ASSEMBLY, No. 3672

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 16, 1981

By Assemblyman MATTHEWS

(Without Reference)

AN ACT concerning county improvement authorities, amending P. L. 1960, c. 183 and P. L. 1979, c. 275 and supplementing chapter 4 of Title 40A of the New Jersey Statutes.

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

1 1. Section 11 of P. L. 1960, c. 183 (C. 40:37A-54) is amended to
2 read as follows:

3 11. The purposes of every authority shall be (a) provision within
4 the county of public buildings for use by the State, the county, or
5 any municipality in the county, or any two or more or any sub-
6 divisions, departments, agencies or instrumentalities of any of the
7 foregoing, including buildings for use **[by]** *in any municipality*
8 *bordering on the Atlantic ocean, by the municipality, county, or any*
9 *other public body authorized by law to operate such facilities, as*
10 *convention halls, or as enlargements or parts of or supplements to*
11 *any **[municipal]** convention hall **[maintained by it], including***
12 *appropriate and desirable appurtenances thereto, including but*
13 *not limited to office facilities, commercial facilities, community*
14 *service facilities, parking facilities, and facilities for the accom-*
15 *modation and entertainment of tourists and visitors,*

16 (b) Provision within the county of structures, franchises, equip-
17 ment and facilities for operation of public transportation or for
18 terminal purposes, including development and improvement of port
19 terminal structures, facilities and equipment for public use in
20 counties in, along or through which a navigable river flows, (c)
21 provision within the county of structures or other facilities used or
22 operated by the authority or any governmental unit in connection
23 with, or relative to development and improvement of, aviation for
24 military or civilian purposes, including research in connection

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

25 therewith, and including structures or other facilities for the accom-
26 modation of passengers, (d) provision within the county of a public
27 facility for a combination of governmental and nongovernmental
28 uses provided that not more than 50% of the usable space in any
29 such facility shall be made available for nongovernmental use under
30 a lease or other agreement by or with the authority, (e) acquisition
31 of any real property within the county, with or without the improve-
32 ments thereof or thereon or personal property appurtenant or
33 incidental thereto, from the United States of America or any
34 department, agency or instrumentality heretofore or hereafter
35 created, designated or established by or for it, and the clearance,
36 development or redevelopment, improvement, use or disposition of
37 the acquired lands and premises in accordance with the provisions
38 and for the purposes stated in this act, including the construction,
39 reconstruction, demolition, rehabilitation, conversion, repair or
40 alteration of improvements on or to said lands and premises, and
41 structures and facilities incidental to the foregoing as may be
42 necessary, convenient or desirable, (f) acquisition, construction,
43 maintenance and operation of garbage and solid waste disposal
44 systems for the purpose of collecting and disposing of garbage,
45 solid waste or refuse matter, (g) the improvement, furtherance and
46 promotion of the tourist industries and recreational attractiveness
47 of the county through the planning, acquisition, construction, im-
48 provement, maintenance and operation of facilities for the recrea-
49 tion and entertainment of the public, which facilities may include,
50 without being limited to, a center for the performing and visual
51 arts, (h) provision of loans *and other financial assistance and*
52 *technical assistance* for the construction, reconstruction, demolition,
53 rehabilitation, conversion, repair or alteration of buildings or
54 facilities designed to provide decent, safe and sanitary dwelling
55 units for persons of low and moderate income in need of housing,
56 including land, equipment or other real or personal properties
57 which the authority determines to be necessary, convenient or
58 desirable appurtenances, all in accordance with the provisions of
59 this act, as amended and supplemented, (i) planning, initiating and
60 carrying out redevelopment projects for the elimination, and for
61 the prevention of the development or spread of blighted, deteri-
62 orated or deteriorating areas and the disposition, for uses in
63 accordance with the objectives of the redevelopment project, of any
64 property or part thereof acquired in the area of such project, and
65 (j) any combination or combinations of the foregoing.

1 2. Section 37 of P. L. 1960, c. 183 (C. 40:37A-80) is amended to
2 read as follows:

3 37. For the purpose of aiding an authority in the planning, under-
4 taking, acquisition, construction, *financing* or operation of any
5 [public] facility *which the authority is authorized to undertake*
6 *pursuant to section 11 of P. L. 1960, c. 183 (C. 40:37A-54)*, the
7 county may, pursuant to resolution duly adopted by its governing
8 body in the manner provided for adoption of a bond ordinance as
9 provided in the local bond law and with or without consideration and
10 upon such terms and conditions as may be agreed to by and between
11 the county and the authority, unconditionally guarantee the
12 punctual payment of the principal of and interest on any bonds of
13 the authority. Any guaranty of bonds of an authority made pur-
14 suant to this section shall be evidenced by endorsement thereof on
15 such bonds, executed in the name of the county and on its behalf by
16 such officer thereof as may be designated in the resolution authoriz-
17 ing such guaranty, and such county shall thereupon and thereafter
18 be obligated to pay the principal of and interest on said bonds in the
19 same manner and to the same extent as in the case of bonds issued
20 by it. Any such guaranty of bonds of an authority may be made,
21 and any resolution authorizing such guaranty may be adopted, not-
22 withstanding any statutory debt or other limitations, including
23 particularly any limitation or requirement under or pursuant to the
24 local bond law, but the principal amount of bonds so guaranteed,
25 shall, after their issuance, be included in the gross debt of such
26 county for the purpose of determining the indebtedness of such
27 county under or pursuant to the local bond law. The principal
28 amount of said bonds so guaranteed and included in gross debt shall
29 be deducted and is hereby declared to be and to constitute a deduc-
30 tion from such gross debt under and for all the purposes of said
31 local bond law (a) from and after the time of issuance of said bonds
32 until the end of the fiscal year beginning next after the completion
33 of acquisition or construction of the public facility to be financed
34 from the proceeds of such bonds and (b) in any annual debt state-
35 ment filed pursuant to said local bond law as of the end of said
36 fiscal year or any subsequent fiscal year if the revenues or other
37 receipts or moneys of the authority in such year are sufficient to
38 pay its expenses of operation and maintenance in such year and all
39 amounts payable in such year on account of the principal and
40 interest on all such guaranteed bonds, all bonds of the county issued
41 as provided in section 36 of this act (*C. 40:37A-79*), and all bonds
42 of the authority issued under this act.

1 3. Section 26 of P. L. 1979, c. 275 (*C. 40:37A-131*) is amended to
2 read as follows:

3 26. In order to carry out the purposes and provisions of this act,
4 the authority in addition to any powers granted to it elsewhere in
5 this act or the "county improvement authorities law," P. L. 1960,
6 c. 183 (C. 40:37A-44 et seq.), shall have the following powers:

7 a. To conduct examinations and hearings and to hear testimony
8 and take proof, under oath or affirmation, at public or private
9 hearings, on any matter material for its information and necessary
10 to carry out the provisions of this act;

11 b. To issue subpoenas requiring the attendance of witnesses and
12 the production of books and papers pertinent to any hearing before
13 such authority or before one or more of the members of the au-
14 thority appointed by it to conduct such hearing;

15 c. To apply to any court, having territorial jurisdiction of the
16 offense, to have punished for contempt any witness who refuses
17 to obey a subpoena, or who refuses to be sworn or affirmed to testify,
18 or who is guilty of any contempt after summons to appear;

19 d. To acquire by purchase, gift, foreclosure or condemnation
20 any real or personal property, or any interest therein, to enter
21 into any lease of property and to hold, sell, assign, lease, encumber,
22 mortgage or otherwise dispose of any real or personal property,
23 or any interest therein, or mortgage lien interest owned by it or
24 under its control, custody or in its possession and release or
25 relinquish any right, title, claim, lien, interest, easement or demand
26 however acquired, including any equity or right of redemption, in
27 property foreclosed by it and to do any of the foregoing by public
28 or private sale, with or without public bidding, notwithstanding
29 the provisions of any other law;

30 e. To adopt such rules and regulations as shall be expressly
31 authorized by this act and such additional rules and regulations
32 as shall be necessary or desirable to carry out the purposes of this
33 act;

34 f. To borrow money or secure credit on a temporary, short-term,
35 interim or on a long-term basis, and to issue negotiable bonds, bond
36 anticipation notes or other notes or obligations and to provide for
37 and secure the payment thereof and to provide for the rights of the
38 holders thereof;

39 g. To make and enter into all contracts and agreements necessary
40 or incidental to the performance of its duties and the execution of
41 its powers under this act, including contracts or agreements with
42 qualified financial institutions for the servicing and processing of
43 mortgage loans pursuant to this act;

44 h. To do and perform any acts and things authorized by the act
45 under, through, or by means of its officers, agents or employees or
46 by contracts with any person, firm or corporation;

47 i. To finance by mortgage loans or otherwise the construction or
48 rehabilitation of housing projects and to make temporary loans or
49 advances in anticipation of permanent loans, *and to make funds*
50 *for mortgage and other loans available to appropriate and qualified*
51 *entities as may be designated by the authority;*

52 j. To receive and accept aid or contributions from any source of
53 money, property, labor or other things of value, to be held, used and
54 applied to carry out the purposes of this act subject to such condi-
55 tions upon which such grants and contributions may be made,
56 including, but not limited to, gifts or grants from any department
57 or agency of the United States or this State for payment of rent
58 supplements or rental assistance to eligible families or for the
59 payment in whole or in part of the interest expense for a housing
60 project or for any other purpose consistent with this act;

61 k. To enter into agreements to pay annual sums in lieu of taxes
62 to any political subdivision of the State with respect to any real
63 property owned or operated directly by the authority for purposes
64 of this act;

65 l. To procure insurance against any loss in connection with its
66 property, operations and assets (including mortgages and loans)
67 in such amounts and from such insurers as it deems desirable;

68 m. To the extent permitted under its contract with the holders of
69 bonds, bond anticipation notes and other notes or obligations of the
70 authority, to consent to any modification with respect to rate of
71 interest, time and payment of any installment of principal or
72 interest, security or any other term of any mortgage, mortgage
73 loan, mortgage loan commitment, contract or agreement of any kind
74 to which the authority is a party;

75 n. To the extent permitted under its contract with the holders
76 of bonds, bond anticipation notes and other notes or obligations, to
77 enter into contracts with any qualified housing sponsor containing
78 provisions enabling the said qualified housing sponsor to reduce
79 the rental or carrying charges to persons unable to pay the regular
80 schedule of charges where by reason of other income or payment
81 from the authority, any department or agency of the United States
82 or this State, such reductions can be made without jeopardizing the
83 economic stability of the housing project;

84 o. To establish and revise from time to time and charge and
85 collect such fees and charges including, but not limited to, payment
86 for all costs of financing by the authority, services, mortgage in-
87 surance premiums, reserves against losses, reimbursement for
88 advances made to the authority, as the authority shall determine

89 are reasonable to enable the authority, to the extent feasible to be
90 self-sustaining:

91 p. Subject to any agreement with holders of bonds, bond anticipa-
92 tion notes or other notes or obligations, to invest and reinvest any
93 moneys of the authority not required for immediate use or disburse-
94 ment, including proceeds from the sale of any bonds, bond anticipa-
95 tion notes or other notes or obligations and any moneys held in the
96 housing finance funds, reserve funds or sinking funds, in such
97 obligations, securities and other investments as the authority shall
98 deem prudent:

99 q. Subject to any agreement with the holders of bonds, bond
100 anticipation notes or other notes or obligations, to purchase bonds,
101 bond anticipation notes or other notes or obligations of the authority
102 out of any funds or money of the authority available therefore, and
103 to hold, cancel to resell such bonds, bond anticipation notes or other
104 notes or obligations:

105 r. To provide, contract or arrange for, where by reason of the
106 financing arrangement review of the application and proposed con-
107 struction of a project is required by or in behalf of any department
108 or agency of the United States, consolidated processing of any such
109 application or supervision to avoid duplication thereof by either
110 undertaking the processing in whole or in part for any such depart-
111 ment or agency or, in the alternative, delegating the processing in
112 whole or in part to any such department or agency:

113 s. To make mortgage loans and to participate with any depart-
114 ment or agency of the United States, this State, a municipality, or
115 any banking institution, foundation, labor union, insurance com-
116 pany, trustee or fiduciary in a loan to a qualified housing sponsor
117 secured by a single participating mortgage or by separate mort-
118 gages, the interest of each having equal priority as to lien in propor-
119 tion to the amount of the loan so secured, but need not be equal as
120 to interest rate, time or rate of amortization or otherwise and to
121 undertake commitments to make such loans:

122 t. To sell, at public or private sale, with or without bidding, any
123 mortgage or other obligation securing a mortgage loan made by
124 the authority:

125 u. To make commitments to purchase, and to purchase, service
126 and sell, mortgages insured by any department or agency of the
127 United States, and to make loans directly upon the security of any
128 such mortgage;

129 v. To provide qualified housing sponsors *and other individuals*
130 *and organizations* with such advisory consultation, training and

131 educational services as will [assist them to plan, construct,
132 rehabilitate and operate housing projects] *increase the availability*
133 *and supply of housing and increase housing opportunities for low*
134 *and moderate income families, including but not limited to assis-*
135 *tance in community development and organization, home manage-*
136 *ment and advisory services for the residents of the housing projects,*
137 *and to encourage community organizations to assist in developing*
138 *such projects;*

139 *w. To administer funds established for the provision of loans and*
140 *grants, including but not limited to revolving loan funds established*
141 *pursuant to P. L. 1947, c. 71 (C. 40:48-8.15 et seq.), to qualified*
142 *housing sponsors and other individuals and organizations, for the*
143 *purpose of increasing the availability and supply of housing for*
144 *low and moderate income families;*

145 [w.] *x. To encourage research in, and demonstration projects to*
146 *develop, new and better techniques and methods for increasing the*
147 *supply of housing for moderate income families and to engage in*
148 *such research and demonstration projects and to receive and accept*
149 *contributions, grants or aid, from any source, public or private,*
150 *including, but not limited to the United States and this State, for*
151 *carrying out this purpose:*

152 [x.] *y. To provide to qualified housing sponsors through mort-*
153 *gage loans or otherwise, financing or refinancing of fully completed,*
154 *as well as partially completed, projects which may or may not be*
155 *occupied, provided that said projects meet all the requirements of*
156 *the act; and,*

157 [y.] *z. To do any and all things necessary or convenient to*
158 *carry out its purposes and exercise the powers given and granted*
159 *in the act.*

1 4. Section 36 of P. L. 1979, c. 275 (C. 40:37A-56.1) is amended
2 to read as follows:

3 36. No authority shall proceed with a redevelopment plan unless:
4 (a) the municipality has first determined that the area to which
5 said plan refers is blighted, which determination shall be made by
6 the governing body of said municipality as provided by P. L. 1949,
7 c. 187 (C. 40:55-2L.1 et seq.), *or an area in need of rehabilitation,*
8 *which determination shall be made by the governing body of the*
9 *municipality as provided by section 17 of P. L. 1949, c. 306 (C.*
10 *40:55C-17); and,*

11 (b) The governing body of the municipality has first, by ordi-
12 nance, approved a redevelopment plan after study and recommenda-
13 tion of its planning board, if any, and finds that said plan conforms

14 to the definition of "redevelopment plan" in section 2 of the "county
15 improvement authorities law," P. L. 1960, c. 183 (C. 40:37A-45).

1 5. (New section) Notwithstanding the provisions of P. L. 1976,
2 c. 68 (C. 40A:4-45.1 et seq.), there shall be exempted from the final
3 appropriations of a county or a municipality subject to the spend-
4 ing limitations imposed by that act, that portion of any lease pay-
5 ment made by the county or municipality to a county improvement
6 authority pursuant to the "county improvement authorities law,"
7 P. L. 1960, c. 183 (C. 40:37A-44 et seq.) which represents a pro-
8 portionate amount necessary to amortize the debt incurred by the
9 authority in providing the facility which is leased in whole or part
10 by the county or municipality.

1 6. This act shall take effect immediately.

STATEMENT

This bill makes various amendments to the county improvement authorities law in order to expand the existing improvement powers of those authorities with respect to convention halls located in municipalities bordering on the Atlantic ocean, and to clarify the low and moderate income housing finance powers of those authorities previously authorized under P. L. 1979, c. 275. The bill also provides a local budget caps exemption to local governments for that portion of any lease payment made to a county improvement authority, which represents an amount necessary to amortize the debt on the leased facility.

JANUARY 8, 1982

A3672 - c. 2

DAVID DE MAIO

Governor Brendan Byrne, at a public ceremony in Atlantic City, today signed a package of three bills providing for the construction and operation of a convention center in Atlantic City.

The bills were sponsored in the Senate by Senator Steven P. Perskie (D-Atlantic) and in the Assembly by Assemblyman Michael J. Matthews (D-Atlantic).

The first bill, S-3385, designated the "Atlantic City Convention Center Authority Act," establishes a State Authority to operate an Atlantic City Convention Center. The Authority would administratively fall under the jurisdiction of the new Department of Commerce and Economic Development, but would remain autonomous.

The Authority would consist of seven members: one state resident appointed by the Governor; one Atlantic City resident appointed by the City; two members appointed by the Governor upon nomination by the Casino Hotel Association of Atlantic City; another two upon the nomination of the city's Hotel-Motel Association; and one member appointed by the Governor upon nomination by the Atlantic City Chamber of Commerce.

Under the bill, the Authority is empowered to lease the convention center from the developer or owner, as the case may be, and charge rents, admissions fees and other user charges subject to approval by the owner or developer.

The Authority is also empowered to levy a charge upon Atlantic City casino-hotels, hotels and motels having 25 or more rooms in order to fund any operating deficit the convention center might incur. The owner or developer of the center would contract with the Authority regarding the disposition of any revenues.

In addition, the Authority will be required to adopt an annual budget, to be approved by both the Director of Local Government Services and the Atlantic City governing body, and to report annually to the Governor, Legislature, the City, Atlantic County and the Atlantic County Improvement Authority on all operations and finances for the preceding year.

The bill appropriates \$100,000 in start-up funds for the Authority.

- more -

The second companion bill, A-3672, makes various amendments to the laws governing county improvement authorities in order to expand the existing powers of these authorities with respect to convention halls. The bill also clarifies the financing powers regarding low and moderate-income housing for these authorities.

Specifically, the bill permits the Atlantic County Improvement Authority to provide for the financing, construction and operating costs of a convention center. It also permits the ACIA to make mortgage loans available for low and moderate-income housing. (Last Monday, Byrne announced an agreement between the New Jersey Mortgage Finance Agency and the ACIA under which the county and NJMFA will jointly administer approximately 15-percent of the proceeds from mortgage bonds sold by the State in 1982 and 1983.)

The final companion bill, A-3750, authorizes an increase from three to seven-percent in the so-called "luxury tax" on certain sales and services, in order to finance convention center bond payments by the Atlantic County Improvement Authority. Taxes on the sale of alcoholic beverages will remain at three percent.

Revenues from the increase in these taxes are specifically dedicated to the payment of principal and interest on ACIA bonds for projects in Atlantic City. Payments would first be made on convention center bonds, with remaining revenues financing any operating deficit for the center, or for loan and grant payments for low and moderate-income housing projects initiated by the county improvement Authority.

The bill also establishes a development fund to finance low and moderate-income housing and other ACIA projects in Atlantic City. The development fund would be used to finance projects before the commencement of bond payments on the convention center, and after the center's completion.

A convention center for Atlantic City is expected to cost between \$80 million and \$120 million. The annual debt service on such a project would be \$12 million to \$15 million, according to the Department of Treasury.

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