

40: 37A-45 et al

LEGISLATIVE HISTORY CHECKLIST

(County Improvement Authority Law - various amendments)

NJSA 40:37A-45 et al

LAWS 1982

CHAPTER 113

Bill No. A1728

Sponsor(s) Gormley

Date Introduced July 1, 1982

Committee: Assembly ----

Senate County and Municipal Government

Amended during passage  Yes  No  Substituted for S1577 (not attached since identical to A1728)

Date of Passage: Assembly July 8, 1982

Senate July 12, 1982

Date of approval August 14, 1982

Following statements are attached if available:

Sponsor statement	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Committee Statement: Assembly	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Senate	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Fiscal Note	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Veto Message	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Message on signing	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Following were printed:

Reports	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Hearings	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

See: 974.90 Atlantic City Convention Hall. Blue Ribbon Committee.  
G191 Report and recommendations. April, 1982. Atlantic City, 1982.  
1982b

See recommendation #4 -- attached

(over)

6/22/81  
pp

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Note: The above report is a summary from 400+ page report of the Blue Ribbon Committee. For further information on this report, contact Atlantic City Improvement Authority, 1 South New York Avenue, Atlantic City, (609) 347-0339.

See also: newspaper clipping (attached) FROM VF-NJ-ATLANTIC CITY CONVENTION HALL

"UMBRELLA PANEL RECOMMENDED TO RUN HALL." APP 4/25/81

ASSEMBLY, No. 1728

STATE OF NEW JERSEY

INTRODUCED JULY 1, 1982

By Assemblyman GORMLEY

AN ACT concerning county improvement authorities and security for the financing of certain facilities undertaken thereby, amending P. L. 1960, c. 183, P. L. 1979, c. 273 and P. L. 1981, c. 461, amending and supplementing P. L. 1979, c. 275, and repealing section 16 of P. L. 1960, c. 183 and section 16 of P. L. 1979, c. 273.

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

1 1. Section 2 of P. L. 1960, c. 183 (C. 40:37A-45) is amended to  
2 read as follows:

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

5 (a) "Authority" shall mean a public body created pursuant to  
6 this act;

7 (b) "Bond resolution" shall have the meaning ascribed thereto  
8 in section **[16]** 17 of this act (C. 40:37A-60);

9 (c) "Bonds" shall mean bonds, notes or other obligations issued  
10 pursuant to this act;

11 (d) "Construct" and "construction" shall connote and include  
12 acts of clearance, demolition, construction, development or rede-  
13 velopment, reconstruction, replacement, extension, improvement  
14 and betterment;

15 (e) "Cost" shall mean, in addition to the usual connotations  
16 thereof, the cost of planning, acquisition or construction of all or  
17 any part of any public facility or facilities of an authority and of  
18 all or any property, rights, easements, privileges, agreements and  
19 franchises deemed by the authority to be necessary or useful and

**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 printed in italics *thus* is new matter.

20 convenient therefor or in connection therewith, including interest  
21 or discount on bonds, cost of issuance of bonds, architectural,  
22 engineering and inspection costs and legal expenses, cost of  
23 financial, professional and other estimates and advice, organization,  
24 administrative, operating and other expenses of the authority prior  
25 to and during such acquisition or construction, and all such other  
26 expenses as may be necessary or incident to the financing, acquisi-  
27 tion, construction and completion of such public facility or facilities  
28 or part thereof and the placing of the same fully in operation or the  
29 disposition of the same, and also such provision or reserves for  
30 working capital, operating, maintenance or replacement expenses  
31 or for payment or security of principal of or interest on bonds  
32 during or after such acquisition or construction as the authority  
33 may determine, and also reimbursements to the authority or any  
34 governmental unit or person of any moneys theretofore expended  
35 for the purposes of the authority;

36 (f) The term "county" shall mean any county of any class of the  
37 State, and the term "the county" shall mean the county which  
38 created an authority pursuant to this act;

39 (g) "Development project" shall mean any lands, structures, or  
40 property or facilities acquired or constructed or to be acquired or  
41 constructed by an authority for the purposes of the authority  
42 described in clause (e) of section 11 of this act;

43 (h) "Facility charges" shall have the meaning ascribed to said  
44 term in section 14 of this act;

45 (i) "Facility revenues" shall have the meaning ascribed to said  
46 term in section 20(e) of this act;

47 (j) "Governing body" shall mean, in the case of a county, the  
48 board of chosen freeholders, or in the case of a county operating  
49 under article 3 or 5 of the "Optional County Charter Law" (P. L.  
50 1972, c. 154; C. 40:41A-1 et seq.) as defined thereunder, and, in the  
51 case of a municipality, the commission, council, board or body, by  
52 whatever name it may be known, having charge of the finances of  
53 the municipality;

54 (k) "Governmental unit" shall mean the United States of  
55 America or the State or any county or municipality or any sub-  
56 division, department, agency, or instrumentality heretofore or  
57 hereafter created, designated or established by or for the United  
58 States of America or the State or any county or municipality;

59 (l) "Local bond law" shall mean chapter 2 of Title 40A, Muni-  
60 cipalities and Counties, of the New Jersey Statutes (N. J. S.) as  
61 amended and supplemented;

62 (m) "Municipality" shall mean any city, borough, village, town,  
63 or township of the State but not a county or a school district;

64 (n) "Person" shall mean any person, partnership, association,  
65 corporation or entity other than a nation, State, county or munici-  
66 pality or any subdivision, department, agency or instrumentality  
67 thereof;

68 (o) "Project" shall have the meaning ascribed to said term in  
69 section [16] 17 of this act (C. 40:37A-60);

70 (p) "Public facility" shall mean any lands, structures, fran-  
71 chises, equipment, or other property or facilities acquired [or],  
72 constructed [or to be acquired or constructed by an authority for  
73 its purposes or, to the extent authorized by section 11 (C.  
74 40:37A-54) for governmental and nongovernmental purposes, and  
75 either (i) operated or to be operated by the authority or by any  
76 governmental unit or person under a lease or other agreement by  
77-78 or with the authority or (ii) constituting a development project  
79 or redevelopment project], *owned, financed, or leased by the au-*  
80 *thority or any other governmental unit or person to accomplish any*  
81 *of the purposes of an authority authorized by section 11 of this act*  
82 *(C. 40:37A-54);*

83 (q) "Real property" shall mean lands within or without the  
84 State, above or below water, and improvements thereof or thereon,  
85 or any riparian or other rights or interests therein;

86 (r) "Garbage and solid wastes disposal system" shall mean the  
87 plants, structures and other real and personal property acquired,  
88 constructed or operated or to be acquired, constructed or operated  
89 by a county improvement authority, including incinerators, sanitary  
90 landfill facilities or other plants for the treatment and disposal of  
91 garbage, solid waste and refuse matter and all other real and per-  
92 sonal property and rights therein and appurtenances necessary or  
93 useful and convenient for the collection and treatment or disposal  
94 in a sanitary manner of garbage, solid waste and refuse matter  
95 (but not including sewage);

96 (s) "Garbage, solid waste or refuse matter" shall mean gar-  
97 bage, refuse and other discarded materials resulting from indus-  
98 trial, commercial and agricultural operations, and from domestic  
99 and community activities, and shall include all other waste mate-  
100 rials including sludge, chemical waste, hazardous wastes and  
101 liquids, except for liquids which are treated in public sewage treat-  
102 ment plants and except for solid animal and vegetable waste col-  
103 lected by swine producers licensed by the State Department of  
104 Agriculture to collect, prepare and feed such wastes to swine on  
105 their own farms;

106 (t) "Blighted, deteriorated or deteriorating area" may include  
107 an area determined by the municipality to be blighted in accordance  
108 with the provisions of P. L. 1949, c. 187 (C. 40:55-21.1 et seq.) and,  
109 in addition, areas which are determined by the municipality, pur-  
110 suant to the same procedures as provided in said law, to be blighted,  
111 deteriorated or deteriorating because of structures or improve-  
112 ments which are dilapidated or characterized by disrepair, lack of  
113 ventilation or light or sanitary facilities, faulty arrangement, loca-  
114 tion, or design, or other unhealthful or unsafe conditions;

115 (u) "Redevelopment" may include planning, replanning, con-  
116 servation, rehabilitation, clearance, development and redevelop-  
117 ment; and the construction and rehabilitation and provision for  
118 construction and rehabilitation of residential, commercial, in-  
119 dustrial, public or other structures and the grant or dedication or  
120 rededication of spaces as may be appropriate or necessary in the  
121 interest of the general welfare for streets, parks, playgrounds, or  
122 other public purposes including recreational and other facilities  
123 incidental or appurtenant thereto, in accordance with a redevelop-  
124 ment plan approved by the governing body of a municipality;

125 (v) "Redevelopment plan" shall mean a plan as it exists from  
126 time to time for the redevelopment of all or any part of a redevelop-  
127 ment area, which plan shall be sufficiently complete to indicate such  
128 land acquisition, demolition and removal of structures, redevelop-  
129 ment, improvements, conservation or rehabilitation as may be pro-  
130 posed to be carried out in the area of the project, zoning and  
131 planning changes, if any, land uses, maximum densities, building  
132 requirements, the plan's relationship to definite local objectives  
133 respecting appropriate land uses, improved traffic, public trans-  
134 portation, public utilities, recreational and community facilities,  
135 and other public improvements and provision for relocation of any  
136 residents and occupants to be displaced in a manner which has been  
137 or is likely to be approved by the Department of Community  
138 Affairs pursuant to the "Relocation Assistance Law of 1967," P. L.  
139 1967, c. 79 (C. 52:31B-1 et seq.) and the "Relocation Assistance  
140 Act," P. L. 1971, c. 362 (C. 20:4-1 et seq.) and rules and regula-  
141 tions pursuant thereto;

142 (w) "Redevelopment project" shall mean any undertakings and  
143 activities for the elimination, and for the prevention of the develop-  
144 ment or spread, of blighted, deteriorated, or deteriorating areas  
145 and may involve any work or undertaking pursuant to a redevelop-  
146 ment plan; such undertaking may include: (1) acquisition of real  
147 property and demolition, removal or rehabilitation of buildings and  
148 improvements thereon; (2) carrying out plans for a program of

149 voluntary repair and rehabilitation of buildings or other improve-  
 150 ments; and, (3) installation, construction or reconstruction of  
 151 streets, utilities, parks, playgrounds or other improvements  
 152 necessary for carrying out the objectives of the redevelopment  
 153 project;

154 (x) "Redeveloper" shall mean any person, firm, corporation or  
 155 public agency or governmental unit that shall enter into or pro-  
 156 pose to enter into a contract with an authority for the redevelop-  
 157 ment of an area or any part thereof under the provisions of this  
 158 act;

159 (y) "Redevelopment area" shall mean an area of a municipality  
 160 which the governing body thereof finds is a blighted area or an area  
 161 in need of rehabilitation whose redevelopment is necessary to ef-  
 162 fectuate the public purposes declared in this act. A redevelopment  
 163 area may include lands, buildings, or improvements which of them-  
 164 selves are not detrimental to the public health, safety or welfare,  
 165 but whose inclusion is found necessary, with or without change in  
 166 their condition, for the effective redevelopment of the area of which  
 167 they are a part; and

168 (z) "Sludge" shall mean any solid, semisolid, or liquid waste  
 169 generated from a municipal, industrial or other sewage treatment  
 170 plant, water supply treatment plant, or air pollution control facility,  
 171 or any other such waste having similar characteristics and effects,  
 172 but shall not include effluent.

1 2. Section 3 of P. L. 1960, c. 183 (C. 40:37A-46) is amended to  
 2 read as follows:

3 3. The governing body of a county may by ordinance or resolu-  
 4 tion, as appropriate, create a public body corporate and politic  
 5 under and pursuant to this act, under the name and style of "the  
 6 county improvement authority," with all or any  
 7 significant part of the name of said county inserted. Said body  
 8 shall consist of the 5 members thereof, who shall be residents of  
 9 the county and be appointed by ordinance or resolution of said  
 10 governing body as hereinafter provided, and it shall constitute the  
 11 authority contemplated and provided for in this act and an agency  
 12 or instrumentality of said county. Copies of said ordinance or  
 13 resolution for the creation of the authority, certified by the clerk  
 14 of said governing body, shall be filed in the office of the Secretary  
 15 of State and in the office of the Division of Local Government  
 16 Services in the Department of the Treasury Community Affairs.  
 17 A copy of any such certified ordinance or resolution, duly certified  
 18 by or on behalf of the Secretary of State, shall be admissible in  
 19 evidence in any action or proceeding and shall be conclusive evi-

20 dence of due and proper adoption and filing thereof as aforesaid.  
21 After such filing in the office of the Secretary of State, a copy of  
22 said *ordinance or resolution* shall be published at least once in a  
23 newspaper published or circulating in the county, together with a  
24 notice stating the fact and date of its adoption and the date of the  
25 first publication of such notice. If no action questioning the validity  
26 of the creation or establishment of the authority shall be com-  
27 menced within 45 days after the first publication of such notice,  
28 then said authority shall be conclusively deemed to have been  
29 validly created and established and authorized to transact business  
30 and exercise powers as a public body created pursuant to this act.

1 3. Section 4 of P. L. 1960, c. 183 (C. 40:37A-47) is amended  
2 to read as follows:

3 4. The governing body of any county which has created an  
4 authority pursuant to this act may by *ordinance or resolution, as*  
5 *appropriate*, dissolve such authority if either (1) such authority  
6 has no debts or obligations outstanding, or (2) all creditors or  
7 other obligees of the authority have consented to said *ordinance*  
8 *or resolution*. A copy of said *ordinance or resolution*, certified by  
9 the clerk of said governing body, shall be filed in the office of  
10 the Secretary of State and in the office of the Division of Local  
11 Government *Services* in the Department of **the Treasury** *Com-*  
12 *munity Affairs*. Upon proof of such filing and upon proof either  
13 that said authority had no debts or obligations outstanding at the  
14 time of the adoption of such *ordinance or resolution* or that all  
15 creditors or other obligees of the authority have consented to such  
16 *ordinance or resolution*, the authority shall be conclusively deemed  
17 to have been lawfully and properly dissolved. Thereupon, all right,  
18 title and interest in and to the property of the authority shall be  
19 vested in the county, except that any particular property shall  
20 vest in any other governmental unit or person if the terms of any  
21 lease or other agreement of the authority with respect thereto  
22 shall so provide. A copy of any such certified *ordinance or resolu-*  
23 *tion*, duly certified by or on behalf of the Secretary of State, shall  
24 be admissible in evidence in any action or proceeding and shall  
25 be conclusive evidence of due and proper adoption and filing thereof  
26 as aforesaid.

1 4. Section 5 of P. L. 1960, c. 183 (C. 40:37A-48) is amended  
2 to read as follows:

3 5. *a.* After expiration of the period of 45 days following the first  
4 publication as provided in section 3 hereof of a notice regarding  
5 creation of an authority, 5 persons shall be appointed as the  
6 members of the authority. The members first appointed shall, by



7 the resolution of appointment, be designated to serve for terms  
 8 respectively expiring on the first days of the first, second, third,  
 9 fourth and fifth Februarys next ensuing after the date of their  
 10 appointment. On or after January 1 in each year after such first  
 11 appointments, one person shall be appointed as a member of the  
 12 authority for a term commencing on or after February 1 in such  
 13 year and expiring on February 1 in the fifth year after such year.  
 14 Each member shall hold office for the term of appointment and until  
 15 his successor shall have been appointed and qualified. Any vacancy  
 16 in the membership of the authority during an unexpired term shall  
 17 be filled by appointment of a person as member for the unexpired  
 18 term. A copy of any resolution appointing any such members,  
 19 certified by the clerk of the governing body, may be filed in the  
 20 office of the Secretary of State. A copy of any such certified resolu-  
 21 tion, duly certified by or on behalf of the Secretary of State, shall  
 22 be admissible in evidence in any action or proceeding and shall be  
 23 conclusive evidence of due and proper adoption and filing thereof  
 24 as aforesaid and, except in an action or proceeding seeking only  
 25 exclusion of the appointee from office, shall be conclusive evidence  
 26 of the due and proper appointment of the members named therein.

27 *b. Notwithstanding the provisions of subsection a. of this section*  
 28 *and section 3 of P. L. 1960, c. 183 (C. 40:37A-46), whenever any*  
 29 *county governed by the "Optional County Charter Law," P. L. 1972,*  
 30 *c. 154 (C. 40:41A-1 et seq.) shall proceed to reorganize its county*  
 31 *improvement authority pursuant to the reorganization powers*  
 32 *granted under section 30 of that act (C. 40:41A-30), the ordinance*  
 33 *adopted for that purpose shall prescribe the number of members of*  
 34 *the authority, their respective terms of office, and the date upon*  
 35 *which their respective terms of office shall expire.*

1 5. Section 7 of P. L. 1960, c. 183 (C. 40:37A-50) is amended  
 2 to read as follows:

3 7. The powers of an authority shall be vested in the members  
 4 thereof in office from time to time, and **[3 members]** *a majority of*  
 5 *the entire authorized voting membership of the authority shall*  
 6 *constitute a quorum at any meeting thereof. Action may be taken*  
 7 *and motions and resolutions adopted by the authority at any meet-*  
 8 *ing of the members thereof by the affirmative vote of **[3 members]***  
 9 *a majority of the voting members present, unless in any case the*  
 10 *bylaws of the authority shall require a larger number.*

1 6. Section 9 of P. L. 1960, c. 183 (C. 40:37A-52) is amended to  
 2 read as follows:

3 9. No member of the governing body of the county shall be  
 4 appointed as a member of, or employed by, an authority; *but the*

5 governing body of the county may, by ordinance or resolution, as  
 6 appropriate, provide that, in addition to the members appointed  
 7 pursuant to section 5 of this act (C. 40:37A-48), the county execu-  
 8 tive in the case of a county having adopted article 3 of the "Optional  
 9 County Charter Law," P. L. 1972, c. 154 ( C. 40:41A-31 et seq.),  
 10 the county supervisor in the case of a county having adopted  
 11 Article 5 of that act (C. 40:41A-59 et seq.), or the president of the  
 12 board of chosen freeholders in the case of any other county, shall  
 13 be appointed to serve *ex officio*, as a non-voting member of an  
 14 authority.

1 7. 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] facilities for use by the State, the  
 5 [country] county, or any municipality in the county, or any two  
 6 or more or any subdivisions, departments, agencies or instrumen-  
 7 talities of any of the foregoing, including buildings for use in any  
 8 municipality bordering on the Atlantic ocean, by the municipality,  
 9 county, or any other public body authorized by law to operate  
 10 such facilities,] for any of their respective governmental purposes,  
 11 (b) provision within the county of public facilities for use as con-  
 12 vention halls, or [as enlargements or parts of or supplements to]  
 13 the rehabilitation, improvement or enlargement of any convention  
 14 hall, including appropriate and desirable appurtenances [thereto]  
 15 located within the convention hall or near, adjacent to or over it  
 16 within boundaries determined at the discretion of the authority,  
 17 including but not limited to office facilities, commercial facilities,  
 18 community service facilities, parking facilities, hotel facilities and  
 19 other facilities for the accommodation and entertainment of tourist  
 20 and visitors, [(b)] (c) Provision within the county of structures,  
 21 franchises, equipment and facilities for operation of public trans-  
 22 portation or for terminal purposes, including development and  
 23 improvement of port terminal structures, facilities and equipment  
 24 for public use in counties in, along or through which a navigable  
 25 river flows, [(c)] (d) provision within the county of structures  
 26 or other facilities used or operated by the authority or any govern-  
 27 mental unit in connection with, or relative to development and  
 28 improvement of, aviation for military or civilian purposes, includ-  
 29 ing research in connection therewith, and including structures or  
 30 other facilities for the accommodation of passengers, [(d)] (e)  
 31 provision within the county of a public facility for a combination  
 32 of governmental and nongovernmental uses provided that not more  
 33 than 50% of the usable space in any such facility shall be made

34 available for nongovernmental use under a lease or other agree-  
35 ment by or with the authority, **[(e)]** (f) acquisition of any real  
36 property within the county, with or without the improvements  
37 thereof or thereon or personal property appurtenant or incidental  
38 thereto, from the United States of America or any department,  
39 agency or instrumentality heretofore or hereafter created, desig-  
40 nated or established by or for it, and the clearance, development or  
41 redevelopment, improvement, use or disposition of the acquired  
42 lands and premises in accordance with the provisions and for the  
43 purposes stated in this act, including the construction, reconstruc-  
44 tion, demolition, rehabilitation, conversion, repair or alteration of  
45 improvements on or to said lands and premises, and structures  
46 and facilities incidental to the foregoing as may be necessary,  
47 convenient or desirable, **[(f)]** (g) acquisition, construction, main-  
48 tenance and operation of garbage and solid waste disposal systems  
49 for the purpose of collecting and disposing of garbage solid waste  
50 or refuse matter, *whether owned or operated by any person, the*  
51 *authority or any other governmental unit, within or without the*  
52 *county*, **[(g)]** (h) the improvement, furtherance and promotion of  
53 the tourist industries and recreational attractiveness of the county  
54 through the planning, acquisition, construction, improvement,  
55 maintenance and operation of facilities for the recreation and  
56 entertainment of the public, which facilities may include, without  
57 being limited to, a center for the performing and visual arts,  
58 **[(h)]** (i) provision of loans and other financial assistance and  
59 technical assistance for the construction, reconstruction, demolition,  
60 rehabilitation, conversion, repair or alteration of buildings or  
61 facilities designed to provide decent, safe and sanitary dwelling  
62 units for persons of low and moderate income in need of housing,  
63 including *the acquisition of* land, equipment or other real or per-  
64 sonal properties which the authority determines to be necessary,  
65 convenient or desirable appurtenances, all in accordance with the  
66 provisions of this act, as amended and supplemented, **[(i)]** (j)  
67 planning, initiating and carrying out redevelopment projects for  
68 the elimination, and for the prevention of the development or  
69 spread of blighted, deteriorated or deteriorating areas and the  
70 disposition, for uses in accordance with the objectives of the re-  
71 development project, of any property or part thereof acquired in  
72 the area of such project, and **[(j)]** (k) any combination or com-  
73 binations of the foregoing.

1 8. Section 12 of P. L. 1960, c. 183 (C. 40:37A-55) is amended  
2 to read as follows:

3 12. Every authority shall be a public body politic and corporate  
4 constituting a political subdivision of the State established as an  
5 instrumentality exercising public and essential governmental func-  
6 tions to provide for the public convenience, benefit and welfare  
7 and shall have perpetual succession and, for the effectuation of its  
8 purposes, have the following additional powers:

9 (a) To adopt and have a common seal and to alter the same at  
10 pleasure;

11 (b) To sue and be sued;

12 (c) To acquire, hold, use and dispose of its facility charges and  
13 other revenues and other moneys;

14 (d) To acquire, rent, hold, use and dispose of other personal  
15 property for the purposes of the authority;

16 (e) Subject to the provisions of section 26 of this act, to acquire  
17 by purchase, gift, condemnation or otherwise, or lease as lessee, real  
18 property and easements or interests therein necessary or useful and  
19 convenient for the purposes of the authority, whether subject to  
20 mortgages, deeds of trust or other liens or otherwise, and to hold  
21 and to use the same, and to dispose of property so acquired no  
22 longer necessary for the purposes of the authority; *provided that*  
23 *the authority may dispose of such property at any time to any*  
24 *governmental unit or person if the authority shall receive a lease-*  
25 *hold interest in the property for such term as the authority deems*  
26 *appropriate to fulfill its purposes;*

27 (f) Subject to the provisions of section 13 of this act, to lease to  
28 any governmental unit or person, all or any part of any public  
29 facility for such consideration and for such period or periods of  
30 time and upon such other terms and conditions as it may fix and  
31 agree upon;

32 (g) *To enter into agreements to lease, as lessee, public facilities*  
33 *for such term and under such conditions as the authority may deem*  
34 *necessary and desirable to fulfill its purposes, and to agree, pur-*  
35 *suant thereto, to be unconditionally obligated to make payments*  
36 *for the term of the lease, without set-off or counterclaim, whether*  
37 *or not the public facility is completed, operating or operable, and*  
38 *notwithstanding the destruction of, damage to, or suspension, inter-*  
39 *ruption, interference, reduction or curtailment of the availability*  
40 *or output of the public facility to which the agreement applies;*

41 (h) *To extend credit or make loans to any governmental unit*  
42 *or person for the planning, design, acquisition, construction, equip-*  
43 *ping and furnishing of a public facility, upon the terms and con-*  
44 *ditions that the loans be secured by loan and security agreements,*  
45 *mortgages, leases and other instruments, the payments on which*

46 *shall be sufficient to pay the principal of and interest on any bonds*  
47 *issued for the purpose by the authority, and upon such other terms*  
48 *and conditions as the authority shall deem reasonable;*

49 **[(g.)]** *(i)* Subject to the provisions of section 13 of this act, to  
50 make agreements of any kind with any governmental unit or person  
51 for the use or operation of all or any part of any public facility for  
52 such consideration and for such period or periods of time and upon  
53 such other terms and conditions as it may fix and agree upon;

54 **[(h)]** *(j)* To borrow money and issue negotiable bonds or notes  
55 or other obligations and provide for and secure the payment of any  
56 bonds and the rights of the holders thereof, and to purchase, hold  
57 and dispose of any bonds;

58 **[(i)]** *(k)* To apply for and to accept gifts or grants of real or  
59 personal property, money, material, labor or supplies for the  
60 purposes of the authority from any governmental unit or person,  
61 and to make and perform agreements and contracts and to do  
62 any and all things necessary or useful and convenient in connection  
63 with the procuring, acceptance or disposition of such gifts or  
64 grants;

65 **[(j)]** *(l)* To determine the location, type and character of any  
66 public facility and all other matters in connection with all or any  
67 part of any public facility which it is authorized to own, construct,  
68 establish, effectuate or control;

69 **[(k)]** *(m)* To make and enforce bylaws or rules and regulations  
70 for the management and regulation of its business and affairs  
71 and for the use, maintenance and operation of any public facility,  
72 and to amend the same;

73 **[(l)]** *(n)* To do and perform any acts and things authorized by  
74 this act under, through or by means of its own officers, agents  
75 and employees, or by contracts with any governmental unit or  
76 person;

77 **[(m)]** *(o)* To acquire, purchase, construct, lease, operate,  
78 maintain and undertake any project and to fix and collect facility  
79 charges for the use thereof;

80 **[(n)]** *(p)* To mortgage, pledge or assign or otherwise encumber  
81 all or any portion of its revenues and other income, real and  
82 personal property, project and facilities for the purpose of securing  
83 its bonds, notes and other obligations or otherwise in furtherance  
84 of the purpose of this act;

85 **[(o)]** *(q)* To extend credit or make loans to redevelopers for  
86 the planning, designing, acquiring, constructing, reconstructing,  
87 improving, equipping and furnishing any redevelopment project  
88 or redevelopment work;

89    **[(p)]** *(r)* To conduct examinations and investigations, hear  
 90 testimony and take proof, under oath at public or private hearings  
 91 of any material matter, require the attendance of witnesses and  
 92 the production of books and papers and issue commissions for the  
 93 examination of witnesses who are out of the State, unable to attend,  
 94 or excused from attendance;

95    **[(q)]** *(s)* To authorize a committee designated by it consisting  
 96 of one or more members, or counsel, or any officer or employee  
 97 to conduct any such investigation or examination, in which case  
 98 such committee, counsel, officer or employee shall have power to  
 99 administer oaths, take affidavits and issue subpoenas or commis-  
 100 sions; and,

101   **[(r)]** *(t)* To enter into any and all agreements or contracts,  
 102 execute any and all instruments, and do and perform any and all  
 103 acts or things necessary, convenient or desirable for the purposes  
 104 of the authority or to carry out any power expressly given in this  
 105 act subject to P. L. 1971, c. 198 "Local Public Contracts Law"  
 106 (C. 40A:11-1 et seq.).

1    9. Section 14 of P. L. 1960, c. 183 (C. 40:37A-57) is amended to  
 2 read as follows:

3    14. Every authority is hereby authorized to charge and collect  
 4 tolls, rents, rates, fares, fees or other charges (in this act some-  
 5 times referred to as "facility charges") in connection with, or for  
 6 the use or services of, or otherwise relating to, any public facility  
 7 or other property owned, *leased* or controlled by the authority.  
 8 Such facility charges may be charged to and collected from any  
 9 governmental unit or person and such governmental unit or person  
 10 shall be liable for and shall pay such facility charges to the  
 11 authority at the time when and place where such charges are due  
 12 and payable.

1    10. Section 17 of P. L. 1960, c. 183 (C. 40:37A-60) is amended to  
 2 read as follows:

3    17. **[**Upon adoption of a bond resolution, an authority shall have  
 4 power to issue its bonds for the purpose of financing the project  
 5 or of funding or refunding the bonds described therein. Such bonds  
 6 shall be authorized by the bond resolution and**]** *For the purpose of*  
 7 *(1) financing the cost of any public facility or facilities (in this act*  
 8 *sometimes referred to as the "project"), or (2) funding or refund-*  
 9 *ing any bonds, the authority shall authorize and provide for the*  
 10 *issuance of bonds by a resolution (in this act sometimes referred to*  
 11 *as the "bond resolution"). Pursuant to the bond resolution, bonds*  
 12 *may be issued in one or more series and shall bear such date or*  
 13 *dates, mature at such time or times not exceeding 40 years from the*

14 date thereof, bear interest at such rate or rates, *which may be fixed*  
15 *or may change at such time or times and according to such formula*  
16 *or method of determination*, be in such denomination or denomina-  
17 tions, be in such form either coupon or registered, carry such con-  
18 version or registration privileges, have such rank or priority, be  
19 executed in such manner, be payable from such sources in such  
20 medium of payment at such place or places within or without the  
21 State, and be subject to such terms of redemption (with or without  
22 premium) as the bond resolution may provide. *The authority may*  
23 *also authorize bonds to be issued and sold from time to time and*  
24 *delegate to such officer or agent of the authority as the authority*  
25 *shall designate the power to determine the time and manner (public*  
26 *or private) of sale, the maturities and rate or rates of interest*  
27 *(which may be fixed or may change at such time or times and in*  
28 *accordance with a specified formula or method of determination),*  
29 *and such other terms and conditions as may be deemed appropriate*  
30 *by the officer or agent of the authority so designated; provided,*  
31 *however, that the amounts and maturities of and interest rate or*  
32 *rates on such bonds shall be within the limits prescribed by the au-*  
33 *thority in its delegation to the officer or agent of the power to au-*  
34 *thorize the sale and issuance of bonds.* The authority may issue  
35 such types of bonds as it may determine, including (without limit-  
36 ing the generality of the foregoing) bonds on which the principal  
37 and interest are payable (a) exclusively from the income and  
38 revenues of the project financed with the proceeds of such bonds;  
39 (b) exclusively from the income and revenues of certain designated  
40 projects whether or not they are financed in whole or in part with  
41 the proceeds of such bonds; or (c) from its revenues generally.  
42 Any such bonds may be additionally secured by a pledge of any  
43 grant or contributions from any governmental unit or person or a  
44 pledge of any income or revenues of the authority from any source  
45 whatsoever, or by a mortgage or pledge of all or any part of the real  
46 or personal property of the authority, including property which is  
47 acquired, improved, constructed, financed or refinanced by the pro-  
48 ceeds of such bonds.

1 11. 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 facility which the authority is authorized to undertake pursuant to  
6 section 11 of P. L. 1960, c. 183 (C. 40:37A-54), the county may,  
7 pursuant to resolution duly adopted by its governing body, *or any*  
8 *municipality in the county may, by ordinance of its governing body,*

9 in the manner provided for adoption of a bond ordinance as pro-  
10 vided in the local bond law and with or without consideration and  
11 upon such terms and conditions as may be agreed to by and between  
12 the county *or the municipality* and the authority, unconditionally  
13 guarantee the punctual payment of the principal of and interest on  
14 any bonds of the authority. Any guaranty of bonds of an authority  
15 made pursuant to this section shall be evidenced by endorsement  
16 thereof on such bonds, executed in the name of the county *or the*  
17 *municipality* and on its behalf by such officer thereof as may be  
18 designated in the resolution *or ordinance* authorizing such guar-  
19 anty, and such county *or municipality* shall thereupon and there-  
20 after be obligated to pay the principal of and interest on said bonds  
21 in the same manner and to the same extent as in the case of bonds  
22 issued by it. Any such guaranty of bonds of an authority may be  
23 made, and any resolution authorizing such guaranty may be  
24 adopted, notwithstanding any statutory debt or other limitations,  
25 including particularly any limitation or requirement under or pur-  
26 suant to the local bond law, but the principal amount of bonds so  
27 guaranteed, shall, after their issuance, be included in the gross debt  
28 of such county *or municipality* for the purpose of determining the  
29 indebtedness of such county *or municipality* under or pursuant to  
30 the local bond law. The principal amount of said bonds so guar-  
31 anteed and included in gross debt shall be deducted and is hereby  
32 declared to be and to constitute a deduction from such gross debt  
33 under and for all the purposes of said local bond law (a) from and  
34 after the time of issuance of said bonds until the end of the fiscal  
35 year beginning next after the completion of acquisition or construc-  
36 tion of the [public] facility to be financed from the proceeds of such  
37 bonds and (b) in any annual debt statement filed pursuant to said  
38 local bond law as of the end of said fiscal year or any subsequent  
39 fiscal year if the revenues or other receipts or moneys of the au-  
40 thority in such year are sufficient to pay its expenses of operation  
41 and maintenance in such year and all amounts payable in such year  
42 on account of the principal and interest on all such guaranteed  
43 bonds, all bonds of the county *or any municipality* issued as pro-  
44 vided in section 36 of this act (C. 40:37A-79), and all bonds of the  
45 authority issued under this act.

1 12. Section 40 of P. L. 1960, c. 183 (C. 40:37A-83) is amended  
2 to read as follows:

3 40. Every authority and every municipality in which any prop-  
4 erty of the authority is located are hereby authorized and em-  
5 powered to enter into agreements with respect to the payment by  
6 the authority to such municipality of annual sums of money in



7 lieu of taxes on such property in such amounts as may be agreed  
8 upon between the authority and the municipality, and each such  
9 authority is empowered to make such payments and each such  
10 municipality is empowered to accept such payments and to apply  
11 them in the manner in which taxes may be applied in such munici-  
12 pality; provided, however, that no such annual payment with  
13 respect to any parcel of such property shall exceed the amount  
14 to be derived by applying the current general tax rate for the  
15 taxing district in which such property is located to the assessed  
16 and taxable value of such property for the taxable year immediately  
17 prior to the time of its acquisition by the authority. In the case of  
18 a new facility constructed and owned by the authority, the author-  
19 ity is empowered to enter into an agreement with the munici-  
20 pality to make payments in lieu of taxes on such facility, so long  
21 as such payments do not exceed the amount derived by applying  
22 the current local purposes tax rate for such taxing district to the  
23 actual cost of construction of the facility; provided, however, that  
24 in the first through fourth year of such payments they shall not  
25 exceed 40% of the amount so derived, in the fifth through eighth  
26 year 50% of the amount so derived, in the ninth through twelfth  
27 year 65% of the amount so derived, and in the thirteenth through  
28 sixteenth year 80% of the amount so derived, until in the seven-  
29 teenth year and all subsequent years the payments shall not exceed  
30 the amount derived as hereinbefore described. Notwithstanding  
31 the aforesaid provisions of this section, whenever any person,  
32 pursuant to subsection [d. or i.] *e. or j* of section 11 of this act  
33 (C. 40:37A-54), shall occupy space within a public facility for a  
34 nongovernmental use which is not itself tax exempt, whether as  
35 lessee, vendee or otherwise, such person shall, as long as title  
36 thereto shall remain in the authority, pay to the political subdivi-  
37 sion in which such facility is located a payment in lieu of taxes  
38 which shall equal the taxes on real and personal property, including  
39 water and sewer service charges or assessments, which such person  
40 would have been required to pay had it been the owner of such  
41 property or portion thereof during the period, and neither the  
42 authority nor its projects, properties, money or bonds and notes  
43 shall be obligated, liable or subject to lien of any kind for  
44 the enforcement, collection or payment thereof. Further, not-  
45 withstanding the aforesaid provisions of this section, during the  
46 time an authority is managing, operating and maintaining real  
47 property for a redevelopment project prior to actual rehabilitation,  
48 clearance, development, or redevelopment of such property or sale,  
49 lease or other disposal of such property pursuant to the provisions

50 hereof, it may pay to the municipality in which the real property  
 51 is situated out of the net income from the property, in lieu of taxes,  
 52 an annual service charge for municipal services supplied to said  
 53 property in an amount not exceeding the tax on the property for  
 54 the year it was acquired by the authority. The amount of such  
 55 annual service charge shall be as set forth in a written agreement  
 56 to be entered into between the municipality and the authority.

1 13. Section 42 of P. L. 1960, c. 183 (C. 40:37A-85) is amended  
 2 to read as follows:

3 42. All **public facilities and all other** properties of an authority  
 4 are hereby declared to be public property of a political subdivision  
 5 of the State and *those properties, and all public facilities, whether*  
 6 *or not owned by the authority, are* devoted to an essential public  
 7 and governmental function and purpose and shall be exempt from  
 8 all taxes and special assessments of the State or any subdivision  
 9 thereof. All bonds issued pursuant to this act are hereby declared  
 10 to be issued by a political subdivision of this State and for an es-  
 11 sential public and governmental purpose and to be a public instru-  
 12 mentality and such bonds, and the interest thereon and the income  
 13 therefrom, and all facility charges, funds, revenues and other  
 14 moneys pledged or available to pay or secure the payment of such  
 15 bonds, or interest thereon, shall at all times be exempt from taxa-  
 16 tion except for transfer, inheritance and estate taxes.

1 14. Section 2 of P. L. 1979, c. 275 (C. 40:37A-107) is amended  
 2 to read as follows:

3 2. As used in this act:

4 a. "Authority" means any public body created pursuant to the  
 5 "county improvement authorities law," P. L. 1960, c. 183  
 6 (C. 40:37A-44 et seq.).

7 b. "Bonds, bond anticipation notes and other notes and obliga-  
 8 tions," or "bonds, bond anticipation notes or other notes or  
 9 obligations" means any bonds, notes, debentures or other evidences  
 10 of financial indebtedness issued by the authority pursuant to this  
 11 act.

12 c. "Family" means two or more persons related by blood,  
 13 marriage or adoption who live or expect to live together as a single  
 14 household in the same dwelling unit; provided, however, that any  
 15 individual who (1) has attained retirement age as defined in sec-  
 16 tion 216a of the Federal Social Security Act, or (2) is under a  
 17 disability as defined in section 223 of that act, or (3) is the sur-  
 18 viving member of a family whose other members died during occu-  
 19 pancy of a housing project, shall be considered as a family for  
 20 purposes of permitting continued occupancy of the dwelling unit oc-

21 cupied by such family. The authority may provide by rule or  
22 regulation that any other individual not specified in this subsection  
23 shall be considered as a family for the purpose of this subsection.

24 d. "Family of low and moderate income" means a family (1)  
25 whose income is too low to compete successfully in the normal  
26 rental or mutual housing market, and (2) whose gross aggregate  
27 family income does not exceed the limits established under this act.

28 e. "Gross aggregate family income" means the total annual  
29 income of all members of a family, from whatever source derived,  
30 including, but not limited to, pension, annuity, retirement and  
31 social security benefits; except that the authority may, by rule or  
32 regulation, exclude therefrom: (1) such reasonable allowances for  
33 dependents, (2) such reasonable allowances for medical expenses,  
34 (3) all or any part of the earnings of any family members below  
35 the age of 18 years, or of any other family members, other than the  
36 chief wage earner, (4) such income as is not received regularly  
37 by any family member, or (5) any two or more such items.

38 f. "Housing project" or "project" means any work or  
39 undertaking, whether new construction or rehabilitation, which  
40 is designed for the primary purpose of providing decent, safe and  
41 sanitary dwelling units for families of *low and moderate* income in  
42 need of housing [; such undertaking may include] , *including* any  
43 buildings, land equipment, facilities, or other real or personal prop-  
44 erties [which are necessary, convenient, or desirable appurte-  
45 nances, including, but not limited to], *such as* streets, sewers,  
46 utilities, parks, site preparation, landscaping, [and such] stores,  
47 offices, and [such other nonhousing facilities, such as] adminis-  
48 trative, community, health, recreational, educational and welfare  
49 facilities, *all as determined by* the authority [determines] to be  
50 necessary, convenient or desirable appurtenances *to improve or*  
51 *enhance the housing project and the neighborhood or area in which*  
52 *the housing project is located.*

53 g. "Municipality" means any municipality located within the  
54 county wherein the authority has been established.

55 h. "Mutual housing" means a housing project operated or  
56 to be operated upon completion of construction or rehabilitation  
57 exclusively for the benefit of the families of moderate income who  
58 are entitled to occupancy by reason of ownership of stock in the  
59 qualified housing sponsor, or as a coowner in a horizontal property  
60 regime pursuant to the "Horizontal Property Act," P. L. 1963,  
61 c. 168 (C. 46:8A-1 et seq.) or as a condominium unit owner pur-  
62 suant to the "Condominium Act," P. L. 1969, c. 257 (C. 46:8B-1  
63 et seq.), provided, however, the authority may adopt rules and

64 regulations permitting a reasonable percentage of space in such  
65 project to be rented for residential or for commercial use.

66 i. "Project cost" means the sum total of all costs incurred  
67 in the development of a housing project, which are approved by  
68 the [agency] *authority* as reasonable and necessary, less any and  
69 all net rents and other net revenues received from the operation of  
70 the real and personal property on the project site during construc-  
71 tion. Costs shall include, but are not necessarily limited to: (1) cost  
72 of land acquisition and any buildings thereon, (2) cost of site prep-  
73 aration, demolition and development, (3) architect, engineer, legal,  
74 authority and other fees paid or payable in connection with the  
75 planning, execution and financing of the project, (4) cost of neces-  
76 sary studies, surveys, plans and permits, (5) insurance, interest,  
77 financing, tax and assessment costs and other operating and carry-  
78 ing costs during construction, (6) cost of construction, reconstruc-  
79 tion, fixtures, and equipment related to the real property, (7) cost  
80 of land improvements, (8) necessary expenses in connection with  
81 initial occupancy of the project, (9) a reasonable profit or fee to  
82 the builder and developer, (10) an allowance established by the  
83 [agency] *authority* for working capital and contingency reserves,  
84 and reserves for any anticipated operating deficits during the first  
85 2 years of occupancy, and, (11) the cost of such other items, includ-  
86 ing tenant relocation, as the authority shall determine to be reason-  
87 able and necessary for the development of the project.

88 All project costs shall be subject to approval and audit by the  
89 authority. The authority may adopt rules and regulations specify-  
90 ing in detail the types and categories of cost which shall be allowable  
91 if actually incurred in the construction or reconstruction of a  
92 housing project.

93 j. "Qualified housing sponsor" means: (1) any housing  
94 corporation qualified under the provisions of the "Limited-  
95 Dividend Nonprofit Housing Corporations or Associations Law,"  
96 P. L. 1949, c. 184 (C. 55:16-1 et seq.), (2) any urban renewal  
97 corporation or association qualified under the provisions of the  
98 "Urban Renewal Corporation and Association Law of 1961,"  
99 P. L. 1961, c. 40 (C. 40:55C-40 et seq.) or any urban renewal  
100 nonprofit corporation or association qualified under the provisions  
101 of "Urban Renewal Nonprofit Corporation Law of 1965," P. L.  
102 1965, c. 95 (C. 40:55C-77 et seq.) which has as one of its purposes  
103 the construction, rehabilitation or operation of housing projects,  
104 (3) any general corporation formed under the provisions of Title  
105 14 of the Revised Statutes or Title 14A of the New Jersey Statutes  
106 which has as one of its purposes the construction, rehabilitation or

107 operation of housing projects, (4) any corporation or association  
108 organized not for profit under the provisions of Title 15 of the  
109 Revised Statutes or any other law of this State which has as one of  
110 its purposes the construction, rehabilitation or operation of housing  
111 projects, (5) any horizontal property regime formed under the  
112 "Horizontal Property Act," P. L. 1963, c. 168 (C. 46:8A-1 et seq.)  
113 or any condominium formed under the "Condominium Act," P. L.  
114 1969, c. 527 (C. 46:8B-1 et seq.), which has as one of its purposes  
115 the construction, rehabilitation or operation of housing projects,  
116 and (6) any individual [or association], *partnership, limited part-*  
117 *nership, joint venture or other association, including a partnership,*  
118 *limited partnership, joint venture or association in which the au-*  
119 *thority is a general or limited partner or participant, approved by*  
120 the authority as qualified to own, construct, rehabilitate, operate,  
121 manage and maintain, a housing project.

122 k. "Required minimum capital reserve" means the reserve  
123 amount required to be maintained in each housing finance fund  
124 under the provisions of this act.

125 l. "Amortized value" means for securities purchased at a  
126 premium above or a discount below par, the value as of any  
127 given date obtained by dividing the total amount of the premium or  
128 the discount at which such securities were purchased by the number  
129 of days remaining to maturity on such securities at the time of  
130 such purchase and by multiplying the amount so calculated by the  
131 number of days having passed from the date of such purchase;  
132 and (1) in the case of securities purchased at a premium, by de-  
133 ducting the product thus obtained from the purchase price, and  
134 (2) in the case of securities purchased at a discount, by adding  
135 the product thus obtained to the purchase price.

1 15. Section 3 of P. L. 1979, c. 275 (C. 40:37A-108) is amended  
2 to read as follows:

3 3. a. The authority, for the purpose of carrying out the purposes  
4 of this act, may:

5 (1) Accept from qualified housing sponsors applications for  
6 loans;

7 (2) Enter into agreements with qualified housing sponsors for  
8 permanent loans and temporary loans or advances in anticipation  
9 of such permanent loans for the construction or rehabilitation of  
10 housing projects; [and,]

11 (3) Make permanent loans and temporary loans or advances  
12 in anticipation of such permanent loans to qualified housing spon-  
13 sors under the provisions of this act;

14 (4) *Enter into agreements with other agencies or instrumental-*  
15 *ties of the State or any political subdivisions of the State for the*  
16 *purpose of providing loans and other financial assistance in order*  
17 *to promote housing projects in any municipality; and,*

18 (5) *Prepare, carry out, acquire, own, lease and operate housing*  
19 *projects and provide for the construction, reconstruction, improve-*  
20 *ment, alteration or repair of those housing projects, and to lease*  
21 *or rent any dwellings, accommodations, lands, buildings, structures*  
22 *or other facilities comprising a housing project subject to the*  
23 *limitations of this act.*

24 b. No application for a loan for the construction or rehabilita-  
25 tion of a housing project to be located in any municipality shall  
26 be processed unless there shall be filed with the secretary of the  
27 authority prior to such application a certified copy of a resolution  
28 adopted by said municipality reciting that there is a need for low  
29 and moderate income housing projects in said municipality.

1 16. Section 6 of P. L. 1979, c. 275 (C. 40:37A-111) is amended  
2 to read as follows:

3 6. Loans made by the authority shall be subject to the following  
4 terms and conditions:

5 a. The loan shall be for a period of time not in excess of 50 years  
6 as determined by the authority;

7 b. The amount of the loan shall not exceed 90% of the project  
8 cost as determined by the authority, except that in the case of  
9 projects to be owned, constructed, rehabilitated, operated,  
10 managed and maintained as mutual housing or by any corpo-  
11 ration or association organized not for profit which has as one  
12 of its purposes the construction or rehabilitation of housing  
13 projects, the amount of the loan shall not exceed 100% of the  
14 project cost as determined by the authority; provided, however,  
15 that any such loan shall be subject to an agreement between the  
16 authority and any such corporation or association organized not  
17 for profit or for mutual housing, prohibiting the transfer of owner-  
18 ship or management responsibilities by said corporation or asso-  
19 ciation at any time prior to repayment of at least 10% of the  
20 original loan, unless the transfer of ownership or management  
21 responsibilities is ordered by a court of competent jurisdiction to  
22 a qualified housing sponsor;

23 c. The interest rate on the loan shall be established by the au-  
24 thority at the lowest level consistent with the authority's cost of  
25 operation and its responsibilities to the holders of its bonds, bond  
26 anticipation notes and other obligations;

27 d. The loan shall be evidenced by a mortgage note or bond and by  
28 a mortgage which shall be a first lien on the project, *except as pro-*

29 *vided in subsection i of this section, and which shall contain such*  
30 *terms and provisions and be in such form, as approved by the*  
31 *authority. The authority shall require the qualified housing*  
32 *sponsor receiving a loan or its contractor to post labor and*  
33 *materials, and construction performance, surety bonds in amounts*  
34 *related to the project cost as established by rule or regulation,*  
35 *and to execute such other assurances and guarantees as the author-*  
36 *ity may deem necessary, and may require its principals or stock-*  
37 *holders to also execute such other assurances and guarantees as*  
38 *the authority shall deem necessary;*

39 e. The loan, shall be subject to an agreement between the au-  
40 thority and the qualified housing sponsor which will subject said  
41 qualified housing sponsor and its principals or stockholders to  
42 limitations established by the authority as to rentals and other  
43 charges, builders' and developers' profits and fees, and the disposi-  
44 tion of its property and franchises, to the extent more restrictive  
45 limitations are not provided by the law under which the borrower  
46 is incorporated or organized;

47 f. The loan shall be subject to an agreement between the au-  
48 thority and the qualified housing sponsor limiting said qualified  
49 housing sponsor, and its principals or stockholders, to a return of  
50 8% per annum of its investment in any housing project assisted  
51 with a loan from the authority. No qualified housing sponsor  
52 which is permitted by the provisions of the law under which it is  
53 organized or incorporated to earn a return on its investment, nor  
54 any of the principals or stockholders of such qualified housing  
55 sponsor, shall at any time earn, accept or receive a return greater  
56 than 8% per annum of its investment in any housing project  
57 assisted with a loan from the authority whether upon the comple-  
58 tion of the construction or rehabilitation of such project, or upon  
59 the operation thereof, or upon the sale, assignment or lease  
60 of such project to any other person, association or corporation;

61 g. No loan shall be executed, except a loan made to a corpora-  
62 tion or association organized not for profit which has as one of its  
63 purposes the construction or rehabilitation of housing projects or  
64 for mutual housing, unless the qualified housing sponsor agrees:  
65 (1) to certify upon completion of project construction or reha-  
66 bilitation, subject to audit by the authority, either that the proj-  
67 ect cost as defined in this act exceeded the amount of the loan  
68 proceeds by 10% or more, or the amount by which the loan pro-  
69 ceeds 90% of the project cost; and (2) to pay forthwith to the  
70 authority, to be applied to reduce the principal of the loan, the  
71 amount, if any, of such excess loan proceeds, subject to audit

72 and determination by the authority. No loan shall be made to a  
 73 corporation or association organized not for profit or for mutual  
 74 housing unless it agrees to certify the project cost upon completion  
 75 of the project, subject to audit and determination by the authority,  
 76 and further agrees to pay forthwith to the authority, to be applied  
 77 to reduce the principal of the loan, the amount, if any, by which  
 78 the proceeds of the loan exceed the certified project cost, subject  
 79 to audit and determination by the authority. Notwithstanding the  
 80 provisions of this subsection, the authority may accept, in lieu of  
 81 any certification of project cost as provided herein, such other  
 82 assurances of the said project cost, in any form or manner whatso-  
 83 ever, as will enable the authority to determine with reasonable  
 84 accuracy the amount of said project cost; **[and,]**

85 h. No loan shall be made for the construction or rehabilitation  
 86 of a housing project for which tax exemption is granted by a  
 87 municipality unless such tax exemption remains in effect during  
 88 the entire term of the loan, unless a lesser period of tax exemption  
 89 is approved by the authority; *and*.

90 i. *Notwithstanding any other provisions of this section to the*  
 91 *contrary, the authority may, if it shall determine that the con-*  
 92 *struction or rehabilitation of low and moderate income housing*  
 93 *would be facilitated thereby and that financial benefits may be as*  
 94 *a result be obtained for families who would reside in the housing,*  
 95 *make a loan to a qualified housing sponsor that shall be subordin-*  
 96 *ated to one or more loans holding senior liens on the land on which*  
 97 *the project is to be constructed, or on the building or buildings,*  
 98 *the rehabilitation of which is to be financed in whole or in part by*  
 99 *the authority.*

1 17. Section 22 of P. L. 1979, c. 275 (C. 40:37A-127) is amended  
 2 to read as follows:

3 22. All property of the authority, except as otherwise provided  
 4 herein, shall be exempt from levy and sale by virtue of an execution  
 5 and no execution or other judicial process shall issue against the  
 6 same nor shall any judgment against the authority be a charge or  
 7 lien upon its property; provided, that nothing herein **[contained]**  
 8 shall apply to or limit the rights of the holder of any bonds, bond  
 9 anticipation notes or other notes or obligations to pursue any rem-  
 10 edy for the enforcement of any pledge or lien given by the authority  
 11 on its revenues or other moneys; *and provided, further, that noth-*  
 12 *ing herein shall limit the authority's ability to enter into partner-*  
 13 *ships, limited partnerships, joint ventures or other associations as*  
 14 *a general partner, limited partner or participant therein.*

1 18. Section 26 of P. L. 1979, c. 275 (C. 40:37A-131) is amended  
 2 to 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 author-  
102 ity out of any funds or money of the authority available therefore,  
103 and to hold, cancel to resell such bonds, bond anticipation notes or  
104 other 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 enter into partnerships, limited partnerships, joint ven-*  
130 *tures or other associations as a general partner, limited partner or*  
131 *participant therein with qualified housing sponsors to carry out*  
132 *the purposes of the authority.*

133 **[v.] w.** To provide qualified housing sponsors and other indi-  
134 viduals and organizations with such advisory consultation, training  
135 and educational services as will increase the availability and sup-  
136 ply of housing and increase housing opportunities for low and  
137 moderate income families, including but not limited to assistance  
138 in community development and organization, home management  
139 and advisory services for the residents of the housing projects, and  
140 to encourage community organizations to assist in developing such  
141 projects;

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

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

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

160 **[z.] aa.** To do any and all things necessary or convenient to  
161 carry out its purposes and exercise the powers given and granted  
162 in the act.

1 19. (New section) a. For the purposes of the "county improve-  
2 ment authorities law," P. L. 1960, c. 183 (C. 40:37A-44 et seq.),  
3 where by reason of the provisions of any other law a qualified  
4 housing sponsor has entered, or intends to enter, into any agreement  
5 with any municipality to make payments in lieu of taxes, or to  
6 obtain special tax treatment of any real property of the qualified  
7 housing sponsor to be financed by the authority, that agreement  
8 may, notwithstanding any provisions of any such other law to the  
9 contrary, require the qualified housing sponsor to pay to the munici-  
10 pality an amount not exceeding 20% of the annual gross revenue  
11 from each housing project situated on the real property for each  
12 year of the project's operation following its substantial completion.  
13 For the purpose of this section, "annual gross revenue" means the

14 total annual gross rental or carrying charge and other income of a  
15 qualified housing sponsor from a housing project. Any agreement  
16 between any qualified housing sponsor and a municipality pursuant  
17 to this section shall be submitted to the authority for review in order  
18 to avoid duplicative or inconsistent regulations or provisions, and  
19 any municipality and any qualified housing sponsor may, with the  
20 approval of the authority, enter into any such agreement as is not  
21 inconsistent with P. L. 1960, c. 183.

22 b. For the purposes of apportioning the amounts to be raised in  
23 the respective municipalities in each county pursuant to R. S.  
24 54:4-49, the county board of taxation shall, for each municipality,  
25 include in the equalization table for the county the assumed assessed  
26 value of the property represented by the amount of payments in  
27 lieu of property taxes to any municipality pursuant to this section.

28 The assumed assessed value of such property in each municipi-  
29 pality shall be determined by the county board of taxation in the  
30 following manner: (1) the amount of payments in lieu of real prop-  
31 erty taxes received by each municipality during the preceding tax  
32 year pursuant to this section shall be divided by the general tax  
33 rate of the municipality for such preceding tax year to obtain an  
34 assumed assessed value of such property; (2) this assumed assessed  
35 value shall be divided by the fraction produced by dividing the  
36 aggregate assessed value by the aggregate true value of the real  
37 property as determined by the county board of taxation for equaliza-  
38 tion purposes in the current tax year, exclusive of class II railroad  
39 property, in the municipality; and (3) the resulting quotient shall  
40 be included in the net valuation of each municipality on which  
41 county taxes are apportioned.

42 For the first tax year during which any payments in lieu of real  
43 property taxes are made to any municipality pursuant to this  
44 section, there shall be included in the equalization table for the  
45 county the true value of the property as determined by the assessor  
46 in the tax year immediately prior to the tax year in which any pay-  
47 ments in lieu of taxes are made pursuant to this section.

1 20. Section 5 of P. L. 1981, c. 461 (C. 40:48-8.30a) is amended to  
2 read as follows:

3 5. a. Beginning July 1, 1981, and until such time as the conditions  
4 set forth in subsection b. of this section are met, the revenues  
5 deposited by the State Treasurer in the fund created in section 5 of  
6 P. L. 1979, c. 273 (C. 40:48-8.30), shall be applied for the purposes  
7 of financing and maintaining facilities authorized pursuant to sec-  
8 tion 11 of P. L. 1960, c. 183 (C. 40:37A-54) located in any eligible  
9 municipality, to be limited to:

10 (1) Payment of all or any part of principal and interest on bonds  
 11 issued for low and moderate income housing pursuant to sections  
 12 1 through 26 of P. L. 1979, c. 275 (C. 40:37A-106 through  
 13 40:37A-131);

14 (2) Establishment of funds to provide security for bonds, notes  
 15 or other obligations, or loans made from the proceeds of those  
 16 obligations, pursuant to sections 1 through 26 of P. L. 1979, c. 275  
 17 (C. 40:37A-106 through 40:37A-131);

18 (3) Establishment of revolving loan and grant funds for the  
 19 purpose of increasing housing opportunities for low and moderate  
 20 income families consistent with the purposes of sections 1 through  
 21 26 of P. L. 1979, c. 275 (C. 40:37A-106 through 40:37A-131).

22 b. Commencing on that date which is the later of (i) January 1,  
 23 1984, or (ii) 6 months prior to the [due date of the] first date on  
 24 which any payment of principal [and] or interest on any bonds or  
 25 notes issued [after the effective date of this act] for, or any pay-  
 26 ment of rent under any lease entered into by a county improvement  
 27 authority in connection with, the acquisition, construction, recon-  
 28 struction or improvement of a convention hall facility [by a county  
 29 improvement authority in an eligible municipality pursuant] to  
 30 accomplish the purposes of a county improvement authority as set  
 31 forth in subsection [(a)] (b) of section 11 of P. L. 1960, c. 183  
 32 [C. 40:37A-54 (a)] (C. 40:37A-54(b)) are required to be made  
 33 from the revenues collected pursuant to P. L. 1947, c. 71 (C.  
 34 40:48-8.15 et seq.), the revenues thereafter retained by the State  
 35 Treasurer pursuant to section 7 of P. L. 1947, c. 71 [(C.  
 36 40:40-8.21)] (C. 40:48-8.21) shall be applied exclusively [to the  
 37 payment of principal and interest on the] (1) in accordance with  
 38 the provisions of the resolution or resolutions authorizing the issu-  
 39 ance of bonds [issued] by that county improvement authority for  
 40 that facility, to the payment of principal of and interest on bonds  
 41 so issued, the maintenance of necessary reserves and the allocations  
 42 of moneys for future debt service payments; or, (2) in accordance  
 43 with a lease between the lessor of a convention hall facility and the  
 44 county improvement authority or other entity operating the con-  
 45 vention hall facility, to the payments required under that lease; and  
 46 for no other purpose, except as set forth in subsections c. or d. of  
 47 this section. At the time that this subsection takes effect, all moneys  
 48 then accumulated in the luxury tax fund [created pursuant to sec-  
 49 tion 5 of P. L. 1979, c. 273 (C. 40:48-8.30)] shall be removed by the  
 50 State Treasurer and deposited in a separate account to be known  
 51 as the development fund, which proceeds, with the interest thereon,  
 52 shall be used for any of the purposes set forth in subsection a. of  
 53 this section.

54 c. At the end of any full calendar year occurring after the date  
55 on which the provisions of subsection b. of this section take effect,  
56 and after all payments coming due during that calendar year of  
57 principal and interest on *county improvement* authority bonds or  
58 *notes* issued for a convention hall facility have been made, and all  
59 obligations *have been met (1)* to the holders of those bonds [have  
60 been met], including the maintenance of necessary reserves and the  
61 allocation of moneys for future debt service payments, or (2) to  
62 *the lessor for lease payments under a lease entered into by the*  
63 *county improvement authority in connection with a convention hall*  
64 *facility*, any balance remaining in the luxury tax fund in that  
65 calendar year shall be applied to any deficiency between the operat-  
66 ing expense budget and the anticipated operating revenues avail-  
67 able for the following fiscal year to the [public agency] *entity*  
68 operating the convention hall facility[, subject to the provisions of  
69 any statute establishing that public agency.]

70 d. At the end of any full calendar year occurring after the date  
71 on which the provisions of [subsections] *subsection b. [and c.]* of  
72 this section take effect, and after all payments have been made from  
73 the luxury tax fund pursuant to subsections b. and c. any moneys  
74 remaining in the luxury tax fund in that calendar year shall be  
75 deposited in the development fund and used for the purposes set  
76 forth in subsection a. of this section.

77 e. Pending application to the purposes for which moneys de-  
78 posited in the development fund or the luxury tax fund may be  
79 used, the moneys in these funds shall be invested by the State Treas-  
80 urer pursuant to applicable regulations prescribed for the invest-  
81 ment of State moneys. Any income received from these investments  
82 shall be added to the fund from which earned, and used only for  
83 the purposes of that fund.

1 21. Section 8 of P. L. 1979, c. 273 (C. 40:48-8.33) is amended to  
2 read as follows:

3 8. (a) Prior to the adoption of any resolution of a county im-  
4 provement authority authorizing the issuance of notes or bonds  
5 for an authorized facility located in an eligible municipality; or  
6 authorizing establishment of a revolving fund, and with respect to  
7 which an application for financing pursuant to the provision of this  
8 act is to be made, an application for the proposed project financing  
9 shall be submitted to the Local Finance Board for review and  
10 approval of a single revolving fund payment, or of estimated annual  
11 payments on behalf of said project for all or a portion of its annual  
12 debt service covering principal and interest *or of any required*  
13 *lease payments*. The Local Finance Board shall, in connection with

14 such review and approval, give consideration to the engineering and  
15 feasibility studies prepared in connection with the project financing  
16 and the terms and provisions of the proposed financing agreements  
17 *or of any lease agreement*, including any reserve funds required by  
18 the resolution and security agreements, and the amounts of State  
19 revenues expected to be paid pursuant to the provisions of this act.  
20 In connection with its review, the Local Finance Board may consider  
21 any estimates, computations or calculations made in connection with  
22 such submission, may require the production of any papers, docu-  
23 ments, witnesses or information to be made, any audit or investiga-  
24 tion, and may take any action which it may determine advisable.

25 (b) The Local Finance Board shall approve the proposed revolv-  
26 ing fund payment or the proposed project financing and annual  
27 payments from the *fund or funds* created herein if it finds [(i) that  
28 such proposal is an improvement or betterment advancing the  
29 health, safety and welfare of the persons served by said county  
30 improvement authority; (ii) that the project cost has been accu-  
31 rately calculated, that the terms and provisions of the proposed  
32 financing agreements are fair, reasonable and feasible and would  
33 not impose an undue burden on the persons served by the county  
34 improvement authority; (iii) that the payment or payments to be  
35 provided pursuant to this act for said project in addition to what-  
36 ever funds, if any, are to be provided from the revenues realized  
37 from said project, or from any other authorized revenue or funding  
38 sources, are adequate to meet the debt service obligations for said  
39 project as approved pursuant to this act; (iv) that such agreement  
40 will not materially impair the ability of the county improvement  
41 authority to pay promptly the principal and interest on its out-  
42 standing indebtedness or to provide essential public services to the  
43 persons which said authority is required to support and to advance  
44 the objects and purpose of the authority or either of the aforesaid;  
45 (v) that the amounts to be expended for the facilities to be financed  
46 pursuant to such resolution are not unreasonable or exorbitant; and  
47 (vi) that issuance of the bonds to be authorized by such resolution  
48 will not materially impair the credit of any municipality within the  
49 jurisdiction of the authority, or substantially reduce its ability,  
50 during the ensuing 10 years, to pay punctually the principal and  
51 interest of its debts and supply essential public improvements and  
52 service. In addition, the Local Finance Board shall, in its review  
53 of the proposed financing agreement or agreements, give considera-  
54 tion to the nature and purpose of the revolving fund or project  
55 financing, the amounts, terms and schedule of payments required  
56 and the impact of such agreement on the budget and financial condi-  
57 tion of the county improvement authority] *that:*



58 (1) *The purposes to which the proposed payment or payments*  
59 *will be put are consistent with the purposes of a county improve-*  
60 *ment authority under the "county improvement authorities law,"*  
61 *P. L. 1960, c. 183 (C. 40:37A-44 et seq.), and with the purposes set*  
62 *forth in section 5 of P. L. 1981, c. 461 (C. 40:48-8.30a);*

63 (2) *The current and projected revenues to the fund from which*  
64 *the payment or payments are to be drawn, are anticipated to be*  
65 *adequate to meet the requirements of the payment or payments*  
66 *under consideration, taken in conjunction with any prior payments*  
67 *from the fund approved by the Local Finance Board;*

68 (3) *In the case of any issue of notes or bonds to be guaranteed*  
69 *by a county or municipality, as provided in section 37 of P. L. 1960,*  
70 *c. 183 (C. 40:37A-80), or to be provided with financial support by a*  
71 *county or municipality in some other fashion, the issuance of those*  
72 *notes or bonds will not materially impair the credit of the county or*  
73 *municipality providing the guarantee or other financial support, or*  
74 *substantially reduce its ability, during the ensuing 10 years, to pay*  
75 *punctually the principal and interest on its debts and supply essen-*  
76 *tial public services and improvements.*

77 (c) Any approval granted by the Local Finance Board shall be  
78 in writing and shall be filed with the secretary of the *county im-*  
79 *provement* authority such approval may contain such conditions as  
80 the Local Finance Board may consider to be appropriate under the  
81 circumstances. Said approval shall include a statement of the  
82 principal amount of the bonds, or percentage thereof, for which  
83 payments will be made and the maturity schedule for such principal  
84 amount of bonds approved by said board, *or the terms and pro-*  
85 *visions of the lease for which payments are to be made, as the case*  
86 *may be.* The Local Finance Board, in considering such copy of the  
87 resolution *or lease* submitted to it and before endorsing its consent  
88 thereon may require the county improvement authority or the  
89 governing body of any eligible municipality served by such county  
90 improvement authority to adopt resolutions restricting or limiting  
91 any future proceedings therein or other matters or things deemed  
92 by the Local Finance Board to affect any estimate made or to be  
93 made by it in accordance with this section, and every such resolu-  
94 tion so adopted shall constitute a valid and binding obligation of  
95 such county improvement authority or municipality, as the case  
96 may be, running to and enforceable by, and releasable by, the Local  
97 Finance Board.

98 (d) *At the time of its initial application to the Local Finance*  
99 *Board under this section, and at least annually thereafter, the*

100 *county improvement authority shall submit to the Local Finance*  
 101 *Board a report, based on the best information available to the au-*  
 102 *thority with regard to relevant tax revenues, and the economic*  
 103 *trends underlying such revenues, as well as anticipated undertak-*  
 104 *ings by the authority utilizing the funds provided under P. L. 1947,*  
 105 *c. 71 (C. 40:48-8.15 et seq), containing projections of revenues to*  
 106 *and expenditures from the luxury tax fund and development fund.*  
 107 *Beginning one year after the initial report submitted under this*  
 108 *section, each report shall also contain an assessment of the accuracy*  
 109 *of the projections made in any previous report or reports.*

1 22. Section 7 of P. L. 1981, c. 461 (C. 40:48-8.33a) is amended  
 2 to read as follows:

3 7. a. Within 30 days after the issuance of any bonds or notes  
 4 for, or the execution of a lease in connection with, the acquisition,  
 5 construction, reconstruction or improvement of a convention hall  
 6 facility [by a county improvement authority] as set forth in sub-  
 7 section b. of section 5 of this act (C. 40:48-8.30a), the *county im-*  
 8 *provement authority shall file a report with the Local Finance*  
 9 *Board setting forth, if applicable, the principal amount of bonds*  
 10 *or notes issued for that project, the annual payments of principal*  
 11 *and interest to be made [respecting] on the bonds or notes with*  
 12 *respect to that project, the terms and provisions of the financing*  
 13 *undertaken for, or the lease entered into in connection with, the*  
 14 *project, and such engineering and feasibility studies as may have*  
 15 *been commissioned and used by the county improvement authority*  
 16 *in connection with financing the project.*

17 b. At least 90 days prior to the date set forth in subsection b.  
 18 of section 5 of this act (C. 40:48-8.30a), [the chief financial] *an*  
 19 *authorized officer of the county improvement authority issuing*  
 20 *bonds or notes for, or entering into a lease in connection with, the*  
 21 *acquisition, construction, reconstruction or improvement of the*  
 22 *convention hall facility shall notify the Director of the Division of*  
 23 *Local Government Services in the Department of Community*  
 24 *Affairs of the precise date on which the provisions of that subsec-*  
 25 *tion shall take effect, the amounts payable thereafter (1) on account*  
 26 *of the principal and interest on, or reserve funding requirements*  
 27 *on, those bonds or notes, or (2) as rent under the lease, and the*  
 28 *name and address of the paying agent or agents for the bonds or*  
 29 *notes, or of the lessor under the lease. The director shall, upon*  
 30 *the receipt of that notice, verify the facts contained therein, and*  
 31 *certify the same to the State Treasurer.*

32 c. Following [that] *the certification in subsection b. of this sec-*  
 33 *tion and upon the date set forth therein, the State Treasurer shall*

34 transfer all moneys accumulated in the *luxury tax* fund to the  
35 development fund as provided in subsection b. of section 5 of this  
36 act (C. 40:48-8.30a), and shall thereafter pay *prior to each pay-*  
37 *ment date* from the luxury tax fund [to the paying agent or agents  
38 specified in the certification] the amounts certified to be paid (1)  
39 *to the appropriate paying agent or agents* for the principal and  
40 interest on, or *reserve funding requirements on*, the bonds or  
41 notes[, to the maximum amount available for this purpose in the  
42 luxury tax fund on each payment date], or (2) *to the lessor as rent*  
43 *under the lease.*

44 *d. In lieu of the provisions of subsections a., b. and c. of this*  
45 *section and of the provisions of section 8 of P. L. 1979, c. 273*  
46 *(C. 40:48-8.33), the following procedure may be followed if any*  
47 *portion of the payment of principal of and interest on, or reserve*  
48 *funding requirements on, any bonds or notes issued for, or the*  
49 *rental payments on any lease entered into in connection with, the*  
50 *acquisition, construction, reconstruction or improvement of a con-*  
51 *vention hall facility are to be paid from revenues, other than rev-*  
52 *enues derived under P. L. 1947, c. 71 (C. 40:48-8.15 et seq.), that*  
53 *are held in any funds by the State Treasurer :*

54 (1) *Prior to the adoption of a resolution authorizing the issuance*  
55 *of any bonds or notes for, or entering into a lease in connection*  
56 *with, the acquisition, construction, reconstruction or improvement*  
57 *of any convention hall facility, the county improvement authority*  
58 *shall submit the resolution or lease, as the case may be, to the*  
59 *Director of the Division of Local Government Services and to the*  
60 *State Treasurer for approval of the State Treasurer, which ap-*  
61 *proval may be based upon recommendations of the director based*  
62 *upon findings made in a manner similar to that required of the*  
63 *Local Finance Board pursuant to subsection (b) of section 8 of*  
64 *P. L. 1979, c. 273 (C. 40:48-8.33);*

65 (2) *The State Treasurer shall, as provided in subsection b. of*  
66 *section 5 of this act (C. 40:48-8.30a), transfer, upon the date set*  
67 *forth in a certificate of the Director of the Division of Local Gov-*  
68 *ernment Services which shall be in the form set forth in subsection*  
69 *b. of this section and delivered to the State Treasurer, all moneys*  
70 *accumulated in the luxury tax fund to the development fund; and,*

71 (3) *The State Treasurer shall thereafter pay prior to each pay-*  
72 *ment date from the luxury tax fund the amounts required to be*  
73 *paid (i) to the appropriate paying agent or agents in accordance*  
74 *with the provisions of the applicable resolution for principal of*  
75 *and interest on, or reserve funding requirements on, the bond or*  
76 *notes, or (ii) to the lessor in accordance with the provisions of the*  
77 *lease as rent under the lease.*

1 23. Section 12 of P. L. 1979, c. 273 (C. 40:48-8.37) is amended  
2 to read as follows:

3 12. All of such bonds *or notes* when issued shall contain a recital  
4 to the effect that they are issued pursuant to the "county improve-  
5 ment authorities law" (P. L. 1960, c. 183) as amended and are  
6 entitled to the benefits of the provisions of this [amendatory and  
7 supplementary] act. Except as otherwise provided in this [amend-  
8 atory and supplementary] act, any bonds *or notes* entitled to the  
9 benefits of the provisions of this [amendatory and supplementary]  
10 act shall be authorized and issued in the manner provided for by  
11 the "county improvement authorities law." Bonds *or notes* entitled  
12 to the benefits of the provisions of this act shall mature not later  
13 than [30] 40 years from their date, without regard to any limita-  
14 tions as to maturities or amounts of annual installments for such  
15 bonds *or notes* as provided in the "county improvement authorities  
16 law."

1 24. Section 14 of P. L. 1979, c. 273 (C. 40:48-8.39) is amended  
2 to read as follows:

3 14. [Within] *Except as otherwise provided in section 7 of P. L.*  
4 *1981, c. 461 (C. 40:48-8.33a), within 10 days after issuance of any*  
5 *bonds or notes entitled to the benefits of this act, and from time to*  
6 *time thereafter, [the chief financial] an authorized officer of the*  
7 *county improvement authority issuing such bonds or notes [or his*  
8 *designee] shall certify to the Director of the Division of Local*  
9 *Government Services that exact amount payable on account of*  
10 *debt service covering interest and principal on such bonds or notes*  
11 *in each year, the amount needed to fund any reserve fund required*  
12 *by such resolution, and the name and address of the paying agent*  
13 *or paying agents for such bonds or notes. The Director of the*  
14 *Division of Local Government Services shall thereupon verify said*  
15 *amounts and certify the same to the State Treasurer, together*  
16 *with the name and address of the paying agent or paying agents*  
17 *for such bonds or notes. The certification by the Director of*  
18 *the Division of Local Government Services as to amount payable*  
19 *in any year for debt service covering principal and interest on*  
20 *such bonds or notes shall be fully conclusive as to said payments*  
21 *for such bonds or notes, notwithstanding any irregularity, omission*  
22 *or failure as to compliance with any of the provisions of this*  
23 *[amendatory and supplementary] act with respect to such bonds*  
24 *or notes, provided that such bonds or notes contain a recital to*  
25 *the effect that they are entitled to the benefits of the provisions of*  
26 *this [amendatory and supplementary] act, and all persons shall*  
27 *be forever estopped from denying that such bonds or notes are*

28 entitled to the benefits of the provisions of this [amendatory and  
29 supplementary] act. Upon certification, the State Treasurer shall  
30 pay the amounts from the fund to the paying agent specified which  
31 will equal any deficiency so certified of principal and interest pay-  
32 ments becoming due or any deficiency so certified to exist in any  
33 such required reserve fund.

1 25. Section 16 of P. L. 1960, c. 183 (C. 40:37A-59) and section 16  
2 of P. L. 1979, c. 273 (C. 40:48-8.41) are repealed.

1 26. This act shall take effect immediately.

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*Sponsors'* STATEMENT

This bill would revise the "county improvement authorities law," P. L. 1960, c. 183 (C. 40:37A-44 et seq.) to permit: (1) the financing of a public facility through a lease arrangement with any person and the issuance of bonds for the purpose by the county improvement authority similar to industrial development bonds; (2) the expansion of the membership of a county improvement authority; (3) a municipality in the county to guarantee the obligations of a county improvement authority; and, (4) a county improvement authority to enter into partnerships with qualified housing sponsors to own and operate housing projects for the purpose of providing low and moderate income housing in the county.

The bill would also permit the revenues collected from luxury taxes under P. L. 1947, c. 71 (C. 40:48-8.15 et seq.) to be dedicated not only to the payment of principal and interest and reserve fund requirements on bonds and notes issued by a county improvement authority for the acquisition, construction, reconstruction or improvement of a convention hall facility, but to rental payments under a lease between a lessor of such convention hall facility and the county improvement authority or such other entity operating the convention hall facility. The bill would change the date on which luxury tax revenues would be available for convention hall purposes to be the later of January 1, 1984, or 6 months prior to the date on which such revenues will be needed to pay debt service or lease payments with respect to a convention hall facility.

In addition, the bill simplifies the findings to be made prior to Local Finance Board approval of the project financing of authority projects financed by luxury tax revenues, and provides an alternative approval procedure whereby the Director of the Division of Local Government Services will make recommendations to the State Treasurer for the State Treasurer's approval in connection with the dedication of luxury tax revenues with respect to a convention hall facility.

*A1728 (1982)*

SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1728

**STATE OF NEW JERSEY**

DATED: JULY 12, 1982

Assembly Bill No. 1728 revises the "county improvement authorities law," P. L. 1960, c. 183 (C. 40:37A-44 et seq.) to:

a. Permit a county improvement authority to finance a public facility through a lease arrangement with any person and to issue bonds for the purpose of a type similar to industrial development bonds;

b. Clarify the manner in which the reorganization powers accorded to counties governed by the "Optional County Charter Law," P. L. 1972, c. 154 (C. 40:41A-1 et seq.), relate to the membership of county improvement authorities, and to permit counties to appoint the chief elected executive officer (county executive, county supervisor or president of the board of freeholders) as an ex officio, nonvoting member;

c. Permit a municipality within the county served by the authority to guarantee the obligations of the authority; and,

d. Permit a county improvement authority to enter into partnerships with qualified housing sponsors to own and operate housing projects for the purpose of providing low and moderate income housing in the county.

The bill would also permit the revenues collected from luxury taxes under P. L. 1947, c. 71 (C. 40:48-8.15 et seq.) to be dedicated not only to the payment of principal and interest and reserve fund requirements on bonds and notes issued by a county improvement authority for the acquisition, construction, reconstruction or improvement of a convention hall facility, but to rental payments under a lease between a lessor of such convention hall facility and the county improvement authority or such other entity operating the convention hall facility. The bill would change the date on which luxury tax revenues would be available for convention hall purposes to be the later of January 1, 1984, or six months prior to the date on which such revenues will be needed to pay debt service or lease payments with respect to a convention hall facility.

In addition, the bill simplifies the findings to be made prior to Local Finance Board approval of the project financing of authority projects financed by luxury tax revenues, and provides an alternative approval

procedure whereby the Director of the Division of Local Government Services will make recommendations to the State Treasurer for the State Treasurer's approval in connection with the dedication of luxury tax revenues with respect to a convention hall facility. The bill requires the county improvement authority to report annually to the State Treasurer on revenues projected and received for the luxury tax fund and development fund established under the luxury tax statutes.

The major purpose of the financial provisions of the bill is to provide county improvement authorities, particularly the Atlantic County Improvement Authority, with greater flexibility in fulfilling its responsibilities under law. That authority has been charged under several recent statutes (P. L. 1979, c. 275; P. L. 1979, c. 273; P. L. 1981, c. 401) with major responsibilities for the provision of low and moderate income housing and convention hall improvements in the Atlantic County region, to be financed through luxury tax funds directed to those purposes.

The bill is identical to Senate Bill No. 1577 previously released by the committee on June 28, 1982.

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OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

CONTACT: KATHERINE BROKAW

WEDNESDAY, AUGUST 18, 1982

Governor Thomas H. Kean has signed legislation to clarify the use of revenues from luxury taxes such as the Atlantic City Luxury Tax fund.

Sponsored by Assemblyman William Gormley (R-Atlantic), A-1728 allows luxury tax revenues to be used for construction and improvements of a convention center, payments on notes and bonds arising from such construction and rental payments under a lease between the county improvement authority operating the center and the lessor of the center.

The bill also revises the "County Improvement Authority Law" to expand the activities of the authorities to include bonding, leasing and partnership operations with regard to low and middle income housing construction.

The legislation is especially designed to account for any cases arising from the Atlantic City convention center and follows the corrections to the conditionally vetoed A-1657. The original version of the latter bill attempted to tap the Atlantic City Luxury Tax fund for general municipal purposes; the fund is dedicated to backing notes issued by the Atlantic County Improvement Authority for housing construction.

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"morally" obligated to replenish the fund in any calendar year in which the issuer was required to use monies from the fund for payment of principal or interest on its debt. Furthermore, the Governor would be required to certify such amount to the legislature for appropriation.

Should the state wish to give further consideration to this request, the Blue Ribbon Committee stands ready to assist in any way possible.

4. The Committee recommends that all facility charges and fees and any surplus luxury tax funds available after payment of debt service on bonds should become available for the operating budget of the Convention Hall operating entity.

Operating revenues will be available to the Convention Hall Operating Authority from the primary sources of building space rental, concession revenues, and banquet revenues and secondary sources of parking receipts, commercial leases, and the potential lease of air-rights to a non-casino convention hotel. It is the opinion of the committee that all primary revenues and all potential revenues generated by ancillary development be committed to the Convention Hall operating budget. At no time should operating revenues be applied to the payment of the debt service. In addition, any available balance from luxury tax receipts after the payment of the principal and interest on the bonds should be dedicated to any operating deficit incurred by the Convention Hall Operating Authority as provided by the enabling legislation creating the Authority.

Source Atlantic City Convention Hall Blue Ribbon  
Committee - Report and recommendations, 4-82