

55:14B-4.1

**LEGISLATIVE HISTORY CHECKLIST**  
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**NJSA:** 55:14B-4.1

(Redevelopment  
projects--bonds)

**LAWS OF:** 1991

**CHAPTER:** 32

**Bill No:** S276

**Sponsor(s):** Lynch

**Date Introduced:** Pre-filed

**Committee: Assembly:** Municipal Government

**Senate:** County & Municipal Government

**Amended during passage:** No

**Date of Passage: Assembly:** January 17, 1991

**Senate:** April 30, 1990

**Date of Approval:** February 25, 1991

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee Statement: Assembly:** Yes

**Senate:** Yes

**Fiscal Note:** No

**Veto Message:** No

**Message on signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

**KBG/SLJ**

APR 30 1991

1 AN ACT concerning the incurrence of indebtedness and the  
2 issuance of obligations thereto for the purpose of aiding and  
3 cooperating in the planning, undertaking, construction or  
4 operation of housing or redevelopment projects, and amending  
5 P.L.1950, c.298.

6

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

9 1. Section 5 of P.L.1950, c.298 (C.55:14B-4.1) is amended to  
10 read as follows:

11 5. (a) Any city, town, borough, village or township is hereby  
12 authorized and empowered to incur indebtedness, borrow,  
13 appropriate and expend money and issue its negotiable bonds for  
14 the purpose of aiding any housing authority with respect to any  
15 housing project which is located within said municipality and as  
16 to which the Federal Government shall have contracted to furnish  
17 financial assistance.

18 (b) Any city, town, borough, village or township is hereby  
19 authorized and empowered to incur indebtedness, borrow,  
20 appropriate and expend money and issue its negotiable bonds for  
21 the purpose of aiding any housing authority, redevelopment  
22 agency or a municipality exercising directly the powers conferred  
23 by the redevelopment agencies law with respect to any  
24 redevelopment project which is located within said municipality.  
25 Such indebtedness may be incurred and the obligations issued  
26 prior to the approval of the redevelopment plan, but the money  
27 obtained from the issuance of such obligations, other than the  
28 costs of issuance, may not be expended until after the approval of  
29 such redevelopment plan.

30 (c) Any bonds of any city, town, borough, village or township  
31 issued under this act shall be authorized by ordinance adopted by  
32 the governing body of said municipality in the manner or mode of  
33 procedure prescribed by the local bond law, constituting chapter  
34 2 of Title 40A of the New Jersey Statutes, and said bonds shall be  
35 issued in manner or mode of procedure prescribed by said law,  
36 except that (1) said ordinance may be adopted notwithstanding  
37 the provisions of section 40A:2-6 of said law and, subject to the  
38 provisions of paragraph (e) of this section, said bonds may be

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

Matter underlined thus is new matter.

1 authorized and issued notwithstanding any debt or other limit  
2 prescribed by said law, (2) said ordinance may be adopted  
3 notwithstanding the provisions of section 40A:2-11 of said law  
4 and no down payment shall be required, (3) said bonds shall  
5 mature in annual installments, commencing not more than 2 and  
6 ending not more than 40 years from the date of said bonds, and  
7 (4) said ordinance need set forth only a brief and general  
8 description of the location and designation of the housing or  
9 redevelopment project with respect to which said bonds are  
10 authorized, the amount of the appropriation made thereby, the  
11 maximum amount of bonds to be issued pursuant thereto, and the  
12 rate or maximum rate of interest (not exceeding 6% per annum)  
13 the bonds shall bear. Such bonds may be made subject to  
14 redemption prior to maturity with or without premium at such  
15 times and on such terms and conditions as may be provided by  
16 resolution of the governing body adopted prior to their issuance,  
17 and all matters relating to such bonds not hereinabove required to  
18 be stated in such ordinance may be performed or determined by  
19 resolution or resolutions of the governing body adopted prior to  
20 their issuance.

21 (d) Any bonds, issued or authorized, including bonds heretofore  
22 issued or authorized, pursuant to paragraph (b) of this section by  
23 any city, town, borough, village or township, for the purpose of  
24 providing cash to meet cash grant-in-aid requirements of any  
25 housing authority or redevelopment agency or a municipality  
26 exercising directly the powers conferred by the redevelopment  
27 agencies law with respect to any redevelopment project which is  
28 located within said municipality and as to which the Federal  
29 Government shall have contracted to furnish financial assistance  
30 shall be deductible from the gross debt of such municipality on  
31 any debt statement filed in accordance with the local bond law.  
32 Any bonds issued or authorized pursuant to paragraph (b) of this  
33 section by any city, town, borough, village or township for the  
34 purpose of providing cash to enable any housing authority,  
35 redevelopment agency or municipality exercising directly the  
36 powers conferred by the "Redevelopment Agencies Law,"  
37 P.L.1949, c.306 (C.40:55C-1 et seq.), to extend credit or make  
38 loans to redevelopers pursuant to section 12(k) of P.L.1949, c.306  
39 (C.40:55C-12(k)) with respect to any redevelopment project that  
40 is located within the municipality shall be deductible from the  
41 gross debt of the municipality for a period from the date of  
42 adoption of the ordinance until 1 year after the completion of  
43 construction or rehabilitation of the project or until the end of  
44 the fifth fiscal year commencing subsequent to the date of  
45 adoption of the ordinance, whichever period is shorter, if the  
46 Local Finance Board upon request and filing with it of a certified  
47 copy of the ordinance as finally adopted, shall have made a  
48 determination by resolution on the basis of a project report that

1 such project will generate revenues annually for the municipality  
2 from rental payments, loan repayments, real property taxes,  
3 including payments in lieu of taxes, income from the investment  
4 of proceeds of obligations authorized by the ordinance, or other  
5 sources, direct or indirect, including like revenues generated  
6 from related projects, that the Local Finance Board finds  
7 justifiable in its discretion, in an amount equal to or exceeding  
8 the annual debt service requirement for such obligations, and in  
9 any subsequent fiscal year if the municipality shall not have been  
10 required to make payment in such fiscal year on account of  
11 principal of or interest on any obligations issued for said purpose  
12 in excess of an amount equal to amounts generated by the project  
13 from rental payments, loan repayments, real property taxes,  
14 including payments in lieu of such taxes, income from the  
15 investment of proceeds of obligations authorized by the  
16 ordinance, or such other sources as may have been approved by  
17 the Local Finance Board. Upon making such determination the  
18 board shall endorse its approval on the certified copy of the  
19 ordinance. If, within 60 days of such request and filing, the board  
20 shall not be satisfied as to the matters described above, it shall  
21 cause its disapproval to be endorsed on the certified copy and  
22 shall deliver to the municipality a statement of its reasons for  
23 the endorsement of disapproval.

24 (e) If it appears from the supplemental debt statement filed  
25 pursuant to section 40A:2-10 of said local bond law with respect  
26 to an ordinance relating to a housing project or a redevelopment  
27 project the bonds for which are not deductible from the gross  
28 debt pursuant to paragraph (d) of this section, adopted pursuant  
29 to this act that the percentage of the net debt as stated therein  
30 exceeds the limit prescribed by section 40A:2-6 of said law, such  
31 ordinance shall not take effect unless and until there shall be  
32 indorsed upon a certified copy thereof, as adopted, the approval  
33 of the Local Government Board of the Division of Local  
34 Government in the Department of the Treasury. A certified copy  
35 of any such ordinance shall upon adoption be filed with said board  
36 together with such statements and information with respect  
37 thereto or regarding the financial condition of the municipality as  
38 said board may prescribe. Said board shall cause its approval to  
39 be indorsed upon such certified copy if it shall be satisfied and  
40 shall record upon its minutes its estimates that (a) the amounts to  
41 be expended by said municipality for such project are not  
42 unreasonable or exorbitant, (b) issuance of said bonds will not  
43 materially impair the credit of said municipality or substantially  
44 reduce its ability during the ensuing 10 years to pay punctually  
45 the principal and interest of its debts and supply essential public  
46 improvements and services and (c) taking into consideration  
47 trends in population and in values and uses of property and in  
48 needs for essential public improvements, the percentage of net

1 debt of said municipality, computed as provided in said local bond  
2 law, will at some date within 10 years be either less than the debt  
3 limit prescribed by the local bond law or less than the percentage  
4 appearing from said supplemental debt statement. If said board  
5 shall not within 60 days after filing of said certified copy with it  
6 be satisfied as to the matters described above, it shall cause its  
7 disapproval to be indorsed on such certified copy and shall deliver  
8 to said municipality a statement of its reasons for such  
9 indorsement of disapproval.

10 (f) Any city, town, borough, village or township may issue its  
11 negotiable notes, at public or private sale, in anticipation of the  
12 issuance of bonds authorized by any such ordinance after such  
13 ordinance has taken effect and may, from time to time, renew  
14 any such notes in accordance with the provisions of the Local  
15 Bond Law (N.J.S.40A:2-1 et seq.).

16 (g) All bonds and notes issued hereunder shall be direct and  
17 general obligations of the city, town, borough, village or township  
18 issuing them and, unless payment is otherwise made or provided  
19 for, a tax sufficient in an amount to pay the principal and  
20 interest on such bonds and notes shall be levied and collected by  
21 said municipality in the year in which the same shall become due  
22 and payable. Such bonds and notes may contain a recital that  
23 they are issued pursuant to this act in the manner or mode of  
24 procedure prescribed by said local bond law and such recitals  
25 shall be conclusive evidence of their validity and of the regularity  
26 of their issuance.

27 (h) The powers conferred by this section shall be in addition to  
28 the powers conferred by any other laws and bonds may be issued  
29 hereunder for the purposes herein provided notwithstanding that  
30 other laws may provide for the issuance of bonds for like purposes.

31 The provisions of chapter 4 of Title 40A of the New Jersey  
32 Statutes shall not apply to any public body in the exercise of the  
33 powers conferred upon it by this section toward the fulfillment of  
34 the purposes of this act or of the act to which this act is  
35 supplemental.

36 (cf: P.L.1979, c.345, s.3)

37 2. This act shall take effect immediately.

38  
39  
40 LOCAL BUDGET AND FINANCE

41  
42 Permits bonds in aid of redevelopment projects to be issued prior  
43 to plan approval.

debt of said municipality, computed as provided in said local bond law, will at some date within 10 years be either less than the debt limit prescribed by the local bond law or less than the percentage appearing from said supplemental debt statement. If said board shall not within 60 days after filing of said certified copy with it be satisfied as to the matters described above, it shall cause its disapproval to be indorsed on such certified copy and shall deliver to said municipality a statement of its reasons for such indorsement of disapproval.

(f) Any city, town, borough, village or township may issue its negotiable notes, at public or private sale, in anticipation of the issuance of bonds authorized by any such ordinance after such ordinance has taken effect and may, from time to time, renew any such notes in accordance with the provisions of the Local Bond Law (N.J.S.40A:2-1 et seq.).

(g) All bonds and notes issued hereunder shall be direct and general obligations of the city, town, borough, village or township issuing them and, unless payment is otherwise made or provided for, a tax sufficient in an amount to pay the principal and interest on such bonds and notes shall be levied and collected by said municipality in the year in which the same shall become due and payable. Such bonds and notes may contain a recital that they are issued pursuant to this act in the manner or mode of procedure prescribed by said local bond law and such recitals shall be conclusive evidence of their validity and of the regularity of their issuance.

(h) The powers conferred by this section shall be in addition to the powers conferred by any other laws and bonds may be issued hereunder for the purposes herein provided notwithstanding that other laws may provide for the issuance of bonds for like purposes.

The provisions of chapter 4 of Title 40A of the New Jersey Statutes shall not apply to any public body in the exercise of the powers conferred upon it by this section toward the fulfillment of the purposes of this act or of the act to which this act is supplemental.

(cf: P.L.1979, c.345 §3)

2. This act shall take effect immediately.

#### STATEMENT

The purpose of this bill is to enable local units of government to better plan their borrowing in aid of redevelopment projects by timing such borrowing according to the state of credit markets rather than according to the progress of redevelopment plan approval procedures. The bill would also enable local units of government to join in borrowing funds at the same time for similar redevelopment projects, even though the approval process

for their respective redevelopment plans may be at different stages in each local unit.

#### LOCAL BUDGET AND FINANCE

Permits bonds in aid of redevelopment projects to be issued prior to plan approval.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 276

STATE OF NEW JERSEY

DATED: JULY 12, 1990

The Assembly Municipal Government Committee favorably reports Senate Bill No. 276.

Senate Bill No. 276 enables local units of government to better plan their borrowing in aid of redevelopment projects by timing such borrowing according to the state of credit markets rather than according to the progress of redevelopment plan approval procedures. The bill would also enable local units of government to join in borrowing funds at the same time for similar redevelopment projects, even though the approval process for their respective redevelopment plans may be at different stages in each local unit.



SENATE COUNTY AND MUNICIPAL  
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 276

STATE OF NEW JERSEY

DATED: MARCH 12, 1990

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 276.

Senate Bill No. 276 enables local units of government to better plan their borrowing in aid of redevelopment projects by timing such borrowing according to the state of credit markets rather than according to the progress of redevelopment plan approval procedures. The bill would also enable local units of government to join in borrowing funds at the same time for similar redevelopment projects, even though the approval process for their respective redevelopment plans may be at different stages in each local unit.

This bill was pre-filed for introduction in the 1990 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.