

34:1-10

LEGISLATIVE HISTORY CHECKLIST  
Compiled by the NJ State Law Library

(Economic Recovery Fund--establish)

NJSA: 34:1-10

LAWS OF: 1992 CHAPTER: 16

BILL NO: S2

SPONSOR(S): Gormley and Sinagra

DATE INTRODUCED: March 5, 1992

COMMITTEE: ASSEMBLY: Appropriations;; Financial Institutions  
SENATE: Budget; Commerce

AMENDED DURING PASSAGE: Yes Amendments during passage denoted  
by asterisks

DATE OF PASSAGE: ASSEMBLY: May 21, 1992  
SENATE: April 2, 1992

DATE OF APPROVAL: June 10, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 5-18-92 & 4-30-92  
SENATE: Yes 3-30-92 & 3-19-92

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

---

[FOURTH REPRINT]

SENATE, No. 2

STATE OF NEW JERSEY

INTRODUCED MARCH 5, 1992

By Senators GORMLEY, Sinagra, Cafiero, Girgenti,  
Kyrillos, Adler, Lipman and Inverso

1 AN ACT concerning the New Jersey Economic Development  
2 Authority <sup>1</sup>[and],<sup>1</sup> amending and supplementing P.L.1974, c.80  
3 1, and making an appropriation<sup>1</sup>.  
4

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

7 1. (New section) <sup>2</sup>[Section] Sections<sup>2</sup> one through <sup>1</sup>[nine]  
8 <sup>2</sup>[eleven]<sup>1</sup>ten<sup>2</sup> of this act shall be known and may be cited as the  
9 "Economic Recovery Fund Act."

10 2. (New section) The Legislature finds and determines that  
11 limitations on the availability of loan funds from financial  
12 institutions has seriously impeded the development and  
13 completion of many economic development projects, including  
14 the expansion of manufacturing operations and high technology  
15 business ventures, the development of infrastructure and  
16 transportation improvements to stimulate economic development,  
17 and cultural, recreational and tourism facilities or improvements;  
18 that it is in the public interest to establish an Economic Recovery  
19 Fund to enable the State to make direct investments in economic  
20 development projects, to establish new programs to assist small  
21 business, and to leverage moneys for economic recovery in the  
22 most effective and creative manner through such mechanisms as  
23 public-private partnerships, grants, guarantees and direct loans;  
24 and that the Economic Development Authority is the appropriate  
25 entity to implement the goals of a diverse economic recovery  
26 program.

27 3. (New section) a. The New Jersey Economic Development  
28 Authority shall establish and maintain a special nonlapsing fund  
29 to be known as the "Economic Recovery Fund," hereinafter the  
30 "fund," into which shall be deposited such moneys: (1) as shall be  
31 paid to the fund by the State Treasurer pursuant to a contract  
32 between the State Treasurer and the authority authorized by this  
33 act; (2) as shall be otherwise appropriated by the State for the  
34 purpose of such fund; (3) if the authority so determines in any  
35 resolution authorizing any particular bonds, as shall be received  
36 by the authority from the sale of such bonds as provided by law;  
37 (4) as shall be received by the authority from the repayment of  
38 loans made from the fund; and (5) any other moneys or funds of  
39 the authority which it determines to deposit therein.

40 Moneys in the fund may be invested in such obligations as the  
41 authority may approve and interest or other earnings on such  
42 investments shall be credited to the fund.

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SCM committee amendments adopted March 19, 1992.

<sup>2</sup> Senate SBA committee amendments adopted March 30, 1992.

<sup>3</sup> Assembly AFI committee amendments adopted April 30, 1992.

<sup>4</sup> Assembly AAP committee amendments adopted May 18, 1992.

1       b. In addition to any other powers which may be conferred on  
2 the authority by this act, the authority, by resolution, shall have  
3 the power to: (1) pay all or part of the cost of any project or  
4 projects; (2) make loans, guarantees, equity investments, and  
5 grants, or provide other forms of financing for any project; and  
6 (3) provide for the funding, or refunding, of any bonds; further,  
7 the authority shall have the power to incur indebtedness, borrow  
8 money and issue bonds secured wholly by the moneys in the fund  
9 for the purpose of providing funds for the powers conferred by  
10 this paragraph and any other power of the authority.

11       c. The authority may, in any resolution authorizing the  
12 issuance of bonds or notes, create or authorize the creation  
13 within the fund of special program accounts, to be held in pledge  
14 or otherwise for payment or redemption of such bonds or notes,  
15 revenues or other purposes and to covenant as to the use and  
16 disposition of the moneys held in such accounts.

17       4. (New section) The authority may use the moneys in the  
18 fund to pay principal of, premium, if any, and interest on bonds or  
19 notes, which shall be entitled "Economic Recovery Fund Bonds or  
20 Notes," as appropriate, the proceeds, or net proceeds, of which  
21 shall be deposited into the fund, or used for purposes of the fund,  
22 and moneys in the fund, including money received from the sale  
23 of bonds shall, in such manner as is determined by the authority,  
24 and pursuant to <sup>4</sup>[subsection] subsections<sup>4</sup> d. <sup>4</sup>and f.<sup>4</sup> of this  
25 section, be used for the financing of projects as set forth in  
26 section 3 of P.L.1974, c.80 (C.34:1B-3) and to establish  
27 <sup>1</sup>[accounts for the following projects]<sup>1</sup>:

28       a. an economic growth account for business programs, which  
29 will invest in small and medium-size businesses that have the  
30 greatest potential for creating jobs and stimulating economic  
31 growth through such elements as a Statewide lending pool for  
32 small business, a business composite bond guarantee, a <sup>3</sup>[State  
33 export-import <sup>2</sup>[bank, to be created by law for the purposes of  
34 this act,] loan program<sup>2</sup>] fund to further supplement the export  
35 finance program of the authority<sup>3</sup> to provide <sup>3</sup>direct loans and<sup>3</sup>  
36 working capital necessary for New Jersey businesses to compete  
37 in the global market, real estate partnerships, a Statewide  
38 composite bond pool to assist municipalities in acquiring needed  
39 financing for capital expenditures, community-based assistance  
40 to assist municipalities in establishing local development  
41 corporations to stimulate economic development, a venture  
42 capital fund for start-up costs for businesses developing new  
43 concepts and inventions<sup>3</sup>, and a fund to assist businesses with  
44 expansion in such areas as manufacturing retooling to improve  
45 quality, to reduce production costs and to train employees to  
46 apply the latest technology<sup>3</sup>;

47       b. an economic development infrastructure program account,  
48 which shall provide for the financing and development of  
49 infrastructure and transportation projects, including but not  
50 limited to ports, terminal and transit facilities, roads and  
51 airports, parking facilities used in connection with transit  
52 facilities, and related facilities, including public-private  
53 partnerships, that are integral to economic growth;

54       c. an account for <sup>2</sup>a<sup>2</sup> cultural, recreational <sup>4</sup>, fine and

1 performing arts, military and veterans memorial, historic  
2 preservation project<sup>4</sup> and tourism facilities and improvements  
3 program, which shall provide for the financing and development  
4 of cultural, recreational <sup>4</sup>, fine and performing arts, military and  
5 veterans memorial, historic preservation<sup>4</sup> and tourism projects,  
6 including partnerships with public, private and non-profit  
7 entities; <sup>1</sup>[and]<sup>1</sup>

8 d. an account, into which shall be deposited an amount not less  
9 than <sup>1</sup>[\$50,000,000] \$45,000,000<sup>1</sup>, out of the total amounts  
10 deposited or credited to the fund from the proceeds of the sale of  
11 Economic Recovery Fund Bonds or Notes, for the financing of  
12 capital facilities for primary and secondary schools in the State,  
13 <sup>4</sup>[pursuant to P.L. , c. (C. ) (now before the Legislature as  
14 Senate Bill No. 514 of 1992 and <sup>2</sup>[A-12] Assembly Bill No. 1116<sup>2</sup>  
15 of 1992) <sup>2</sup>, provided, however, that if] to make direct loans to  
16 school districts for the purpose of the renovation, repair or  
17 alteration of existing school buildings, the construction of new  
18 school buildings or the conversion of existing, school buildings to  
19 other instructional purposes.

20 (1) In order to ensure the most effective utilization of the  
21 moneys in the account, the Commissioner of Education shall  
22 review all of the public school facilities throughout the State to  
23 determine the extent to which school districts are able to provide  
24 suitable educational facilities as required pursuant to  
25 N.J.S.18A:33-1. Upon completion of that review, the  
26 commissioner shall establish a list of selection criteria for school  
27 districts applying for a loan from the account, taking into  
28 consideration all of the factors which impact on the ability of  
29 each school district to provide suitable facilities, including the  
30 number of unhoused pupils, the number of years on split or  
31 curtailed sessions, the rate of pupil population increase, the  
32 adequacy of existing or proposed facilities, the school tax rate of  
33 the district, the equalized valuations per pupil of the district, and  
34 any other factors which the State Board of Education deems  
35 necessary or appropriate. Any school district shall be eligible to  
36 receive an additional loan pursuant to this subsection even if the  
37 district has received a previous loan if that additional loan is in  
38 conformity with the selection criteria established pursuant to this  
39 paragraph.

40 (2) Any local board of education may determine, by resolution,  
41 to apply for a loan from the account. Upon adoption of that  
42 resolution, the local board of education shall file an application  
43 with the Commissioner of Education, which application shall  
44 include a complete description of the project, and shall indicate  
45 the manner in which the school district shall repay the loan.  
46 Upon receipt of the application, the commissioner shall  
47 investigate the conditions in the district in the context of the  
48 selection criteria established pursuant to paragraph (1) of this  
49 subsection. The commissioner shall report his findings to the  
50 State Board of Education, and may include in his report a  
51 recommendation as to the amount, if any, of the loan proposed  
52 with respect to the school district.

53 (3) The State Board of Education shall review the  
54 commissioner's reports, and, by resolution, shall approve or

1 disapprove a district's eligibility for funding. Upon determining  
2 the districts eligible for loans from the account, the board shall  
3 forward a copy of the resolution to the authority who shall  
4 determine:

5 the amount of the loan for each district;  
6 the repayment schedule for the loan which shall in no event be  
7 in excess of 15 years; and  
8 the interest rate to be charged for each loan, which shall be no  
9 more than 50% of the yearly average of the weekly Treasury Bill  
10 Index.

11 (4) Provided; if<sup>4</sup> funds for school capital construction become  
12 available through <sup>3</sup>[bond authorizations] the adoption of any  
13 <sup>4</sup>State<sup>4</sup> bond act or <sup>4</sup>State authority or agency<sup>4</sup> bond resolution  
14 authorizing the issuance of bonds for the funding of such capital  
15 construction facilities<sup>3</sup>, the fund will be reimbursed or credited  
16 from those sources for any amounts expended or obligated from  
17 the fund for school capital construction purposes<sup>2</sup> <sup>3</sup>and the  
18 amounts so reimbursed or credited shall be used for any other  
19 purpose of this act<sup>3</sup>; <sup>4</sup>[and]<sup>4</sup>

20 e. an environmental cleanup business assistance pilot program  
21 account which will provide assistance to businesses which are  
22 conducting or may be required to conduct an environmental  
23 cleanup pursuant to the provisions of the "Environmental Cleanup  
24 Responsibility Act," P.L.1983, c.330 (C.13:1K-6 et seq.), or which  
25 have discovered a hazardous discharge on a property owned by  
26 that business and are seeking to voluntarily initiate a cleanup  
27 process in accordance with law<sup>1</sup> <sup>3</sup>[<sup>2</sup>, provided that businesses  
28 against which enforcement actions have been taken or against  
29 which fines or penalties have been levied or assessed pursuant to  
30 P.L.1983, c.330 shall not be eligible for assistance<sup>2</sup>] . In  
31 determining eligibility for assistance, the authority shall  
32 consider, in consultation with the Department of Environmental  
33 Protection, the compliance history of any applicant<sup>3</sup> <sup>4</sup>; and

34 f. an account, into which shall be deposited an amount not less  
35 than \$15,000,000, out of the total amounts deposited or credited  
36 to the fund from the proceeds of the sale of Economic Recovery  
37 Fund Bonds or Notes, for the financing of shore restoration,  
38 maintenance, monitoring, protection and preservation projects  
39 pursuant to the shore protection master plan prepared by the  
40 Department of Environmental Protection pursuant to P.L.1978,  
41 c.157<sup>4</sup>.

42 5. (New section) With respect to projects to be financed by  
43 the authority pursuant to this act <sup>2</sup>and undertaken with moneys  
44 from the Economic Recovery Fund<sup>2</sup>, the authority shall in  
45 determining those projects, and in the planning and undertaking  
46 of those projects, consider the following factors:

47 a. The economic feasibility of the project;  
48 b. The degree to which the project will advance Statewide and  
49 regional strategies and objectives;  
50 c. The degree to which the project maximizes the leveraging of  
51 other sources of funds; and  
52 d. The degree to which the project promotes economic  
53 development, the creation <sup>1</sup>or retention<sup>1</sup> of jobs, and the  
54 stimulation of private sector investment and expansion.

1       6. (New section) Commencing with fiscal year 1992, the State  
2 Treasurer shall in each fiscal year pay from the General Fund to  
3 the Economic Recovery Fund, in accordance with a contract  
4 between the treasurer and the authority, an amount equivalent to  
5 the amount due to be paid in that State fiscal year to the State  
6 by the Port Authority of New York and New Jersey pursuant to  
7 the regional economic development agreement dated January 1,  
8 1990 among the States of New York and New Jersey and the Port  
9 Authority of New York and New Jersey, provided that all such  
10 payments from the General Fund shall be subject to and  
11 dependent upon appropriations being made for such purposes by  
12 the Legislature.

13       7. (New section) The State Treasurer and the authority are  
14 authorized to enter into one or more contracts to implement the  
15 payment arrangement that is provided for in section 6 of this  
16 act. The contract or contracts shall commence with the State  
17 fiscal year beginning July 1, 1991 and shall provide for payment  
18 by the State Treasurer of the amount provided for in section 6 of  
19 this act. The contract or contracts shall contain terms and  
20 conditions as determined by the parties and shall, where  
21 appropriate, contain terms and conditions necessary and desirable  
22 to secure any bonds, notes and other obligations of the authority  
23 issued or incurred pursuant to this act, provided, however, that  
24 the incurrence of any obligation by the State under the contract  
25 or contracts, including any payments to be made thereunder from  
26 the General Fund, shall be subject to and dependent upon  
27 appropriations being made from time to time by the Legislature  
28 for the purposes of this act.

29       8. (New section) The authority shall <sup>4</sup>[annually]<sup>4</sup> report <sup>4</sup>six  
30 months after the effective date of this section, and annually  
31 thereafter<sup>4</sup> not later than September 15 <sup>4,4</sup> to the Governor and  
32 the Legislature concerning the financing of projects <sup>4</sup>currently  
33 under consideration and projects<sup>4</sup> undertaken with moneys in the  
34 economic recovery fund during the preceding fiscal year. <sup>3</sup>The  
35 <sup>4</sup>initial report and each<sup>4</sup> annual report required under this section  
36 shall include a description of each project funded by such loans,  
37 guarantees, grants or other forms of financing as may be made  
38 available under section 4 of this act and <sup>4</sup>a detailed analysis of<sup>4</sup>  
39 the consideration given in each project to the factors set forth in  
40 section 5 of this act.<sup>3</sup>

41       <sup>1</sup>[9. (New section) The authority shall for each fiscal year  
42 develop a priority system for its projects, and shall establish the  
43 ranking criteria and funding policies for the projects on that list.  
44 The authority shall set forth a project priority list for funding by  
45 the fund for each fiscal year and shall include the aggregate  
46 amount of monies in the fund to be authorized for these  
47 purposes. The list shall include a description of each project and  
48 its purpose, impact, cost, and construction schedule, and an  
49 explanation of the manner in which priorities were established.  
50 The priority system and project priority list for the ensuing fiscal  
51 year shall be submitted to the Legislature on or before January  
52 15 of each year on a day when both Houses are meeting. The  
53 President of the Senate and the Speaker of the General Assembly  
54 shall cause the date of submission to be entered upon the Senate

1 Journal and the Minutes of the General Assembly, respectively.  
 2 The authority shall also provide copies of the list to the Senate  
 3 Budget and Appropriations Committee and the General Assembly  
 4 Appropriations Committee, or their successors, for their  
 5 respective consideration.

6 The fund shall not expend any money for a grant or loan during  
 7 a fiscal year for any project unless the expenditure is authorized  
 8 pursuant to an appropriations act which lists each project, and  
 9 the amount to be appropriated for that project, separately, in  
 10 addition to including the total appropriation.]<sup>1</sup>

11 19. (New section) <sup>3</sup>[The annual report required under section  
 12 2[6]8<sup>2</sup> of 2[P.L.1981, c.505 (C.34:1B-7.6)] this act<sup>2</sup> shall include a  
 13 description of each project funded by such loans, guarantees,  
 14 grants or other forms of financing as may be made available  
 15 under section 4 of this act and the consideration given in each  
 16 project to the factors set forth in section 5 of this act.]<sup>3</sup> Notice  
 17 of loans, guarantees, grants or other forms of financing for  
 18 projects from such funds as may be made available under  
 19 2[subsection] subsections<sup>2</sup> a.<sup>2</sup>and e.<sup>2</sup> of section 4 of this act shall  
 20 be submitted to the Legislature at least 30 days prior to the  
 21 closing of any transaction but the transaction may proceed  
 22 subsequent to that notice. Loans, guarantees, grants or other  
 23 forms of financing for projects from such funds as may be made  
 24 available under subsections b.<sup>2</sup>[,]and<sup>2</sup> c.<sup>2</sup>[and e.]<sup>2</sup> of section 4 of  
 25 this act shall be submitted to the Legislature for approval at  
 26 least 45 days prior to the closing of any transaction. If the  
 27 Legislature takes no action within that period, the transaction  
 28 shall be deemed to be approved.<sup>1</sup>

29 <sup>1</sup>[10. Section 4 of P.L.1974, c.80 (C.34:1B-4) is amended to  
 30 read as follows:

31 4. a. There is hereby established in, but not of, the  
 32 Department of Commerce and Economic Development a public  
 33 body corporate and politic, with corporate succession, to be  
 34 known as the "New Jersey Economic Development Authority."  
 35 The authority is hereby constituted as an instrumentality of the  
 36 State exercising public and essential governmental functions, and  
 37 the exercise by the authority of the powers conferred by this act  
 38 shall be deemed and held to be an essential governmental  
 39 function of the State.

40 b. The authority shall consist of the Commissioner of  
 41 Commerce and Economic Development, the Commissioner of  
 42 Labor and Industry, [the Commissioner of Environmental  
 43 Protection, the Commissioner of Community Affairs,] and the  
 44 State Treasurer, who shall be members ex officio, and four public  
 45 members appointed by the Governor [with the advice and consent  
 46 of the Senate] , one public member (who shall not be a legislator)  
 47 appointed by the Senate President and one public member (who  
 48 shall not be a legislator) appointed by the Speaker of the General  
 49 Assembly, all for terms of 3 years [, provided that the members  
 50 of the authority (other than the ex officio members) first  
 51 appointed by the Governor shall serve for terms of 1 year, 2  
 52 years, and 3 years respectively. The fourth citizen member first  
 53 appointed shall serve for a 3-year term except that the fourth  
 54 member shall be appointed so that the term of his membership

1 does not coincide with that of any other citizen member]. The  
2 first two public member positions on the authority that are or  
3 become vacant on or after the effective date of P.L. , c.  
4 (C. )(now before the Legislature as this bill) shall be filled by  
5 appointment of the Senate President and the Speaker of the  
6 General Assembly, respectively. Each member shall hold office  
7 for the term of his appointment and until his successor shall have  
8 been appointed and qualified. A member shall be eligible for  
9 reappointment. Any vacancy in the membership occurring other  
10 than by expiration of term shall be filled in the same manner as  
11 the original appointment but for the unexpired term only. In the  
12 event the authority shall be resolution determine to accept the  
13 declaration of an urban growth zone by any municipality, the  
14 mayor or other chief executive officer of such municipality shall  
15 ex officio be a member of the authority for the purpose of  
16 participating and voting on all matters pertaining to such urban  
17 growth zone.

18 The Governor shall appoint [with the advice and consent of the  
19 Senate, three] one alternate [members] member of the authority ,  
20 the Senate President shall appoint one alternate member of the  
21 authority (who shall not be a legislator), and the Speaker of the  
22 General Assembly shall appoint one alternate member of the  
23 authority (who shall not be a legislator), all for terms of 3 years.  
24 [At the time of appointment, the Governor shall designate a first  
25 alternate, second alternate and third alternate. In the event that  
26 a member of the authority, other than an ex officio member, is  
27 unable to attend all or any portion of a meeting of the authority,  
28 or is for any reason unable to perform the duties and  
29 responsibilities of a member of the authority for a temporary  
30 period, the] The first two alternate member positions on the  
31 authority that are or become vacant on or after the effective  
32 date of P.L. , c. (C. )(now before the Legislature as this bill)  
33 shall be filled by appointment of the Senate President and the  
34 Speaker of the General Assembly, respectively. The chairman  
35 may authorize an alternate member, in order of [designation]  
36 appointment, to exercise all of the powers, duties and  
37 responsibilities of such member, including, but not limited to, the  
38 right to vote on matters before the authority.

39 Each alternate member shall hold office for the term of his  
40 appointment and until his successor shall have been appointed and  
41 qualified. An alternate member shall be eligible for  
42 reappointment. Any vacancy in the alternate membership  
43 occurring other than by expiration of term shall be filled in the  
44 same manner as the original appointment but for the unexpired  
45 term only. Any reference to a member of the authority in this  
46 act shall be deemed to include alternate members unless the  
47 context indicates otherwise.

48 c. Each appointed member may be removed from office by the  
49 Governor, for cause, after a public hearing, and may be suspended  
50 by the Governor pending the completion of such hearing. Each  
51 member before entering upon his duties shall take and subscribe  
52 an oath to perform the duties of his office faithfully, impartially  
53 and justly to the best of his ability. A record of such oaths shall  
54 be filed in the office of the Secretary of State.



1       d. The Commissioner of Commerce and Economic  
2 Development shall be the chairman of the authority. The  
3 members of the authority shall elect from their remaining  
4 number a vice chairman and a treasurer thereof. The authority  
5 shall employ an executive director who shall be its secretary and  
6 chief executive officer. The powers of the authority shall be  
7 vested in the members thereof in office from time to time and  
8 four members of the authority shall constitute a quorum at any  
9 meeting thereof. Action may be taken and motions and  
10 resolutions adopted by the authority at any meeting thereof by  
11 the affirmative vote of at least five members of the authority.  
12 No vacancy in the membership of the authority shall impair the  
13 right of a quorum of the members to exercise all the powers and  
14 perform all the duties of the authority.

15       e. Each member of the authority shall execute a bond to be  
16 conditioned upon the faithful performance of the duties of such  
17 member in such form and amount as may be prescribed by the  
18 Comptroller of the Treasury. Such bonds shall be filed in the  
19 office of the Secretary of State. At all times thereafter the  
20 members and treasurer of the authority shall maintain such bonds  
21 in full force and effect. All costs of such bonds shall be borne by  
22 the authority.

23       f. The members of the authority shall serve without  
24 compensation, but the authority shall reimburse its members for  
25 actual expenses necessarily incurred in the discharge of their  
26 duties. Notwithstanding the provisions of any other law, no  
27 officer or employee of the State shall be deemed to have  
28 forfeited or shall forfeit his office or employment or any benefits  
29 or emoluments thereof by reason of his acceptance of the office  
30 of ex officio member of the authority or his services therein.

31       g. Each ex officio member of the authority may designate an  
32 officer or employee of his department to represent him at  
33 meetings of the authority, and each such designee may lawfully  
34 vote and otherwise act on behalf of the member for whom he  
35 constitutes the designee. Any such designation shall be in writing  
36 delivered to the authority and shall continue in effect until  
37 revoked or amended by writing delivered to the authority.

38       h. The authority may be dissolved by act of the Legislature on  
39 condition that the authority has no debts or obligations  
40 outstanding or that provision has been made for the payment or  
41 retirement of such debts or obligations. Upon any such  
42 dissolution of the authority, all property, funds and assets thereof  
43 shall be vested in the State.

44       i. A true copy of the minutes of every meeting of the  
45 authority shall be forthwith delivered by and under the  
46 certification of the secretary thereof to the Governor. No action  
47 taken at such meeting by the authority shall have force or effect  
48 until 10 days, Saturdays, Sundays, and public holidays excepted,  
49 after such copy of the minutes shall have been so delivered unless  
50 during such 10-day period the Governor shall approve the same in  
51 which case such action shall become effective upon such  
52 approval. If, in said 10-day period, the Governor returns such  
53 copy of the minutes with veto of any action taken by the  
54 authority or any member thereof at such meeting, such action

1 shall be null and void and of no effect. The powers conferred in  
2 this subsection i. upon the Governor shall be exercised with due  
3 regard for the rights of the holders of bonds and notes of the  
4 authority at any time outstanding, and nothing in, or done  
5 pursuant to, this subsection i shall in any way limit, restrict or  
6 alter the obligation or powers of the authority or any  
7 representative or officer of the authority to carry out and  
8 perform in every detail each and every covenant, agreement or  
9 contract at any time made or entered into by or on behalf of the  
10 authority with respect to its bonds or notes or for the benefit,  
11 protection or security of the holders thereof.

12 j. On or before March 31 in each year, the authority shall  
13 make an annual report of its activities for the preceding calendar  
14 year to the Governor and the Legislature. Each such report shall  
15 set forth a complete operating and financial statement covering  
16 the authority's operations during the year. The authority shall  
17 cause an audit of its books and accounts to be made at least once  
18 in each year by certified public accountants and cause a copy  
19 thereof to be filed with the Secretary of State and the  
20 Comptroller of the Treasury.

21 k. The Comptroller of the Treasury and his legally authorized  
22 representatives are hereby authorized and empowered from time  
23 to time to examine the accounts, books and records of the  
24 authority including its receipts, disbursements, contracts, sinking  
25 funds, investments and any other matters relating thereto and to  
26 its financial standing.

27 l. No member, officer, employee or agent of the authority  
28 shall be interested, either directly or indirectly, in any project or  
29 in any contract, sale, purchase, lease or transfer of real or  
30 personal property to which the authority is a party.

31 (cf: P.L.1981, c.122, s.13)]<sup>1</sup>

32 <sup>2</sup>[10. (New section) At any time prior to the issuance and  
33 sale of "Economic Recovery Fund Bonds or Notes," authorized to  
34 be issued under this act, the State Treasurer is authorized to  
35 transfer from available money in any fund of the treasury of the  
36 State to the credit of the "Economic Recovery Fund," such sums  
37 as may be deemed necessary for the applicable purposes of this  
38 act by the authority. The sums so transferred shall be returned  
39 to the same fund of the treasury by the State Treasurer out of  
40 the proceeds of the sale of the first issue of those bonds. The  
41 first issue of bonds authorized by this act shall be in sufficient  
42 amount to pay or to provide for the payment of the full amount  
43 of any money transferred to the "Economic Recovery Fund"  
44 pursuant to this section.]<sup>1</sup><sup>2</sup>

45 <sup>2</sup>[11.] 10.<sup>2</sup> (New section) a. The following words or terms as  
46 used in this section shall have the following meaning unless a  
47 different meaning clearly appears from the context:

48 "Small business enterprise" shall mean a business which has its  
49 principal place of business in this State, is independently owned  
50 and operated and meets all other qualifications as may be  
51 established in accordance with P.L.1987, c.55 (C.52:27H-21.7 et  
52 seq.).

53 "Special assistance small business enterprise" means (1) a small  
54 business enterprise having its principal place of business in a

1 municipality in this State in which an urban enterprise zone has  
2 been established pursuant to the "New Jersey Urban Enterprise  
3 Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.), or (2) a small  
4 business enterprise having at least 50% of its employees who are  
5 economically disadvantaged individuals.

6 "Economically disadvantaged individual" means a person who  
7 (1) resides in a municipality in this State in which an urban  
8 enterprise zone has been established, or (2) has been unemployed  
9 or the recipient of public assistance benefits for a period of at  
10 least one year immediately prior to accepting employment with a  
11 special assistance small business enterprise.

12 b. The authority may, by resolution, establish a special  
13 assistance small business enterprise program for projects to be  
14 funded from the accounts established by section 4 of this act.<sup>1</sup>

15 <sup>2</sup>[112.] 11.<sup>2</sup> Section 3 of P.L.1974, c.80 (C.34:1B-3) is amended  
16 to read as follows:

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

19 a. "Authority" means the New Jersey Economic Development  
20 Authority, created by section 4 of this act.

21 b. "Bonds" means bonds or other obligations issued by the  
22 Authority pursuant to this act or "Economic Recovery Bonds or  
23 Notes," issued pursuant to P.L. , c. (C. )(now before the  
24 Legislature as this bill).

25 c. "Cost" means the cost of the acquisition, construction,  
26 reconstruction, repair, alteration, improvement and extension of  
27 any building, structure, facility including water transmission  
28 facilities, or other improvement; the cost of machinery and  
29 equipment; the cost of acquisition, construction, reconstruction,  
30 repair, alteration, improvement and extension of energy saving  
31 improvements or pollution control devices, equipment or  
32 facilities; the cost of lands, rights-in-lands, easements,  
33 privileges, agreements, franchises, utility extensions, disposal  
34 facilities, access roads and site development deemed by the  
35 authority to be necessary or useful and convenient for any project  
36 or in connection therewith; discount on bonds; cost of issuance of  
37 bonds; engineering and inspection costs; costs of financial, legal,  
38 professional and other estimates and advice; organization,  
39 administrative, insurance, operating and other expenses of the  
40 authority or any person prior to and during any acquisition or  
41 construction, and all such expenses as may be necessary or  
42 incident to the financing, acquisition, construction or completion  
43 of any project or part thereof, and also such provision for  
44 reserves for payment or security of principal of or interest on  
45 bonds during or after such acquisition or construction as the  
46 authority may determine.

47 d. "County" means any county of any class.

48 e. "Development property" means any real or personal  
49 property, interest therein, improvements thereon, appurtenances  
50 thereto and air or other rights in connection therewith, including  
51 land, buildings, plants, structures, systems, works, machinery and  
52 equipment acquired or to be acquired by purchase, gift or  
53 otherwise by the authority within an urban growth zone.

54 f. "Person" means any person, including individuals, firms,

1 partnerships, associations, societies, trusts, public or private  
2 corporations, or other legal entities, including public or  
3 governmental bodies, as well as natural persons. "Person" shall  
4 include the plural as well as the singular.

5 g. "Pollution control project" means any device, equipment,  
6 improvement, structure or facility, or any land and any  
7 building, structure, facility or other improvement thereon, or any  
8 combination thereof, whether or not in existence or under  
9 construction, or the refinancing thereof in order to facilitate  
10 improvements or additions thereto or upgrading thereof, and all  
11 real and personal property deemed necessary thereto, having to  
12 do with or the end purpose of which is the control, abatement or  
13 prevention of land, sewer, water, air, noise or general  
14 environmental pollution, including, but not limited to, any air  
15 pollution control facility, noise abatement facility, water  
16 management facility, thermal pollution control facility, radiation  
17 contamination control facility, wastewater collection system,  
18 wastewater treatment works, sewage treatment works system,  
19 sewage treatment system or solid waste disposal facility or site;  
20 provided that the authority shall have received from the  
21 Commissioner of the State Department of Environmental  
22 Protection or his duly authorized representative a certificate  
23 stating the opinion that, based upon information, facts and  
24 circumstances available to the State Department of  
25 Environmental Protection and any other pertinent data, (1) said  
26 pollution control facilities do not conflict with, overlap or  
27 duplicate any other planned or existing pollution control facilities  
28 undertaken or planned by another public agency or authority  
29 within any political subdivision, and (2) that such facilities, as  
30 designed, will be a pollution control project as defined in this act  
31 and are in furtherance of the purpose of abating or controlling  
32 pollution.

33 h. "Project" means: (1)(a) acquisition, construction,  
34 reconstruction, repair, alteration, improvement and extension of  
35 any building, structure, facility, including water transmission  
36 facilities or other improvement, whether or not in existence or  
37 under construction, (b) purchase and installation of equipment and  
38 machinery, (c) acquisition and improvement of real estate and the  
39 extension or provision of utilities, access roads and other  
40 appurtenant facilities; and (2)(a) the acquisition, financing, or  
41 refinancing of inventory, raw materials, supplies, work in process,  
42 or stock in trade, or (b) the financing, refinancing or  
43 consolidation of secured or unsecured debt, borrowings, or  
44 obligations, or (c) the provision of financing for any other expense  
45 incurred in the ordinary course of business; all of which are to be  
46 used or occupied by any person in any enterprise promoting  
47 employment, either for the manufacturing, processing or  
48 assembly of materials or products, or for research or office  
49 purposes, including, but not limited to, medical and other  
50 professional facilities, or for industrial, recreational, hotel or  
51 motel facilities, public utility and warehousing, or for  
52 commercial and service purposes, including, but not limited to,  
53 retail outlets, retail shopping centers, restaurant and retail food  
54 outlets, and any and all other employment promoting enterprises,

1 including, but not limited to, motion picture and television  
2 studios and facilities and commercial fishing facilities,  
3 commercial facilities for recreational fishermen, fishing vessels,  
4 aquaculture facilities and marketing facilities for fish and fish  
5 products and (d) acquisition of an equity interest in, including  
6 capital stock of, any corporation; or any combination of the  
7 above, which the authority determines will: (i) tend to maintain  
8 or provide gainful employment opportunities within and for the  
9 people of the State, or (ii) aid, assist and encourage the economic  
10 development or redevelopment of any political subdivision of the  
11 State, or (iii) maintain or increase the tax base of the State or of  
12 any political subdivision of the State, or (iv) maintain or diversify  
13 and expand employment promoting enterprises within the State;  
14 and (3) the cost of acquisition, construction, reconstruction,  
15 repair, alteration, improvement and extension of an energy saving  
16 improvement or pollution control project which the authority  
17 determines will tend to reduce the consumption in a building  
18 devoted to industrial or commercial purposes, or in an office  
19 building, of nonrenewable sources of energy or to reduce, abate  
20 or prevent environmental pollution within the State ; and (4) the  
21 acquisition, construction, reconstruction, repair, alteration,  
22 improvement, extension, development, financing or refinancing of  
23 infrastructure and transportation facilities or improvements  
24 related to economic development and of cultural, recreational  
25 and tourism facilities or improvements related to economic  
26 development<sup>2</sup> and of capital facilities for primary and secondary  
27 schools<sup>2</sup> and of mixed use projects consisting of housing and  
28 commercial development<sup>3</sup>. Project may also include: (i)  
29 reimbursement to any person for costs in connection with any  
30 project, or the refinancing of any project or portion thereof, if  
31 determined by the authority as necessary and in the public  
32 interest to maintain employment and the tax base of any political  
33 subdivision and will facilitate improvements thereto or the  
34 completion thereof, and (ii) development property and any  
35 construction, reconstruction, improvement, alteration, equipment  
36 or maintenance or repair, or planning and designing in connection  
37 therewith.

38 i. "Revenues" means receipts, fees, rentals or other payments  
39 to be received on account of lease, mortgage, conditional sale, or  
40 sale, and payments and any other income derived from the lease,  
41 sale or other disposition of a project, moneys in such reserve and  
42 insurance funds or accounts or other funds and accounts, and  
43 income from the investment thereof, established in connection  
44 with the issuance of bonds or notes for a project or projects, and  
45 fees, charges or other moneys to be received by the authority in  
46 respect of projects and contracts with persons.

47 j. "Resolution" means any resolution adopted or trust  
48 agreement executed by the authority, pursuant to which bonds of  
49 the authority are authorized to be issued.

50 k. "Energy saving improvement" means the construction,  
51 purchase and installation in a building devoted to industrial or  
52 commercial purposes of any of the following, designed to reduce  
53 the amount of energy from nonrenewable sources needed for  
54 heating and cooling that building: insulation, replacement

1 burners, replacement high efficiency heating and air conditioning  
2 units, including modular boilers and furnaces, water heaters,  
3 central air conditioners with or without heat recovery to make  
4 hot water for industrial or commercial purposes or in office  
5 buildings, and any solar heating or cooling system improvement,  
6 including any system which captures solar radiation to heat a  
7 fluid which passes over or through the collector element of that  
8 system and then transfers that fluid to a point within the system  
9 where the heat is withdrawn from the fluid for direct usage or  
10 storage. These systems shall include, but not necessarily be  
11 limited to, systems incorporating flat plate, evacuated tube or  
12 focusing solar collectors.

13 The foregoing list shall not be construed to be exhaustive, and  
14 shall not serve to exclude other improvements consistent with the  
15 legislative intent of this amendatory act.

16 l. "Urban growth zone" means any area within a municipality  
17 receiving State aid pursuant to the provisions of P.L.<sup>2</sup>[1971,  
18 c.64]<sup>1</sup>, 1978, c.14 (C.52:27D-178 et seq.)<sup>2</sup> or a municipality  
19 certified by the Commissioner of Community Affairs to qualify  
20 under such law in every respect except population, which area has  
21 been so designated pursuant to an ordinance of the governing  
22 body of such municipality.<sup>1</sup>

23 (cf: P.L.1983, c.282, s.2)

24 <sup>2</sup>[113.] 12.<sup>2</sup> Section 4 of P.L.1974, c.80 (C.34:1B-4) is amended  
25 to read as follows:

26 4. a. There is hereby established in, but not of, the  
27 Department of Commerce and Economic Development a public  
28 body corporate and politic, with corporate succession, to be  
29 known as the "New Jersey Economic Development Authority."  
30 The authority is hereby constituted as an instrumentality of the  
31 State exercising public and essential governmental functions, and  
32 the exercise by the authority of the powers conferred by this act  
33 shall be deemed and held to be an essential governmental  
34 function of the State.

35 b. The authority shall consist of the Commissioner of  
36 Commerce and Economic Development, the Commissioner of  
37 Labor, [the Commissioner of Environmental Protection, the  
38 Commissioner of Community Affairs,] and the State Treasurer,  
39 who shall be members ex officio, and six public members  
40 appointed by the Governor with the advice and consent of the  
41 Senate, of which one public member (who shall not be a  
42 legislator) shall be appointed by the Governor upon  
43 recommendation of the Senate President and one public member  
44 (who shall not be a legislator) shall be appointed by the Governor  
45 upon recommendation of the Speaker of the General Assembly,  
46 all for terms of three years. [Of the members first appointed  
47 pursuant to this 1991 amendatory act, one shall serve for a term  
48 of one year and one for a term of two years.] The first two  
49 public member positions on the authority that are or become  
50 vacant on or after the effective date of P.L. , c. (C. )(now  
51 before the Legislature as this bill) shall be filled by appointment  
52 of the Governor upon the recommendation of the Senate  
53 President and the Speaker of the General Assembly,  
54 respectively. Each member shall hold office for the term of his

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

11 The Governor shall appoint with the advice and consent of the  
12 Senate, three alternate members of the authority, of which one  
13 alternate member (who shall not be legislator) shall be appointed  
14 by the Governor upon the recommendation of the Senate  
15 President, and one alternate member (who shall not be a  
16 legislator) shall be appointed by the Governor upon the  
17 recommendation of the Speaker of the General Assembly, all for  
18 terms of three years. [At the time of appointment, the Governor  
19 shall designate a first alternate, second alternate and third  
20 alternate. In the event that a member of the authority, other  
21 than an ex officio member, is unable to attend all or any portion  
22 of a meeting of the authority, or is for any reason unable to  
23 perform the duties and responsibilities of a member of the  
24 authority for a temporary period, the] The first two alternate  
25 member positions on the authority that are or become vacant on  
26 or after the effective date of P.L. , c. (C. )(now before the  
27 Legislature as this bill) shall be filled by appointment of the  
28 Governor upon the recommendation of the Senate President and  
29 the Speaker of the General Assembly, respectively. The  
30 chairperson may authorize an alternate member, in order of  
31 [designation] appointment, to exercise all of the powers, duties  
32 and responsibilities of such member, including, but not limited to,  
33 the right to vote on matters before the authority.

34 Each alternate member shall hold office for the term of his  
35 appointment and until his successor shall have been appointed and  
36 qualified. An alternate member shall be eligible for  
37 reappointment. Any vacancy in the alternate membership  
38 occurring other than by expiration of term shall be filled in the  
39 same manner as the original appointment but for the unexpired  
40 term only. Any reference to a member of the authority in this  
41 act shall be deemed to include alternate members unless the  
42 context indicates otherwise.

43 c. Each [appointed] member appointed by the Governor may be  
44 removed from office by the Governor, for cause, after a public  
45 hearing, and may be suspended by the Governor pending the  
46 completion of such hearing. Each member before entering upon  
47 his duties shall take and subscribe an oath to perform the duties  
48 of his office faithfully, impartially and justly to the best of his  
49 ability. A record of such oaths shall be filed in the office of the  
50 Secretary of State.

51 d. The Commissioner of Commerce and Economic  
52 Development may, at his discretion, serve as the chairperson of  
53 the authority or may appoint one of the six public members of the  
54 authority as chairperson. Any such designation or appointment

1 shall be made in writing and shall be delivered to the authority  
2 and to the Governor and shall continue in effect until revoked or  
3 amended by a writing delivered to the authority and the  
4 Governor. The members of the authority shall elect from their  
5 remaining number a vice chairperson and a treasurer thereof.  
6 The authority shall employ an executive director who shall be its  
7 secretary and chief executive officer. The powers of the  
8 authority shall be vested in the members thereof in office from  
9 time to time and five members of the authority shall constitute a  
10 quorum at any meeting thereof. Action may be taken and  
11 motions and resolutions adopted by the authority at any meeting  
12 thereof by the affirmative vote of at least six members of the  
13 authority. No vacancy in the membership of the authority shall  
14 impair the right of a quorum of the members to exercise all the  
15 powers and perform all the duties of the authority.

16 e. Each member of the authority shall execute a bond to be  
17 conditioned upon the faithful performance of the duties of such  
18 member in such form and amount as may be prescribed by the  
19 Comptroller of the Treasury. Such bonds shall be filed in the  
20 office of the Secretary of State. At all times thereafter the  
21 members and treasurer of the authority shall maintain such bonds  
22 in full force and effect. All costs of such bonds shall be borne by  
23 the authority.

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

32 g. Each ex officio member of the authority may designate an  
33 officer or employee of his department to represent him at  
34 meetings of the authority, and each such designee may lawfully  
35 vote and otherwise act on behalf of the member for whom he  
36 constitutes the designee. Any such designation shall be in writing  
37 delivered to the authority and shall continue in effect until  
38 revoked or amended by writing delivered to the authority.

39 h. The authority may be dissolved by act of the Legislature on  
40 condition that the authority has no debts or obligations  
41 outstanding or that provision has been made for the payment or  
42 retirement of such debts or obligations. Upon any such  
43 dissolution of the authority, all property, funds and assets thereof  
44 shall be vested in the State.

45 i. A true copy of the minutes of every meeting of the  
46 authority shall be forthwith delivered by and under the  
47 certification of the secretary thereof to the Governor. No action  
48 taken at such meeting by the authority shall have force or effect  
49 until 10 days, Saturdays, Sundays, and public holidays excepted,  
50 after such copy of the minutes shall have been so delivered unless  
51 during such 10-day period the Governor shall approve the same in  
52 which case such action shall become effective upon such  
53 approval. If, in said 10-day period, the Governor returns such  
54 copy of the minutes with veto of any action taken by the



1 authority or any member thereof at such meeting, such action  
2 shall be null and void and of no effect. The powers conferred in  
3 this subsection i. upon the Governor shall be exercised with due  
4 regard for the rights of the holders of bonds and notes of the  
5 authority at any time outstanding, and nothing in, or done  
6 pursuant to, this subsection i. shall in any way limit, restrict or  
7 alter the obligation or powers of the authority or any  
8 representative or officer of the authority to carry out and  
9 perform in every detail each and every covenant, agreement or  
10 contract at any time made or entered into by or on behalf of the  
11 authority with respect to its bonds or notes or for the benefit,  
12 protection or security of the holders thereof.

13 j. On or before March 31 in each year, the authority shall  
14 make an annual report of its activities for the preceding calendar  
15 year to the Governor and the Legislature. Each such report shall  
16 set forth a complete operating and financial statement covering  
17 the authority's operations during the year. The authority shall  
18 cause an audit of its books and accounts to be made at least once  
19 in each year by certified public accountants and cause a copy  
20 thereof to be filed with the Secretary of State and the  
21 Comptroller of the Treasury.

22 k. The Comptroller of the Treasury and his legally authorized  
23 representatives are hereby authorized and empowered from time  
24 to time to examine the accounts, books and records of the  
25 authority including its receipts, disbursements, contracts, sinking  
26 funds, investments and any other matters relating thereto and to  
27 its financial standing.

28 l. No member, officer, employee or agent of the authority  
29 shall be interested, either directly or indirectly, in any project or  
30 in any contract, sale, purchase, lease or transfer of real or  
31 personal property to which the authority is a party.<sup>1</sup>

32 (cf: P.L.1991, c.392, s.1)

33 <sup>1</sup>[11.] <sup>2</sup>[14.1] <sup>13.2</sup> There is appropriated, from the General  
34 Fund to the Economic Recovery Fund, the sum of  
35 <sup>3</sup>[\$7,015,769.38] <sup>\$7,015,769</sup><sup>3</sup>.

36 <sup>1</sup>[12.] <sup>2</sup>[15.1] <sup>14.2</sup> This act shall take effect immediately.

37

38

39

40

41 The "Economic Recovery Fund Act", and appropriates \$7,015,769  
42 to the Economic Recovery Fund.

1 j. On or before March 31 in each year, the authority shall  
2 make an annual report of its activities for the preceding calendar  
3 year to the Governor and the Legislature. Each such report shall  
4 set forth a complete operating and financial statement covering  
5 the authority's operations during the year. The authority shall  
6 cause an audit of its books and accounts to be made at least once  
7 in each year by certified public accountants and cause a copy  
8 thereof to be filed with the Secretary of State and the  
9 Comptroller of the Treasury.

10 k. The Comptroller of the Treasury and his legally authorized  
11 representatives are hereby authorized and empowered from time  
12 to time to examine the accounts, books and records of the  
13 authority including its receipts, disbursements, contracts, sinking  
14 funds, investments and any other matters relating thereto and to  
15 its financial standing.

16 l. No member, officer, employee or agent of the authority  
17 shall be interested, either directly or indirectly, in any project or  
18 in any contract, sale, purchase, lease or transfer of real or  
19 personal property to which the authority is a party.

20 (cf: P.L.1981, c.122, s.13)

21 11. There is appropriated, from the General Fund to the  
22 Economic Recovery Fund, the sum of \$7,015,769.38.

23 12. This act shall take effect immediately.

24

25

26

#### STATEMENT

27

28 This bill authorizes the establishment of an Economic Recovery  
29 Fund to be maintained and administered by the Economic  
30 Development Authority for the purpose of making direct  
31 investments in economic development projects, establishing new  
32 programs to assist small businesses, and leveraging moneys in the  
33 fund through such mechanisms as public-private partnerships,  
34 grants, guarantees and direct loans. The fund shall also be  
35 utilized for infrastructure and transportation improvements,  
36 including airports, ports and terminal facilities, cultural,  
37 recreational and tourism facilities and improvements, and the  
38 provision of at least \$50 million for capital improvements to  
39 primary and secondary school facilities.

40 The Economic Development Authority will issue bonds backed  
41 by the fund, which will be capitalized through payments by the  
42 State Treasurer to the fund of amounts equivalent to thirty  
43 annual payments due to the State from the Port Authority of New  
44 York and New Jersey under a 1990 agreement. All such payments  
45 by the State Treasurer are subject to appropriations by the  
46 Legislature. As an income stream for use primarily for the  
47 backing of bonds and notes, the present value of these payments  
48 would total an estimated \$200 million for the 30-year life of the  
49 agreement. The bill authorizes the State Treasurer and the  
50 Economic Development Authority to enter into contracts to  
51 implement the capitalization of the fund. The bill expressly  
52 requires that an amount not less than \$50,000,000, from the  
53 proceeds of the sale of Economic Recovery Bonds or Notes, be  
54 deposited into an account to finance capital facilities of primary

1 and secondary schools pursuant to S-514 of 1992 and A-12 of  
2 1992.

3 The bill requires the authority to develop a priority system for  
4 projects to be funded from the Economic Recovery Fund,  
5 including ranking criteria and funding policies for the projects.

6 The bill amends section 4 of P.L.1974, c.80 (C.34:1B-4) to  
7 authorize appointment of four public members of the authority by  
8 the Governor without the advice and consent of the Senate and to  
9 provide for two additional public member appointments to the  
10 authority with one member each being appointed by the President  
11 of the Senate and the Speaker of the General Assembly. The bill  
12 further amends section 4 of P.L.1974, c.80 (C.34:1B-4) to remove  
13 the Commissioner of Environmental Protection and the  
14 Commissioner of Community Affairs as ex officio members of  
15 the authority. In addition, the bill requires that appointments of  
16 the three alternate members be made by the Governor, Senate  
17 President and Speaker of the General Assembly, respectively.

18 The bill also appropriates \$7,015,769 to the fund. This sum  
19 represents the amount of the first semi-annual payment due to  
20 the State, in March, 1992, under the terms of the agreement with  
21 the Port Authority. Under the agreement, the State is to receive  
22 payments in March and October for thirty years, the amounts to  
23 be staggered upward at certain points during that time.

24

25

26

27

28 The "Economic Recovery Fund Act."

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[THIRD REPRINT]

**SENATE, No. 2**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 18, 1992

The Assembly Appropriations Committee reports favorably Senate Bill No. 2(3R), with committee amendments.

Senate Bill No. 2 (3R), as amended, authorizes the establishment of an Economic Recovery Fund to be maintained and administered by the New Jersey Economic Development Authority (EDA) for the purpose of making direct investments in economic development projects, establishing new programs to assist small businesses, and leveraging moneys in the fund through such mechanisms as public-private partnerships, grants, guarantees and direct loans. The Economic Recovery Fund will enable the EDA to finance projects in all the State's municipalities; the prioritization system utilized for current EDA programs will not apply to the use of moneys in the Economic Recovery Fund. The fund would be utilized for infrastructure and transportation improvements, such as airports, ports and terminal facilities; cultural, recreational and tourism facilities and improvements; an environmental cleanup business assistance pilot program; the provision of at least \$45 million for capital improvements to primary and secondary school facilities; and the provision of at least \$15 million for shore restoration projects.

Under the bill, the EDA will issue Economic Recovery Fund Bonds or Notes backed by the fund, which will be capitalized through payments by the State Treasurer to the fund of amounts equivalent to thirty annual payments due to the State from the Port Authority of New York and New Jersey under a 1990 agreement. All such payments by the State Treasurer to the fund are subject to appropriations by the Legislature. The bill authorizes the State Treasurer and the EDA to enter into contracts to implement the capitalization of the fund.

The bill provides that financing from the fund under the economic development infrastructure program account and the account for cultural, recreational and tourism facilities and improvements must be submitted to the Legislature for approval at least 45 days prior to the closing of any transaction. If the Legislature takes no action within that period, the transaction would be deemed to be approved. In addition, the Legislature must be given 30 days notice of any financing from the fund under its economic growth account for business programs and the environmental cleanup business assistance pilot program account. EDA is to submit an initial report six months after the effective date of the act and annual reports thereafter not later than

September 15 describing each project funded by such loans, guarantees, grants and other forms of financing from the economic recovery fund.

The bill requires that at least \$45 million, from the proceeds of the sale of Economic Recovery Bonds or Notes, be deposited into an account to finance capital facilities of primary and secondary schools pursuant to criteria and an evaluation procedure, and also provides that if funds for school capital construction become available through the adoption of any State bond act or State agency or authority bond resolution authorizing the issuance of bonds for such purposes, the fund will be reimbursed from those sources for any amounts expended or obligated from the fund for school capital construction purposes and that these amounts will be used for any other purpose of this bill. The bill provides for an environmental cleanup business assistance program to assist certain businesses in conducting certain environmental cleanups and authorizes the EDA to establish a special assistance small business enterprise program for projects consisting of small businesses in municipalities with urban enterprise zones or in which 50% of their employees are economically disadvantaged.

The establishment of the Economic Recovery Fund will allow the EDA to expand its efforts to assist minority contractors to obtain performance sureties necessary for them to participate in economic growth projects.

The bill requires that \$15 million from the proceeds of the sale of Economic Recovery Bonds or Notes be deposited into an account to finance shore restoration, maintenance, monitoring, protection and preservation projects pursuant to the shore protection master plan.

The bill also amends section 4 of P.L.1974, c.80 (C.34:1B-4), to revise the membership of the EDA.

Senate Bill No 2 (3R), as amended, is identical to Assembly Bill Nos. 1083/10 (Acs), as amended.

**FISCAL IMPACT:**

The bill appropriates \$7,015,769 to the Economic Recovery Fund.

**COMMITTEE AMENDMENTS:**

The committee amendments clarify the nature of the cultural, recreational and tourism facilities and improvement projects that may be funded by bond proceeds by specifically including fine and performing arts, military and veterans memorial and historic preservation projects the list of permissible projects. The amendments improve the return of economic development information to the Governor and Legislature by requiring an initial report six months after the effective date of the bill, that will also include information concerning projects under consideration, in addition to the annual reports. The amendments also establish an account of \$15 million for shore protection projects. The amendments also make technical changes by including in the bill criteria for the distribution of loan funds to primary and secondary schools that, prior to the technical amendments, were contained in related bills currently pending before the Legislature.

ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

**SENATE, No. 2**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: APRIL 30, 1992

The Assembly Financial Institutions Committee favorably reports, with committee amendments, Senate, No. 2 (2R).

Senate Bill No. 2 (2R), with committee amendments, authorizes the establishment of an Economic Recovery Fund to be maintained and administered by the New Jersey Economic Development Authority (EDA) for the purpose of making direct investments in economic development projects, establishing new programs to assist small businesses, and leveraging moneys in the fund through such mechanisms as public-private partnerships, grants, guarantees and direct loans. The Economic Recovery Fund will enable the EDA to finance projects in all the State's municipalities; the prioritization system utilized for current EDA programs will not apply to the use of moneys in the Economic Recovery Fund. The fund would be utilized for infrastructure and transportation improvements, such as airports, ports and terminal facilities; cultural, recreational and tourism facilities and improvements; an environmental cleanup business assistance pilot program; and the provision of at least \$45 million for capital improvements to primary and secondary school facilities.

Under the bill, the EDA will issue Economic Recovery Fund Bonds or Notes backed by the fund, which will be capitalized through payments by the State Treasurer to the fund of amounts equivalent to thirty annual payments due to the State from the Port Authority of New York and New Jersey under a 1990 agreement. All such payments by the State Treasurer to the fund are subject to appropriations by the Legislature. The bill authorizes the State Treasurer and the EDA to enter into contracts to implement the capitalization of the fund.

The bill provides that financing from the fund under the economic development infrastructure program account and the account for cultural, recreational and tourism facilities and improvements must be submitted to the Legislature for approval at least 45 days prior to the closing of any transaction. If the Legislature takes no action within that period, the transaction would be deemed to be approved. In addition, the Legislature must be given 30 days notice of any financing from the fund under its economic growth account for business programs and the environmental cleanup business assistance pilot program account. EDA is to submit an annual report not later than September 15 describing each project funded by such loans, guarantees, grants and other forms of financing from the economic recovery fund.

The bill requires that at least \$45 million, from the proceeds of the sale of Economic Recovery Bonds or Notes, be deposited into an account to finance capital facilities of primary and secondary

schools pursuant to Senate Bill No. 514 of 1992 or Assembly Bill No. 1116 of 1992, and also provides that if funds for school capital construction become available through the adoption of any bond act or bond resolution authorizing the issuance of bonds for such purposes, the fund will be reimbursed from those sources for any amounts expended or obligated from the fund for school capital construction purposes and that these amounts will be used for any other purpose of this bill. The bill also provides for an environmental cleanup business assistance program to assist certain businesses in conducting certain environmental cleanups and authorizes the EDA to establish a special assistance small business enterprise program for projects consisting of small businesses in municipalities with urban enterprise zones or in which 50% of their employees are economically disadvantaged.

The establishment of the Economic Recovery Fund will allow the EDA to expand its efforts to assist minority contractors to obtain performance sureties necessary for them to participate in economic growth projects.

The bill amends section 4 of P.L.1974, c.80 (C.34:1B-4) to remove the Commissioner of Environmental Protection and the Commissioner of Community Affairs as ex officio members of the EDA; provides that the six members of the EDA currently appointed by the Governor, with the advice and consent of the Senate, shall be public members and that one of the public members shall be appointed upon the recommendation of the Senate President and one shall be appointed upon the recommendation of the Speaker of the General Assembly; and provides that of the three alternates currently appointed by the Governor, with the advice and consent of the Senate, one alternate shall be appointed upon the recommendation of the Senate President and one upon the recommendation of the Speaker of the General Assembly.

The bill appropriates \$7,015,769 to the Economic Recovery Fund.

The AFI committee amendments provide that: if funds for school capital construction become available through the adoption of any bond act or bond resolution authorizing the issuance of bonds, the Economic Recovery Fund will be reimbursed from those sources for any funds expended or obligated from the fund for school construction purposes and the amounts so reimbursed or credited are to be used for any other purpose of this act; in determining eligibility for the environmental cleanup business assistance pilot program, the authority is to consider, in consultation with the Department of Environmental Protection, the compliance history of any applicant. In addition, an amendment moves the language from section 9, which refers to specific requirements regarding the annual report, to section 8 which already establishes the requirement for an annual report specifically on the economic recovery fund distributions.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

**SENATE, No. 2**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 30, 1992

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2 [1R].

Senate Bill No. 2 [1R], as amended by the committee, authorizes the establishment of an Economic Recovery Fund to be maintained and administered by the New Jersey Economic Development Authority (EDA) for the purpose of making direct investments in economic development projects, establishing new programs to assist small businesses, and leveraging moneys in the fund through such mechanisms as public-private partnerships, grants, guarantees and direct loans. The fund would be utilized for infrastructure and transportation improvements, such as airports, ports and terminal facilities; cultural, recreational and tourism facilities and improvements; an environmental cleanup business assistance pilot program; and the provision of at least \$45 million for capital improvements to primary and secondary school facilities.

Under the bill, the EDA will issue Economic Recovery Fund Bonds or Notes backed by the fund, which will be capitalized through payments by the State Treasurer to the fund of amounts equivalent to thirty annual payments due to the State from the Port Authority of New York and New Jersey under a 1990 agreement. All such payments by the State Treasurer to the fund are subject to appropriations by the Legislature. The bill authorizes the State Treasurer and the EDA to enter into contracts to implement the capitalization of the fund.

The bill provides that financing from the fund under the economic development infrastructure program account and the account for cultural, recreational and tourism facilities and improvements must be submitted to the Legislature for approval at least 45 days prior to the closing of any transaction. If the Legislature takes no action within that period, the transaction would be deemed to be approved. In addition, the Legislature must be given 30 days notice of any financing from the fund under its economic growth account for business programs and the environmental cleanup business assistance pilot program account. EDA's annual report must include a description of each project funded by such loans, guarantees, grants and other forms of financing.

The bill requires that at least \$45 million, from the proceeds of the sale of Economic Recovery Bonds or Notes, be deposited into an account to finance capital facilities of primary and secondary schools pursuant to Senate Bill No. 514 of 1992 or Assembly Bill No. 12 of 1992. The bill also provides for an environmental



cleanup business assistance program to assist businesses in conducting certain environmental cleanups and authorizes the EDA to establish a special assistance small business enterprise program for projects consisting of small businesses in municipalities with urban enterprise zones or in which 50% of their employees are economically disadvantaged.

The establishment of the Economic Recovery Fund will allow the Economic Development Authority to expand its efforts to assist minority contractors to obtain performance sureties necessary for them to participate in economic growth projects.

The bill amends section 4 of P.L.1974, c.80 (C.34:1B-4) to remove the Commissioner of Environmental Protection and the Commissioner of Community Affairs as ex officio members of the EDA; provide that the six members of the EDA currently appointed by the Governor, with the advice and consent of the Senate, shall be public members and that one of the public members shall be appointed upon the recommendation of the Senate President and one shall be appointed upon the recommendation of the Speaker of the General Assembly; and provide that of the three alternates currently appointed by the Governor, with the advice and consent of the Senate, one alternate shall be appointed upon the recommendation of the Senate President and one upon the recommendation of the Speaker of the General Assembly.

#### COMMITTEE AMENDMENTS

The committee amendments provide that if funds for school capital construction become available through bond authorizations, the Economic Recovery Fund will be reimbursed from those sources for any funds expended or obligated from the fund for school construction purposes.

The amendments delete from the bill a provision that would have authorized the State Treasurer to borrow temporarily monies from the treasury for the fund and to repay the monies from the proceeds of the first issue of Economic Recovery Fund Bonds or Notes. The amendments also provide that businesses against which certain environmental enforcement actions have been taken shall not be eligible for environmental cleanup assistance under this act.

#### FISCAL IMPACT:

The bill appropriates \$7,015,769 to the Economic Recovery Fund. This sum represents the amount of the first semi-annual payment due to the State, in March, 1992, under the terms of the agreement with the Port Authority. Under the agreement, the State is to receive payments in March and October for 30 years, the amounts to be staggered upward at certain points during that time.

It is estimated \$600 million will be paid to the State over 30 years under the agreement. The present value of these payments would total an estimated \$200 million for the 30-year life of the agreement and will serve as the income source for the \$200 million in Economic Recovery Fund Bonds or Notes.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 19, 1992

The Senate Commerce Committee reports favorably and with committee amendments Senate No. 2.

This bill, as amended by the committee, authorizes the establishment of an Economic Recovery Fund to be maintained and administered by the New Jersey Economic Development Authority (EDA) for the purpose of making direct investments in economic development projects, establishing new programs to assist small businesses, and leveraging moneys in the fund through such mechanisms as public-private partnerships, grants, guarantees and direct loans. The fund would also be utilized for infrastructure and transportation improvements, such as airports, ports and terminal facilities; cultural, recreational and tourism facilities and improvements; an environmental cleanup business assistance pilot program; and the provision of at least \$45 million for capital improvements to primary and secondary school facilities.

The EDA must consider the following factors in determining which projects will be financed:

- a. The economic feasibility of the project;
- b. The degree to which the project will advance Statewide and regional strategies and objectives;
- c. The degree to which the project maximizes the leveraging of other sources of funds; and
- d. The degree to which the project promotes economic development, job retention or creation, and the stimulation of private sector investment and expansion.

The Legislature must be given notice of any loan, guarantee, grant or other form of financing from the fund under its economic growth account for business programs at least 30 days prior to the closing of the transaction. However, loans, guarantees, grants and other forms of financing from the fund under its economic development infrastructure program account, account for cultural, recreational and tourism facilities and improvements program and environmental cleanup business assistance pilot program account must be submitted to the Legislature for approval at least 45 days prior to the closing of any transaction. If the Legislature takes no action within that period, the transaction would be deemed to be approved. EDA's annual report must include a description of each project funded by such loans, guarantees, grants and other forms of financing.

The EDA will issue Economic Recovery Fund Bonds or Notes backed by the fund, which will be capitalized through payments by the State Treasurer to the fund of amounts equivalent to thirty

annual payments due to the State from the Port Authority of New York and New Jersey under a 1990 agreement. All such payments by the State Treasurer to the fund are subject to appropriations by the Legislature. As an income stream for use primarily for the backing of the Economic Recovery Fund Bonds or Notes, the present value of these payments would total an estimated \$200 million for the 30-year life of the agreement (an estimated \$600 million will be paid over thirty years under the agreement). The bill authorizes the State Treasurer and the EDA to enter into contracts to implement the capitalization of the fund. The bill also authorizes the State Treasurer to borrow temporarily monies from the treasury for the fund and to repay the monies from the proceeds of the first issue of Economic Recovery Fund Bonds or Notes.

The bill expressly requires that an amount of not less than \$45 million, from the proceeds of the sale of Economic Recovery Bonds or Notes, be deposited into an account to finance capital facilities of primary and secondary schools pursuant to Senate, No. 514 of 1992 and Assembly No. 12 of 1992. The bill also expressly provides for an environmental cleanup business assistance program to assist businesses in conducting certain environmental cleanups. The bill also authorizes the EDA to establish a special assistance small business enterprise program for projects consisting of small businesses in municipalities with urban enterprise zones or in which 50% of their employees are economically disadvantaged.

The bill amends section 4 of P.L.1974, c.80 (C.34:1B-4) to: remove the Commissioner of Environmental Protection and the Commissioner of Community Affairs as *ex officio* members of the EDA; provide that the six members of the EDA currently appointed by the Governor, with the advice and consent of the Senate, shall be public members and that one of the public members shall be appointed upon the recommendation of the Senate President and one shall be appointed upon the recommendation of the Speaker of the General Assembly; and provide that of the three alternates currently appointed by the Governor, with the advice and consent of the Senate, one alternate shall be appointed upon the recommendation of the Senate President and one upon the recommendation of the Speaker of the General Assembly.

The bill appropriates \$7,015,769 to the fund. This sum represents the amount of the first semi-annual payment due to the State, in March, 1992, under the terms of the agreement with the Port Authority. Under the agreement, the State is to receive payments in March and October for thirty years, the amounts to be staggered upward at certain points during that time.

974.901  
661



# OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**  
**Contact:**

JON SHURE  
JO ASTRID GLADING  
609-777-2600

**TRENTON, N.J. 08625**

**Release:** THURSDAY  
MAY 28, 1992

## STATEMENT ON PASSAGE OF ECONOMIC RECOVERY FUND

I am very pleased the Assembly has passed our proposal to create an Economic Recovery Fund. I know the members of the Legislature share my desire to do everything within our power to fight this national recession here in New Jersey. This Economic Recovery Fund will go to work immediately to create jobs, put people back to work, and invest in our state. That is the kind of strong tonic we need to get our economy moving.

#####