

40:37A-108

LEGISLATIVE HISTORY CHECKLIST
Compiled by the NJ State Law Library

(County improvement authorities--
financing)

NJSA: 40:37A-108

LAWS OF: 1994 CHAPTER: 31

BILL NO: A702

SPONSOR(S): Kelly

DATE INTRODUCED: Pre-file

COMMITTEE: ASSEMBLY: Independent Authorities
SENATE: Community Affairs

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: February 17, 1994
SENATE: March 31, 1994

DATE OF APPROVAL: May 12, 1994

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:pp

1 **AN ACT** authorizing county improvement authorities to enter
2 into certain housing finance agreements and amending
3 P.L.1979, c.275.

4

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

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

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

11 (1) Accept from qualified housing sponsors applications for
12 loans;

13 (2) Enter into agreements with qualified housing sponsors for
14 permanent loans and temporary loans or advances in anticipation
15 of such permanent loans for the construction or rehabilitation of
16 housing projects;

17 (3) Make permanent loans and temporary loans or advances in
18 anticipation of such permanent loans to qualified housing sponsors
19 under the provisions of this act;

20 (4) Enter into lease, loan, mortgage, security or any other type
21 of agreements with other agencies or instrumentalities of the
22 State or any political subdivisions of the State for the purpose of
23 providing loans and other financial assistance in order to promote
24 housing projects in any municipality, including, without
25 limitation, agreements to purchase bonds, notes or other debt
26 obligations issued by municipalities and lease, loan, mortgage,
27 security or any other type of agreements to be entered into by
28 municipalities in order to finance a fair share housing obligation
29 pursuant to P.L.1985, c.222 (C.52:27D-301 et al.). The period of
30 usefulness in which such municipal debt obligations or such
31 agreements must mature shall, notwithstanding any provision of
32 law to the contrary, be based on the reasonable life of such
33 housing projects directly or indirectly financed with such
34 municipal debt obligations or such agreements, but in no event
35 shall the period of usefulness be less than the minimum
36 established under the "Fair Housing Act," P.L.1985, c.222
37 (C.52:27D-301 et al.); and

38 (5) Prepare, carry out, acquire, own, lease and operate housing
39 projects and provide for the construction, reconstruction,
40 improvement, alteration or repair of those housing projects, and
41 to lease or rent any dwellings, accommodations, lands, buildings,
42 structures or other facilities comprising a housing project,
43 subject to the limitations of this act.

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 b. No application for a loan for the construction or
2 rehabilitation of a housing project to be located in any
3 municipality shall be processed unless there shall be filed with
4 the secretary of the authority prior to such application a
5 certified copy of a resolution adopted by said municipality
6 reciting that there is a need for low and moderate income housing
7 projects in said municipality.

8 (cf: P.L.1982, c.113, s.15)

9 2. This act shall take effect immediately.

10

11

12

13

14 Expands authorization of county improvement authorities to
15 finance low and moderate income housing.

1 b. No application for a loan for the construction or
2 rehabilitation of a housing project to be located in any
3 municipality shall be processed unless there shall be filed with
4 the secretary of the authority prior to such application a
5 certified copy of a resolution adopted by said municipality
6 reciting that there is a need for low and moderate income housing
7 projects in said municipality.
8 (cf: P.L.1982, c.113, s.15)
9 2. This act shall take effect immediately.

10
11
12
13

STATEMENT

14 This bill would expand the power of county improvement
15 authorities to finance low and moderate income housing
16 production pursuant to the "Fair Housing Act," P.L.1985, c.222
17 (C.52:27D-301 et al.).

18 Specifically, the bill allows improvement authorities to enter
19 into a lease, loan, mortgage, security or any other type of
20 agreement in order to finance housing construction or
21 rehabilitation on the basis of the actual "useful life" of that
22 housing. That standard is currently permitted by Federal tax law
23 and is also used for other non-housing related financing done by
24 improvement authorities.

25
26
27

28
29 Expands authorization of county improvement authorities to
30 finance low and moderate income housing.

ASSEMBLY INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 702

STATE OF NEW JERSEY

DATED: JANUARY 24, 1994

The Assembly Independent Authorities Committee reports favorably Assembly Bill No. 702.

This bill would expand the power of county improvement authorities to finance low and moderate income housing production pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.).

Specifically, the bill allows improvement authorities to enter into a lease, loan, mortgage, security or any other type of agreement in order to finance housing construction or rehabilitation on the basis of the actual "useful life" of that housing. That standard is currently permitted by Federal tax law and is also used for other non-housing related financing done by improvement authorities.

The provisions of P.L.1960, c.183 (C.40:37A-44 et seq.) do not currently allow county improvement authorities this discretion.

Technical review was performed on this pre-filed bill, as required under Joint Rule 18A of the Senate and General Assembly.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 702

STATE OF NEW JERSEY

DATED: MARCH 10, 1994

The Senate Community Affairs Committee reports favorably Assembly Bill No. 702.

This bill would authorize county improvement authorities to enter into leases, loans, mortgages, security agreements and any other type of agreement with other State agencies, instrumentalities and subdivisions for the purpose of providing loans and other financial assistance in order to promote housing projects. The bill specifically authorizes county improvement authorities to enter into agreements to purchase bonds, notes, and other debt obligations issued by municipalities and lease, loan, mortgage, security and any other type of agreements entered into by municipalities in order to finance a fair share housing obligation pursuant to the "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.). Further, the bill states that the period of usefulness within which municipal debt obligations and other agreements set forth above must mature is to be based on the reasonable life of the housing projects directly or indirectly financed with the municipal debt obligations or agreements, but in no event shall the period of usefulness be less than the minimum established under the "Fair Housing Act.

Assembly Bill No. 702 is identical to Senate Bill No. 502 which was also favorably reported by the Senate Community Affairs Committee on March 10, 1994.