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IS 4/14/08

P.L. 2007, CHAPTER 108, *approved June 28, 2007*  
Senate, No. 2618 (*First Reprint*)

1 AN ACT establishing a special fund for the proceeds from the sale  
2 of 'certain' State-owned real property, and supplementing  
3 chapter '~~27B~~ 31' of Title 52 of the Revised Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. a. There is established in the Department of the Treasury a  
9 special, non-lapsing fund into which shall be deposited the proceeds  
10 of the sale of '~~all~~ any surplus' State-owned real property 'which  
11 has been approved for sale or conveyance by the State House  
12 Commission pursuant to section 4 of P.L.1997, c.135 (C.52:31-  
13 1.3a)' after the effective date of P.L. , c. (pending before the  
14 Legislature as this bill), unless another disposition of such proceeds  
15 is specified by statute. The monies in the fund are dedicated and  
16 shall be used only to carry out the purposes described in subsection  
17 b. of this section. The fund shall be credited with all interest  
18 received from the investment of monies in the fund, and any monies  
19 which, from time to time, may otherwise become available for the  
20 purposes of the fund. Pending the use thereof pursuant to the  
21 provisions of subsection b. of this section, the monies deposited in  
22 the fund shall be held in interest-bearing accounts in public  
23 depositories, as defined pursuant to section 1 of P.L.1970, c.236  
24 (C.17:9-41), and may be invested or reinvested in such securities as  
25 are approved by the State Treasurer.

26 b. Monies deposited in the fund '~~shall not be used for any~~  
27 purpose for at least 10 years after the date such funds are deposited  
28 into the fund. When an amount of money from the fund is eligible  
29 for use, it]' shall be used only for the relief of State debt or to assist  
30 in funding capital improvement projects undertaken by the State.  
31 The allocation of such money from the fund shall be made upon the  
32 recommendation of the Governor for the annual appropriations act,  
33 together with '~~a certification that the amount of money requested~~  
34 is the amount eligible for use, and]' a detailed description of the  
35 purpose for which the monies will be used. The money shall be  
36 expended only upon appropriation in the annual appropriations act  
37 and only for the specified purposes.

38  
39 2. This act shall take effect immediately.

**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 SSG committee amendments adopted May 14, 2007.

**S2618 [1R]**

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Establishes special fund for proceeds from sale of certain State-

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owned real property; restricts use for State debt reduction and

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capital projects.

# SENATE, No. 2618

## STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED MARCH 15, 2007

**Sponsored by:**  
**Senator JOSEPH CONIGLIO**  
**District 38 (Bergen)**

### **SYNOPSIS**

Establishes special fund for proceeds from sale of State-owned real property; restricts use for at least 10 years and for only State debt reduction and capital projects.

### **CURRENT VERSION OF TEXT**

As introduced.



S2618 CONIGLIO

2

1 AN ACT establishing a special fund for the proceeds from the sale  
2 of State-owned real property, and supplementing chapter 27B of  
3 Title 52 of the Revised Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. a. There is established in the Department of the Treasury a  
9 special, non-lapsing fund into which shall be deposited the proceeds  
10 of the sale of all State-owned real property after the effective date  
11 of P.L. , c. (pending before the Legislature as this bill), unless  
12 another disposition of such proceeds is specified by statute. The  
13 monies in the fund are dedicated and shall be used only to carry out  
14 the purposes described in subsection b. of this section. The fund  
15 shall be credited with all interest received from the investment of  
16 monies in the fund, and any monies which, from time to time, may  
17 otherwise become available for the purposes of the fund. Pending  
18 the use thereof pursuant to the provisions of subsection b. of this  
19 section, the monies deposited in the fund shall be held in interest-  
20 bearing accounts in public depositories, as defined pursuant to  
21 section 1 of P.L.1970, c.236 (C.17:9-41), and may be invested or  
22 reinvested in such securities as are approved by the State Treasurer.

23 b. Monies deposited in the fund shall not be used for any  
24 purpose for at least 10 years after the date such funds are deposited  
25 into the fund. When an amount of money from the fund is eligible  
26 for use, it shall be used only for the relief of State debt or to assist  
27 in funding capital improvement projects undertaken by the State.  
28 The allocation of such money from the fund shall be made upon the  
29 recommendation of the Governor for the annual appropriations act,  
30 together with a certification that the amount of money requested is  
31 the amount eligible for use, and a detailed description of the  
32 purpose for which the monies will be used. The money shall be  
33 expended only upon appropriation in the annual appropriations act  
34 and only for the specified purposes.

35  
36 2. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill establishes in the Department of the Treasury a special,  
42 non-lapsing fund into which will be deposited the proceeds of the  
43 sale of all State-owned real property after the bill's effective date.  
44 The monies in the fund are dedicated and can only be used in  
45 certain specific ways. The fund is to be credited with all interest  
46 received from the investment of monies in the fund, and any monies  
47 which, from time to time, may otherwise become available for the  
48 purposes of the fund.

**S2618 CONIGLIO**

1       The bill provides that monies deposited in the fund cannot be  
2 used for at least 10 years after the date of deposit into the fund.  
3 When money from the fund is eligible for use, it may be used only  
4 for the relief of State debt or to assist in funding capital  
5 improvement projects undertaken by the State. The allocation of  
6 such money must be made upon the recommendation of the  
7 Governor for the annual appropriations act, together with a  
8 certification that the amount of money requested is the amount  
9 eligible for use, and a detailed description of the purpose for which  
10 the funds will be used. The money must be expended only upon  
11 appropriation in the annual appropriations act and only for the  
12 specified purposes.

# SENATE STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### **SENATE, No. 2618**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MAY 14, 2007

The Senate State Government Committee reports favorably and with committee amendments Senate, No. 2618.

This bill establishes in the Department of the Treasury a special, non-lapsing fund into which will be deposited the proceeds of the sale of any State-owned surplus real property after the bill's effective date. The monies in the fund are dedicated and can only be used in certain specific ways. The fund is to be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund.

The bill provides that monies deposited in the fund shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money must be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the funds will be used. The money must be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

#### COMMITTEE AMENDMENTS

The committee amended the bill to provide that the bill will apply only to the sale or conveyance of surplus real property by the State approved by the State House Commission after the bill's effective date and to eliminate the 10 year restriction on the use of monies in the fund.



# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 2618**

# **STATE OF NEW JERSEY**

DATED: JUNE 18, 2007

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2618 (1R).

Senate Bill No. 2618 (1R) establishes in the Department of the Treasury a special, non-lapsing fund into which will be deposited the proceeds of the sale of any State-owned surplus real property approved by the State House Commission after the bill's effective date. The monies in the fund are dedicated and can only be used in certain specific ways. The fund is to be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund.

The bill provides that monies deposited in the fund shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money must be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the funds will be used. The money must be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

### FISCAL IMPACT:

This bill restricts the use of certain future State revenues to either debt retirement or capital improvements. The bill will thus not directly affect the level of State revenues or State appropriations in total or on an annual basis.

The amount of revenue to be realized by the State in future fiscal years from surplus property sales authorized by the State House Commission cannot be predicted. Recently such sales resulted in \$1,000,000 in revenue from the sale of a former State Police barracks and \$6,000,000 from the sale of the former site of the North Princeton Developmental Center. If this bill had been in effect at the time of those sales, those revenues would have been confined to funding either debt retirement or capital improvements.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

**SENATE, No. 2618**

## **STATE OF NEW JERSEY 212th LEGISLATURE**

DATED: JUNE 26, 2007

### SUMMARY

- Synopsis:** Establishes special fund for proceeds from sale of certain State-owned real property; restricts use for State debt reduction and capital projects.
- Type of Impact:** Dedication of certain State revenue for State debt relief, State capital improvement projects.
- Agencies Affected:** Department of the Treasury.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Revenue</b>	Indeterminate - See Comments Below		

- Establishes a special, non-lapsing fund for the proceeds of the sale of any State-owned surplus real property, with such funds to be used only for the relief of State debt or to assist in funding capital improvement projects, with the fund credited with interest and any monies that may otherwise become available for the purposes of the fund.
- The Office of Legislative Services estimates that the bill, if enacted, may result in the dedication and, thus, additional funding for State debt relief and capital improvement projects, but an estimate of the amount that will be available annually is difficult due to many variables.

### BILL DESCRIPTION

Senate Bill No. 2618 (1R) of 2007 establishes in the Department of the Treasury a special, non-lapsing fund into which will be deposited the proceeds of the sale of any State-owned surplus real property after the bill's effective date. The monies in the fund are dedicated and can only be used for certain specific purposes. The fund is to be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund.

The bill provides that monies deposited in the fund are to be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money must be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the funds will be used. The money must be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

Finally, the bill provides that it will apply only to the sale or conveyance of surplus real property by the State approved by the State House Commission after the bill's effective date.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services estimates that if Senate Bill No. 2618 (1R) of 2007 is enacted, it may result in the dedication and, thus, additional funding to relieve State debt and for capital improvement projects undertaken by the State. However, the amount of money that would be available for these purposes, on an annual basis or in general, is difficult to determine.

The reason for this difficulty is that it is not known at this time: 1) which of the many properties owned by the State will be declared surplus and deemed available for sale in a given year; 2) the length of time that will elapse from when a parcel of real property is declared surplus and the terms of the sale of the property are determined, to when the State House Commission will review and approve of the sale and the Legislature and Governor will enact the legislation authorizing the sale; and 3) the market value of any particular parcel of real property in this State, due to its location, the sale of comparable parcels of real property and the changing interests of buyers.

In addition, little information is available on the total number of properties owned, in whole or in part, by the State to which this bill will apply. Recent requests by the OLS for such information from the Department of the Treasury on the total number of such properties and their approximate market value have not been successful. Thus, it is not possible to calculate the approximate amount of money from State properties that, if declared surplus and sold, could be deposited into the fund.

Given these factors, it is possible to say that each year some money could be available from the fund established by the bill for helping to relieve State debt and to fund capital improvement projects. It is likely that more money would be available in some years than would be available in other years.

*Section:* State Government

*Analyst:* Frank J. Parisi  
Principal Research Analyst

*Approved:* David J. Rosen  
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L. 1980, c.67.

**ASSEMBLY, No. 4341**

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**STATE OF NEW JERSEY**

**212th LEGISLATURE**

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INTRODUCED JUNE 14, 2007

**Sponsored by:**

**Assemblyman ROBERT M. GORDON**

**District 38 (Bergen)**

**Assemblywoman MARCIA A. KARROW**

**District 23 (Warren and Hunterdon)**

**Co-Sponsored by:**

**Assemblyman Chivukula**

**SYNOPSIS**

Establishes special fund for proceeds from sale of certain State-owned real property; restricts use for State debt reduction and capital projects.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/22/2007)**

1 AN ACT establishing a special fund for the proceeds from the sale  
2 of certain State-owned real property, and supplementing chapter  
3 31 of Title 52 of the Revised Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. a. There is established in the Department of the Treasury a  
9 special, non-lapsing fund into which shall be deposited the proceeds  
10 of the sale of any surplus State-owned real property which has been  
11 approved for sale or conveyance by the State House Commission  
12 pursuant to section 4 of P.L.1997, c.135 (C.52:31-1.3a) after the  
13 effective date of P.L. , c. (pending before the Legislature as  
14 this bill), unless another disposition of such proceeds is specified by  
15 statute. The monies in the fund are dedicated and shall be used only  
16 to carry out the purposes described in subsection b. of this section.  
17 The fund shall be credited with all interest received from the  
18 investment of monies in the fund, and any monies which, from time  
19 to time, may otherwise become available for the purposes of the  
20 fund. Pending the use thereof pursuant to the provisions of  
21 subsection b. of this section, the monies deposited in the fund shall  
22 be held in interest-bearing accounts in public depositories, as  
23 defined pursuant to section 1 of P.L.1970, c.236 (C.17:9-41), and  
24 may be invested or reinvested in such securities as are approved by  
25 the State Treasurer.

26 b. Monies deposited in the fund shall be used only for the relief  
27 of State debt or to assist in funding capital improvement projects  
28 undertaken by the State. The allocation of such money from the  
29 fund shall be made upon the recommendation of the Governor for  
30 the annual appropriations act, together with a detailed description of  
31 the purpose for which the monies will be used. The money shall be  
32 expended only upon appropriation in the annual appropriations act  
33 and only for the specified purposes.

34  
35 2. This act shall take effect immediately.

36

37

38

STATEMENT

39

40 This bill establishes in the Department of the Treasury a special,  
41 non-lapsing fund into which will be deposited the proceeds of the  
42 sale of any State-owned surplus real property after the bill's  
43 effective date. The monies in the fund are dedicated and can only  
44 be used in certain specific ways. The fund is to be credited with all  
45 interest received from the investment of monies in the fund, and any  
46 monies which, from time to time, may otherwise become available  
47 for the purposes of the fund.

1       The bill provides that monies deposited in the fund shall be used  
2 only for the relief of State debt or to assist in funding capital  
3 improvement projects undertaken by the State. The allocation of  
4 such money must be made upon the recommendation of the  
5 Governor for the annual appropriations act, together with a detailed  
6 description of the purpose for which the funds will be used. The  
7 money must be expended only upon appropriation in the annual  
8 appropriations act and only for the specified purposes.  
9       Finally, the bill provides that it will apply only to the sale or  
10 conveyance of surplus real property by the State approved by the  
11 State House Commission after the bill's effective date.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4341**

**STATE OF NEW JERSEY**

DATED: JUNE 14, 2007

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 4341.

This bill establishes in the Department of the Treasury a special, non-lapsing fund into which will be deposited the proceeds of the sale of any State-owned surplus real property after the bill's effective date. The monies in the fund are dedicated and can only be used in certain specific ways. The fund is to be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund.

The bill provides that monies deposited in the fund shall be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money must be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the funds will be used. The money must be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

Finally, the bill provides that it will apply only to the sale or conveyance of surplus real property by the State approved by the State House Commission after the bill's effective date.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4341**  
**STATE OF NEW JERSEY**  
**212th LEGISLATURE**

DATED: JULY 9, 2007

**SUMMARY**

- Synopsis:** Establishes special fund for proceeds from sale of certain State-owned real property; restricts use for State debt reduction and capital projects.
- Type of Impact:** Dedication of certain State revenue for State debt relief, State capital improvement projects.
- Agencies Affected:** Department of the Treasury.

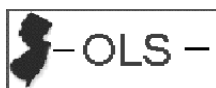
**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Revenue</b>	Indeterminate - See Comments Below		

- Establishes a special, non-lapsing fund for the proceeds of the sale of any State-owned surplus real property, with such funds to be used only for the relief of State debt or to assist in funding capital improvement projects, with the fund credited with interest and any monies that may otherwise become available for the purposes of the fund.
- The Office of Legislative Services estimates that the bill, if enacted, may result in the dedication and, thus, additional funding for State debt relief and capital improvement projects, but an estimate of the amount that will be available annually is difficult due to many variables.

**BILL DESCRIPTION**

Assembly Bill No. 4341 of 2007 establishes in the Department of the Treasury a special, non-lapsing fund into which will be deposited the proceeds of the sale of any State-owned surplus real property after the bill's effective date. The monies in the fund are dedicated and can only be used for certain specific purposes. The fund is to be credited with all interest received from the investment of monies in the fund, and any monies which, from time to time, may otherwise become available for the purposes of the fund.





The bill provides that monies deposited in the fund are to be used only for the relief of State debt or to assist in funding capital improvement projects undertaken by the State. The allocation of such money must be made upon the recommendation of the Governor for the annual appropriations act, together with a detailed description of the purpose for which the funds will be used. The money must be expended only upon appropriation in the annual appropriations act and only for the specified purposes.

Finally, the bill provides that it will apply only to the sale or conveyance of surplus real property by the State approved by the State House Commission after the bill's effective date.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The Office of Legislative Services estimates that if Assembly Bill No. 4341 of 2007 is enacted, it may result in the dedication and, thus, additional funding to relieve State debt and for capital improvement projects undertaken by the State. However, the amount of money that would be available for these purposes, on an annual basis or in general, is difficult to determine.

The reason for this difficulty is that it is not known at this time: 1) which of the many properties owned by the State will be declared surplus and deemed available for sale in a given year; 2) the length of time that will elapse from when a parcel of real property is declared surplus and the terms of the sale of the property are determined, to when the State House Commission will review and approve of the sale and the Legislature and Governor will enact the legislation authorizing the sale; and 3) the market value of any particular parcel of real property in this State, due to its location, the sale of comparable parcels of real property and the changing interests of buyers.

In addition, little information is available on the total number of properties owned, in whole or in part, by the State to which this bill will apply. Recent requests by the OLS for such information from the Department of the Treasury on the total number of such properties and their approximate market value have not been successful. Thus, it is not possible to calculate the approximate amount of money from State properties that, if declared surplus and sold, could be deposited into the fund.

Given these factors, it is possible to say that each year some money could be available from the fund established by the bill for helping to relieve State debt and to fund capital improvement projects. It is likely that more money would be available in some years than would be available in other years.

*Section:* State Government

*Analyst:* Frank J. Parisi  
Principal Research Analyst

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Legislative Budget and Finance Officer