

R.S. 34:1B-1 et seq.

November 20, 1974

LEGISLATIVE HISTORY OF R.S. 34:1B-1 et seq.  
(Economic Development Authority Act)

Copy 2

L. 1974, Chapter 80 - A1845

Designated the "Economic Development Authority Act", creates an authority to promote the economy of the state; appropriates \$200,000.

June 13 - Introduced by Klein, Pellecchia, Yates, Burstein...

June 13 - State Gov't. & Fed. & Interstate Rel. Com.

July 8 - Reported with com. amend.

July 8 - 2nd reading.

July 11 - Passed in Assembly, amended.

July 18 - Received in Senate

July 18 - State Gov't. & Fed. & Interstate Rel. Com.

July 29 - Reported with com. amendment.

July 29 - 2nd reading

July 29 - Passed in Senate under emergency res., amend.

July 29 - Senate amendment passed in Assembly.

August 7 - Approved, Chapter 80

Statement on bill ( copy enclosed )

Hearings and Reports: None located

Governor's Messages

Press Release - August 7, 1974 (copy enclosed)

Newspaper articles and periodicals: (Copies enclosed)

"State Tells Plan to Create Jobs," Atlantic City Press, May 17, 1974.

"Assembly approves bill for business-jobs agency," Newark Star Ledger, July 12, 1974.

"State Chamber supports job measure grudgingly," Newark Star Ledger, July 8, 1974.

"'Jobs March' by 18,000 spurs growth agency," Camden Courier Post, July 30, 1974.

"Economy panel becomes reality," Newark Star Ledger, August 8, 1974.

For other newspaper clippings see the vertical file - N. J. - Economic Development Authority.

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LEGISLATIVE HISTORY

ASSEMBLY, No. 1845

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1974

By Assemblymen KLEIN, PELLECCCHIA, YATES, BURSTEIN, JACKMAN, WORTHINGTON, VAN WAGNER, PERSKIE, STEWART, HERMAN, GORMAN, LEFANTE, GEWERTZ, LITTELL, WOODSON, HAMILTON, HICKS, SINSIMER, EWING, BARBOUR, HURLEY, FORAN, GLADSTONE, BAER, MARTIN, McCARTHY, RUANE, DEVERIN, NEWMAN, WEIDEL, DOYLE, OTLOWSKI, BORNHEIMER, HAWKINS, PATERO, SNEDEKER, FROUDE, SPIZZIRI, SALKIND, KOZLOSKI, FITZPATRICK, RYS, SHELTON, SWEENEY, Assemblywomen BERMAN, TOTARO, Assemblymen BATE, PERKINS, OWENS, BROWN, FLORIO, SCHUCK and GALLAGHER

Referred to Committee on State Government, Federal and  
Interstate Relations

AN ACT providing for the construction, acquisition, financing, selling and leasing of manufacturing, industrial, commercial and other employment promoting facilities; creating the New Jersey Economic Development Authority and defining its powers in connection therewith; providing for the issuance of bonds of the authority and the terms and security thereof; and providing an appropriation therefor.

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

1 1. This act shall be known and may be cited as "The New Jersey  
2 Economic Development Authority Act."

1 2. It is hereby declared to be in the public interest and to be the  
2 policy of the State to foster and promote the economy of the State,  
3 increase opportunities for gainful employment and improve living  
4 conditions, assist in the economic development or redevelopment  
5 of political subdivisions within the State, and otherwise contribute  
6 to the prosperity, health and general welfare of the State and its  
7 inhabitants by inducing manufacturing, industrial, commercial and  
8 other employment promoting enterprises by making available

9 financial assistance to locate, remain or expand within the State.  
10 It is the purpose and object of this act to further and implement  
11 such policy by creating a body corporate and politic having the  
12 powers, duties and functions as provided in this act.

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

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

5 b. "Bonds" means bonds or other obligations issued by the  
6 authority pursuant to this act;

7 c. "Cost" means, in addition to the usual connotations thereof,  
8 the cost of acquisition or construction of all or any part of any  
9 project, and shall include, but not be limited to, the cost or fair  
10 market value of construction, machinery and equipment, property,  
11 rights, easements, privileges, agreements, franchises, utility ex-  
12 tensions, disposal facilities, access roads and site development  
13 deemed by the authority to be necessary or useful and convenient  
14 therefor or in connection therewith, discount on bonds, cost of  
15 issuance of bonds, engineering and inspection costs and legal  
16 expenses, cost of financial, professional and other estimates and  
17 advice, organization, administrative, insurance, operating and other  
18 expenses of the authority or any person prior to and during any  
19 acquisition or construction, and all such other expenses as may be  
20 necessary or incident to the financing, acquisition, construction  
21 and completion of such project or part thereof, and also such pro-  
22 vision for reserves for payment or security of principal of or  
23 interest on bonds during or after such acquisition or construction  
24 as the authority may determine;

25 d. "Person" means any person, including individuals, firms,  
26 partnerships, associations, societies, trusts, public or private cor-  
27 porations, or other legal entities, including public or governmental  
28 bodies as well as natural persons. "Person" shall include the  
29 plural as well as the singular.

30 e. "Project" means any building whether or not in existence  
31 or under construction, or other improvement, purchase of an exist-  
32 ing building, refinancing of an existing building in order to facilitate  
33 substantial improvements thereto, or real estate improvement, in-  
34 cluding remodeling and refurnishing of or adding to existing  
35 property or both, in New Jersey, and, the land upon which it is  
36 located, all real property deemed necessary to its use, and the  
37 extension or provision of utilities, access roads and other ap-  
38 purtenant facilities, which is to be used or occupied by any person

39 for the manufacturing, processing or assembling of materials or  
40 manufactured products, or for research, office, industrial, com-  
41 mercial, recreational or hotel facilities, or warehousing, or for any  
42 combination thereof and which the authority determines will tend  
43 to maintain or provide gainful employment within and for the  
44 people of the State, aid and assist in the economic development  
45 or redevelopment of any political subdivision of the State, maintain  
46 or increase the tax base of any political subdivision of the State  
47 and maintain or diversify and expand industry within the State,  
48 and also including reimbursement to any person for costs in con-  
49 nection with, or the refinancing of, any project or portion as above  
50 described, if determined by the authority as necessary and in the  
51 public interest to facilitate substantial improvements thereto or the  
52 completion thereof. "Project" may also include machinery and  
53 equipment necessary or convenient in connection therewith, but  
54 shall not include raw materials, work in process or stock in trade;

55 f. "Revenues" means receipts, fees, rentals or other payments  
56 to be received on account of lease, mortgage, conditional sale, or  
57 sale and payments and any other income derived from the lease,  
58 sale or other disposition of a project, moneys in such reserve and  
59 insurance funds or accounts or other funds and accounts and income  
60 from the investment thereof, established in connection with the  
61 issuance of bonds or notes for a project or projects, and fees,  
62 charges or other moneys to be received by the authority in respect  
63 of projects and contracts with persons; and

64 g. "Resolution" means any resolution adopted or trust agree-  
65 ment executed by the authority pursuant to which bonds of the  
66 authority are authorized to be issued.

1 4. a. There is hereby established in, but not of, the Department  
2 of Labor and Industry a public body corporate and politic, with  
3 corporate succession, to be known as the "New Jersey Economic  
4 Development Authority." The authority is hereby constituted as  
5 an instrumentality of the State exercising public and essential  
6 governmental functions, and the exercise by the authority of the  
7 powers conferred by this act shall be deemed and held to be an  
8 essential governmental function of the State.

9 b. The authority shall consist of the Commissioner of Labor and  
10 Industry, the Commissioner of Environmental Protection, the Com-  
11 missioner of Community Affairs, and the State Treasurer, who  
12 shall be members *ex officio*, and three members appointed by the  
13 Governor for terms of 3 years, provided that the members of the  
14 authority (other than the *ex-officio* members) first appointed by

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15 the Governor shall serve for terms of 1 year, 2 years, and 3 years  
16 respectively. Each member shall hold office for the term of his  
17 appointment and until his successor shall have been appointed and  
18 qualified. A member shall be eligible for reappointment. Any  
19 vacancy in the membership occurring other than by expiration of  
20 term shall be filled in the same manner as the original appointment  
21 but for the unexpired term only.

22 c. Each appointed member may be removed from office by the  
23 Governor, for cause, after a public hearing, and may be suspended  
24 by the Governor pending the completion of such hearing. Each  
25 member before entering upon his duties shall take and subscribe  
26 an oath to perform the duties of his office faithfully, impartially  
27 and justly to the best of his ability. A record of such oaths shall  
28 be filed in the office of the Secretary of State.

29 d. The Commissioner of Labor and Industry shall be the chair-  
30 man of the authority. The members of the authority shall elect  
31 from their remaining number a vice chairman and a treasurer  
32 thereof. The authority shall employ an executive director who  
33 shall be its secretary and chief executive officer. The powers of  
34 the authority shall be vested in the members thereof in office from  
35 time to time and four members of the authority shall constitute  
36 a quorum at any meeting thereof. Action may be taken and motions  
37 and resolutions adopted by the authority at any meeting thereof  
38 by the affirmative vote of at least four members of the authority.  
39 No vacancy in the membership of the authority shall impair the  
40 right of a quorum of the members to exercise all the powers and  
41 perform all the duties of the authority.

42 e. Each member of the authority shall execute a bond to be  
43 conditioned upon the faithful performance of the duties of such  
44 member in such form and amount as may be prescribed by the  
45 Comptroller of the Treasury. Such bonds shall be filed in the office  
46 of the Secretary of State. At all times thereafter the members  
47 and treasurer of the authority shall maintain such bonds in full  
48 force and effect. All costs of such bonds shall be borne by the  
49 authority.

50 f. The members of the authority shall serve without compensa-  
51 tion, but the authority shall reimburse its members for actual ex-  
52 penses necessarily incurred in the discharge of their duties. Not-  
53 withstanding the provisions of any other law, no officer or employee  
54 of the State shall be deemed to have forfeited or shall forfeit his  
55 office or employment or any benefits or emoluments thereof by  
56 reason of his acceptance of the office of ex-officio member of the  
57 authority or his services therein.

58 g. Each ex-officio member of the authority may designate an  
59 officer or employee of his department to represent him at meetings  
60 of the authority, and each such designee may lawfully vote and  
61 otherwise act on behalf of the member for whom he constitutes  
62 the designee. Any such designation shall be in writing delivered  
63 to the authority and shall continue in effect until revoked or  
64 amended by writing delivered to the authority.

65 h. The authority may be dissolved by act of the Legislature on  
66 condition that the authority has no debts or obligations outstand-  
67 ing or that provision has been made for the payment or retirement  
68 of such debts or obligations. Upon and such dissolution of the  
69 authority all property, funds and assets thereof shall be vested in  
70 the State.

71 i. A true copy of the minutes of every meeting of the authority  
72 shall be forthwith delivered by and under the certification of the  
73 secretary thereof to the Governor. No action taken at such meeting  
74 by the authority shall have force or effect until 10 days, Saturdays,  
75 Sundays, and public holidays excepted, after such copy of the  
76 minutes shall have been so delivered unless during such 10-day  
77 period the Governor shall approve the same in which case such  
78 action shall become effective upon such approval. If, in said  
79 10-day period, the Governor returns such copy of the minutes  
80 with veto of any action taken by the authority or any member  
81 thereof at such meeting, such action shall be null and void and  
82 of no effect. The powers conferred in this paragraph (i) upon the  
83 Governor shall be exercised with due regard for the rights of the  
84 holders of bonds and notes of the authority at any time outstanding,  
85 and nothing in, or done pursuant to, this paragraph (i) shall in  
86 any way limit, restrict or alter the obligation or powers of the  
87 authority or any representative or officer of the authority to carry  
88 out and perform in every detail each and every covenant, agree-  
89 ment or contract at any time made or entered into by or on behalf  
90 of the authority with respect to its bonds or notes or for the benefit,  
91 protection or security of the holders thereof.

92 j. On or before March 31 in each year, the authority shall make  
93 an annual report of its activities for the preceding calendar year  
94 to the Governor and the Legislature. Each such report shall set  
95 forth a complete operating and financial statement covering the  
96 authority's operations during the year. The authority shall cause  
97 an audit of its books and accounts to be made at least once in each  
98 year by certified public accountants and cause a copy thereof to be  
99 filed with the Secretary of State and the Comptroller of the  
100 Treasury.

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101 k. The Comptroller of the Treasury and his legally authorized  
102 representatives are hereby authorized and empowered from time  
103 to time to examine the accounts, books and records of the authority,  
104 including its receipts, disbursements, contracts, sinking funds, in-  
105 vestments and any other matters relating thereto and to its financial  
106 standing.

107 l. No member, officer, employee or agent of the authority shall  
108 be interested, either directly or indirectly, in any project or in any  
109 contract, sale, purchase, lease or transfer of real or personal prop-  
110 erty to which the authority is a party.

1 5. The authority shall have the following powers:

2 a. To adopt bylaws for the regulation of its affairs and the  
3 conduct of its business;

4 b. To adopt and have a seal and to alter the same at pleasure;

5 c. To sue and be sued;

6 d. To acquire in the name of the authority by purchase or other-  
7 wise, on such terms and conditions and such manner as it may  
8 deem proper, or by the exercise of the power of eminent domain  
9 in the manner provided by the Eminent Domain Act of 1971,  
10 P. L. 1971, c. 361 (C. 20:3-1 et seq.), any lands or interests therein  
11 or other property which it may determine is reasonably necessary  
12 for any project; provided, however, that the authority shall not  
13 take by exercise of the power of eminent domain any real property  
14 except upon consent thereto given by resolution of the governing  
15 body of the municipality in which such real property is located;

16 e. To enter into contracts with a person upon such terms and  
17 conditions as the authority shall determine to be reasonable, includ-  
18 ing but not limited to reimbursement for the planning, designing,  
19 financing, construction, reconstruction, improvement, equipping,  
20 furnishing, operation and maintenance of the project and to pay  
21 or compromise any claims arising therefrom;

22 f. To establish and maintain reserve and insurance funds with  
23 respect to the financing of the project;

24 g. To sell, convey or lease to any person all or any portion of  
25 a project, for such consideration and upon such terms as the au-  
26 thority may determine to be reasonable;

27 h. To mortgage, pledge or assign or otherwise encumber all or  
28 any portion of a project or revenues whenever it shall find such  
29 action to be in furtherance of the purposes of this act;

30 i. To grant options to purchase or renew a lease for any of its  
31 projects on such terms as the authority may determine to be  
32 reasonable;

33 j. To contract for and to accept any gifts or grants or loans of  
34 funds or property or financial or other aid in any form from the  
35 United States of America or any agency or instrumentality thereof,  
36 or from the State or any agency, instrumentality or political sub-  
37 division thereof, or from any other source and to comply, subject to  
38 the provisions of the act, with the terms and conditions thereof;

39 k. In connection with any application for assistance under this  
40 act or commitments therefor, to require and collect such fees and  
41 charges as the authority shall determine to be reasonable;

42 l. To adopt, amend and repeal regulations to carry out the pro-  
43 visions of this act;

44 m. To acquire, purchase, manage and operate, hold and dispose  
45 of real and personal property or interests therein, take assign-  
46 ments of rentals and leases and make and enter into all contracts,  
47 leases, agreements and arrangements necessary or incidental to  
48 the performance of its duties;

49 n. To purchase, acquire and take assignments of notes, mort-  
50 gages and other forms of security and evidences of indebtedness;

51 o. To purchase, acquire, attach, seize, accept or take title to any  
52 project by conveyance or, by foreclosure, and sell, lease, manage  
53 or operate any project for a use specified in this act;

54 p. To borrow money and to issue bonds of the authority and to  
55 provide for the rights of the holders thereof as provided in this act.

56 q. To extend credit or make loans to any person for the planning,  
57 designing, acquiring, constructing, reconstructing, improving,  
58 equipping and furnishing of a project which credits or loans may  
59 be secured by loan and security agreements, mortgages, leases,  
60 and any other instruments, upon such terms and conditions as the  
61 authority shall deem reasonable, including provision for the estab-  
62 lishment and maintenance of reserve and insurance funds, and to  
63 require the inclusion in any mortgage, lease, contract, loan and  
64 security agreement or other instrument, such provisions for the  
65 construction, use, operation and maintenance and financing of a  
66 project as the authority may deem necessary or desirable;

67 r. To employ consulting engineers, architects, attorneys, real  
68 estate counselors, appraisers, and such other consultants and em-  
69 ployees as may be required in the judgment of the authority to  
70 carry out the purposes of the act, and to fix and pay their compensa-  
71 tion from funds available to the authority therefor, all without  
72 regard to the provisions of Title 11, Civil Service, of the Revised  
73 Statutes;

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74 s. To do and perform any acts and things authorized by this act  
75 under, through or by means of its own officers, agents and em-  
76 ployees, or by contracts with any person; and

77 t. To procure insurance against any losses in connection with its  
78 property, operations or assets in such amounts and from such  
79 insurers as it deems desirable;

80 u. To do any and all things necessary or convenient to carry out  
81 its purposes and exercise the powers given and granted in the act.

1 6. A copy of any application for assistance under this act  
2 received by the authority shall be submitted to, and for the review  
3 and advice of, the Director of the Division of Economic Develop-  
4 ment. Prior to making any commitment for such assistance, the  
5 authority, after consultation with the director of said division shall  
6 by resolution duly adopted, find and determine, on the basis of all  
7 information reasonably available to it, that such assistance will tend  
8 to maintain or provide gainful employment for the inhabitants of  
9 the State, and improve living conditions, and shall serve a public  
10 purpose by contributing to the prosperity, health and general wel-  
11 fare of the inhabitants of the State and will tend to aid and assist  
12 in the economic growth, development or redevelopment of the  
13 political subdivision wherein it is to be located, and such finding  
14 and determination shall be conclusive for all purposes of this act.

1 7. a. The authority shall establish and maintain a special fund  
2 called the "economic development fund" into which shall be  
3 deposited such moneys (1) as shall be appropriated by the State  
4 for the purpose of such fund; (2) if the authority so determines  
5 in any resolution authorizing any particular bonds, as shall be  
6 received by the authority from the sale of such bonds as provided  
7 by law; (3) as shall be received by the authority from the repay-  
8 ment of loans made pursuant to this act; (4) any other moneys or  
9 funds of the authority which it determines to deposit therein.  
10 Moneys at any time in the economic development fund may be  
11 used by the authority for any purpose of this act, including but not  
12 limited to payment of administrative expenses incurred by the  
13 authority in the performance of its duties, subject only to any  
14 agreements with the holders of particular bonds or notes.

15 b. The authority may, in any resolution authorizing the issuance  
16 of bonds or notes, create or authorize the creation within said  
17 economic development fund of special funds to be held in pledge  
18 or otherwise for payment or redemption of such bonds or notes,  
19 reserves or other purposes and to covenant as to use and disposition  
20 of the moneys held in such funds.

21 c. Moneys at any time in the economic development fund may  
22 be used to guarantee loans made to project applicants by persons.

23 d. Moneys at any time in the economic development fund may  
24 be invested in any direct obligations of, or obligations as to which  
25 the principal and interest thereof is guaranteed by, the United  
26 States of America or such other obligations as the authority may  
27 approve.

1 8. For the purpose of providing funds (a) to pay all or any part  
2 of the cost of any project or projects, (b) to make loans in accord-  
3 ance with the provisions of this act, and (c) for the funding or re-  
4 funding any bonds, the authority shall have power to authorize or  
5 provide for the issuance of bonds pursuant to this act.

1 9. By resolution, the authority shall have power to incur in-  
2 debtedness, borrow money and issue its bonds for the purposes  
3 stated in section 8 hereof. Except as may otherwise be expressly  
4 provided by the authority, every issue of its bonds shall be general  
5 obligations of the authority payable from any revenues or moneys  
6 of the authority, subject only to any agreements with the holders  
7 of particular bonds or notes pledging any particular revenues or  
8 moneys. Such bonds shall be authorized by resolution and may be  
9 issued in one or more series and shall bear such date or dates,  
10 mature at such time or times not exceeding 40 years from the date  
11 thereof, bear interest at a rate or rates, be in such denomination  
12 or denominations, be in such form, either coupon or registered,  
13 carry such conversion or registration privileges, have such rank  
14 or priority, be executed in such manner, be payable from such  
15 sources in such medium of payment at such place or places within  
16 or without the State, and be subject to such terms of redemption  
17 (with or without premium) as such resolution may provide. Bonds  
18 of the authority may be sold by the authority at public or private  
19 sale at such price or prices as the authority shall determine.

1 10. Any provision of any law to the contrary notwithstanding,  
2 any bond or other obligation issued pursuant to this act shall be  
3 fully negotiable within the meaning and for all purposes of Title  
4 12A, Commercial Transactions, of the New Jersey Statutes, and  
5 each holder or owner of such a bond or other obligation, or of any  
6 coupon appurtenant thereto, by accepting such bond or coupon  
7 shall be conclusively deemed to have agreed that such bond, obliga-  
8 tion or coupon is and shall be fully negotiable within the meaning  
9 and for all purposes of said Title 12A.

1 11. In order to secure the payment of such bonds and in addition  
2 to its other powers, the authority shall have power by resolution to

- 3 covenant and agree with the several holders of such bonds, as to:
- 4 a. The custody, security, use, expenditure or application of the  
5 proceeds of the bonds;
- 6 b. The use, regulation, operation, maintenance, insurance or  
7 disposition of all or any part of any project or projects;
- 8 c. Payment of the principal of or interest on the bonds, or any  
9 other obligations, and the sources and methods thereof, the rank  
10 or priority of any such bonds or obligations as to any lien or  
11 security, or the acceleration of the maturity of any such bonds or  
12 obligations;
- 13 d. The use and disposition of any moneys of the authority, in-  
14 cluding all revenues or other moneys derived or to be derived  
15 from any project or projects;
- 16 e. Pledging, setting aside, depositing or trusteeing all or any  
17 part of the revenues or other moneys of the authority to secure  
18 the payment of the principal of or interest on the bonds or any  
19 other obligations and the powers and duties of any trustee with  
20 regard thereto;
- 21 f. The setting aside out of the revenues or other moneys of the  
22 authority of reserves and sinking funds, and the source, custody,  
23 security, regulation, application and disposition thereof;
- 24 g. The rents, fees or other charges for the use of any project  
25 or projects, including any parts thereof theretofore constructed or  
26 acquired and any parts, replacements or improvements thereof  
27 thereafter constructed or acquired, and the fixing, establishment,  
28 collection and enforcement of the same;
- 29 h. Limitation on the issuance of additional bonds or any other  
30 obligations or on the incurrence of indebtedness of the authority;
- 31 i. Vesting in a trustee or trustees within or without the State  
32 such property, rights, powers and duties in trust as the authority  
33 may determine and limiting the rights, duties and powers of such  
34 trustee;
- 35 j. Payment of costs or expenses incident to the enforcement of  
36 the bonds or of the provisions of the resolution or of any covenant  
37 or contract with the holders of the bonds;
- 38 k. The procedure, if any, by which the terms of any covenant  
39 or contract with, or duty to, the holders of bonds may be amended  
40 or abrogated, the amount of bonds the holders of which must  
41 consent thereto, and the manner in which such consent may be  
42 given or evidenced; or
- 43 l. Any other matter or course of conduct which, by recital in  
44 the resolution, is declared to further secure the payment of the  
45 principal of or interest on the bonds.

46 All such provisions of the resolution and all such covenants and  
47 agreements shall constitute valid and legally-binding contracts  
48 between the authority and the several holders of the bonds, regard-  
49 less of the time of issuance of such bonds, and shall be enforceable  
50 by any such holder or holders by appropriate action, suit or pro-  
51 ceeding in any court of competent jurisdiction, or by proceeding  
52 in lieu of prerogative writ.

1 12. Any pledge of revenues or other moneys made by the au-  
2 thority shall be valid and binding from the time when the pledge is  
3 made; the revenues or other moneys so pledged and thereafter  
4 received by the authority shall immediately be subject to the lien  
5 of such pledge without any physical delivery thereof or further  
6 act, and the lien of any such pledge shall be valid and binding as  
7 against all parties having claims of any kind in tort, contract or  
8 otherwise against the authority, irrespective of whether such parties  
9 have notice thereof. Neither the resolution nor any other instru-  
10 ment by which a pledge is created need be filed or recorded except  
11 in the records of the authority.

1 13. Neither the members of the authority nor any person execut-  
2 ing bonds issued pursuant to this act shall be liable personally on  
3 the bonds by reason of the issuance thereof. Bonds or other obliga-  
4 tions issued by the authority pursuant to this act shall not be in  
5 any way a debt or liability of the State or of any political sub-  
6 division thereof and shall not create or constitute any indebtedness,  
7 liability or obligation of the State or of any political subdivision,  
8 either legal, moral or otherwise, and nothing in this act contained  
9 shall be construed to authorize the authority to incur any indebted-  
10 edness on behalf of or in any way to obligate the State or any  
11 political subdivision, and all such bonds shall contain on the face  
12 thereof a statement to that effect.

1 14. The exercise of the powers granted by this act shall con-  
2 stitute the performance of an essential governmental function and  
3 the authority shall not be required to pay any taxes or assessments  
4 upon or in respect of a project, or any property or moneys of the  
5 authority, and the authority, its projects, property and moneys and  
6 any bonds and notes issued under the provisions of this act, their  
7 transfer and the income therefrom, including any profit made on  
8 the sale thereof, shall at all times be free from taxation of every  
9 kind by the State except for transfer, inheritance and estate taxes  
10 and by any political subdivision of the State; provided, that any  
11 person occupying a project whether as lessee, vendee or otherwise  
12 shall, as long as title thereto shall remain in the authority, pay to

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13 the political subdivision in which such project is located a payment  
14 in lieu of taxes which shall equal the taxes on real and personal  
15 property, including water and sewer service charges or assess-  
16 ments, which such person would have been required to pay had it  
17 been the owner of such property during the period for which such  
18 payment is made and neither the authority nor its projects, prop-  
19 erties, money or bonds and notes shall be obligated, liable or subject  
20 to lien of any kind for the enforcement, collection or payment  
21 thereof. If and to the extent the proceedings under which the bonds  
22 authorized to be issued under the provisions of this act so provide,  
23 the authority may agree to cooperate with such person occupying a  
24 project, in connection with any administrative or judicial proceed-  
25 ings for determining the validity or amount of such payments and  
26 may agree to appoint or designate and reserve the right in and for  
27 such person to take all action which the authority may lawfully  
28 take in respect of such payments and all matters relating thereto,  
29 provided such person shall bear and pay all costs and expenses of  
30 the authority thereby incurred at the request of such person or by  
31 reason of any such action taken by such person in behalf of the  
32 authority. If such person occupying a project has paid the amounts  
33 in lieu of taxes required by this section to be paid such person shall  
34 not be required to pay any such taxes as to which a payment in  
35 lieu thereof has been made to the State or to any political sub-  
36 division, any other statute to the contrary notwithstanding.

1 15. Notwithstanding any restriction contained in any other law,  
2 the State and all political subdivisions of this State, their officers,  
3 boards, commissioners, departments or other agencies, all banks,  
4 bankers, trust companies, savings banks and institutions, building  
5 and loan associations, savings and loan associations, investment  
6 companies and other persons carrying on a banking or investment  
7 business, all insurance companies, insurance associations and other  
8 persons carrying on an insurance business, and all executors,  
9 administrators, guardians, trustees and other fiduciaries, and all  
10 other persons whatsoever who now are or may hereafter be au-  
11 thorized to invest in bonds or other obligations of the State, may  
12 properly and legally invest any sinking funds, moneys or other  
13 funds, including capital, belonging to them or within their control  
14 in any bonds or notes issued by the authority under the provisions  
15 of this act; and said bonds and notes are hereby made securities  
16 which may properly and legally be deposited with and received by  
17 any State or municipal officers or agency of the State for any  
18 purpose for which the deposit of bonds or other obligations of the  
19 State is now or may hereafter be authorized by law.

1 16. All banks, bankers, trust companies, savings banks, invest-  
2 ment companies and other persons carrying on a banking business  
3 are hereby authorized to give to the authority a good and sufficient  
4 undertaking with such sureties as shall be approved by the au-  
5 thority to the effect that such bank or banking institution as herein-  
6 before described shall faithfully keep and pay over to the order of  
7 or upon the warrant of the authority or its authorized agent all  
8 such funds as may be deposited with it by the authority and agreed  
9 interest thereon, at such times or upon such demands as may be  
10 agreed with the authority or in lieu of such sureties, deposit with  
11 the authority or its authorized agent or any trustee therefor or for  
12 the holders of any bonds, as collateral, such securities as the au-  
13 thority may approve. The deposits of the authority may be  
14 evidenced by a depository collateral agreement in such form and  
15 upon such terms and conditions as may be agreed upon by the au-  
16 thority and such bank or banking institution.

1 17. The foregoing sections of this act shall be deemed to provide  
2 a complete method for the doing of things authorized thereby and  
3 shall be regarded as not in conflict with, or as restrictive of, powers  
4 conferred by any other laws, and the provisions of this act shall be  
5 complete authority for the issuance of bonds by the authority and  
6 the provisions of any other laws shall not apply to the issuance of  
7 such bonds.

1 18. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person, project or circumstances, be  
3 adjudged invalid by any court of competent jurisdiction, such judg-  
4 ment shall be confined in its operation to the section, part, phrase,  
5 provision or application directly involved in the controversy in  
6 which such judgment shall have been rendered and shall not affect  
7 or impair the validity of the remainder of this act or the application  
8 thereof to other persons, projects or circumstances.

1 19. There is hereby appropriated to the authority from the  
2 General State Fund the sum of \$200,000.00, or so much thereof as  
3 may be necessary, for the purposes of carrying out its function and  
4 duties pursuant to this act. Such appropriation shall be repaid to  
5 the General State Fund as soon as practicable out of the proceeds  
6 of bonds issued by the authority or other available funds.

1 20. This act shall take effect immediately.

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#### STATEMENT

This bill creates the New Jersey Economic Development Au-  
thority in the Department of Labor and Industry.

The members of the authority will be the Commissioners of Labor and Industry, Environmental Protection, Community Affairs, and the State Treasurer all serving ex officio, and three members to be appointed by the Governor for terms of 3 years.

The purpose of the authority is to enable the issuance of bonds and the making of loans bearing interest which would be exempt from Federal taxation. Such interest rates are traditionally lower than rates charged to industrial or commercial borrowers. It is anticipated that the availability of such low interest funds will induce industrial and business concerns to enter, remain or return to New Jersey and to provide much needed employment and tax ratables to New Jersey municipalities.

Before making a commitment for such assistance, the authority, after consultation with the Director of the Division of Economic Development, Department of Labor and Industry, must find and determine that such assistance will tend to maintain or provide gainful employment for the inhabitants of New Jersey and improve living conditions.

The bill also enables the authority to establish and maintain an "economic development fund" to be used for administrative expenses of the authority, and to guarantee loans made to project applicants who would otherwise be unable to borrow authority funds directly due to credit requirements.

The bill appropriates \$200,000.00 which shall be repaid to the General State Fund as soon as practicable out of the proceeds of bonds to be issued by the authority or other available funds.

ASSEMBLY COMMITTEE AMENDMENT TO  
**ASSEMBLY, No. 1845**

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**STATE OF NEW JERSEY**

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ADOPTED JULY 8, 1974

Amend page 5, section 4, line 68, delete "and", insert "any".



[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 1845

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1974

By Assemblymen KLEIN, PELLECCIA, YATES, BURSTEIN, JACKMAN, WORTHINGTON, VAN WAGNER, PERSKIE, STEWART, HERMAN, GORMAN, LeFANTE, GEWERTZ, LITTELL, WOODSON, HAMILTON, HICKS, SINSIMER, EWING, BARBOUR, HURLEY, FORAN, GLADSTONE, BAER, MARTIN, McCARTHY, RUANE, DEVERIN, NEWMAN, WEIDEL, DOYLE, OTLOWSKI, BORNHEIMER, HAWKINS, PATERO, SNEDEKER, FROUDE, SPIZZIRI, SALKIND, KOZLOSKI, FITZPATRICK, RYS, SHELTON, SWEENEY, Assemblywomen BERMAN, TOTARO, Assemblymen BATE, PERKINS, OWENS, BROWN, FLORIO, SCHUCK and GALLAGHER

Referred to Committee on State Government, Federal and  
Interstate Relations

AN ACT providing for the construction, acquisition, financing, selling and leasing of manufacturing, industrial, commercial and other employment promoting facilities; creating the New Jersey Economic Development Authority and defining its powers in connection therewith; providing for the issuance of bonds of the authority and the terms and security thereof; and providing an appropriation therefor.

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

1 1. This act shall be known and may be cited as "The New Jersey  
2 Economic Development Authority Act."

1 2. It is hereby declared to be in the public interest and to be the  
2 policy of the State to foster and promote the economy of the State,  
3 increase opportunities for gainful employment and improve living  
4 conditions, assist in the economic development or redevelopment  
5 of political subdivisions within the State, and otherwise contribute  
6 to the prosperity, health and general welfare of the State and its

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

7 inhabitants by inducing manufacturing, industrial, commercial and  
8 other employment promoting enterprises by making available  
9 financial assistance to locate, remain or expand within the State.  
10 It is the purpose and object of this act to further and implement  
11 such policy by creating a body corporate and politic having the  
12 powers, duties and functions as provided in this act.

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

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

5 b. "Bonds" means bonds or other obligations issued by the  
6 authority pursuant to this act;

7 c. "Cost" means, in addition to the usual connotations thereof,  
8 the cost of acquisition or construction of all or any part of any  
9 project, and shall include, but not be limited to, the cost or fair  
10 market value of construction, machinery and equipment, property,  
11 rights, easements, privileges, agreements, franchises, utility ex-  
12 tensions, disposal facilities, access roads and site development  
13 deemed by the authority to be necessary or useful and convenient  
14 therefor or in connection therewith, discount on bonds, cost of  
15 issuance of bonds, engineering and inspection costs and legal  
16 expenses, cost of financial, professional and other estimates and  
17 advice, organization, administrative, insurance, operating and other  
18 expenses of the authority or any person prior to and during any  
19 acquisition or construction, and all such other expenses as may be  
20 necessary or incident to the financing, acquisition, construction  
21 and completion of such project or part thereof, and also such pro-  
22 vision for reserves for payment or security of principal of or  
23 interest on bonds during or after such acquisition or construction  
24 as the authority may determine;

25 d. "Person" means any person, including individuals, firms,  
26 partnerships, associations, societies, trusts, public or private cor-  
27 porations, or other legal entities, including public or governmental  
28 bodies as well as natural persons. "Person" shall include the  
29 plural as well as the singular.

30 e. "Project" means any building whether or not in existence  
31 or under construction, or other improvement, purchase of an exist-  
32 ing building, refinancing of an existing building in order to facilitate  
33 substantial improvements thereto, or real estate improvement, in-  
34 cluding remodeling and refurnishing of or adding to existing  
35 property or both, in New Jersey, and, the land upon which it is  
36 located, all real property deemed necessary to its use, and the

37 extension or provision of utilities, access roads and other ap-  
38 purtenant facilities, which is to be used or occupied by any person  
39 for the manufacturing, processing or assembling of materials or  
40 manufactured products, or for research, office, industrial, com-  
41 mercial, recreational or hotel facilities, or warehousing, or for any  
42 combination thereof and which the authority determines will tend  
43 to maintain or provide gainful employment within and for the  
44 people of the State, aid and assist in the economic development  
45 or redevelopment of any political subdivision of the State, maintain  
46 or increase the tax base of any political subdivision of the State  
47 and maintain or diversify and expand industry within the State,  
48 and also including reimbursement to any person for costs in con-  
49 nection with, or the refinancing of, any project or portion as above  
50 described, if determined by the authority as necessary and in the  
51 public interest to facilitate substantial improvements thereto or the  
52 completion thereof. "Project" may also include machinery and  
53 equipment necessary or convenient in connection therewith, but  
54 shall not include raw materials, work in process or stock in trade;

55 f. "Revenues" means receipts, fees, rentals or other payments  
56 to be received on account of lease, mortgage, conditional sale, or  
57 sale and payments and any other income derived from the lease,  
58 sale or other disposition of a project, moneys in such reserve and  
59 insurance funds or accounts or other funds and accounts and income  
60 from the investment thereof, established in connection with the  
61 issuance of bonds or notes for a project or projects, and fees,  
62 charges or other moneys to be received by the authority in respect  
63 of projects and contracts with persons; and

64 g. "Resolution" means any resolution adopted or trust agree-  
65 ment executed by the authority pursuant to which bonds of the  
66 authority are authorized to be issued.

1 4. a. There is hereby established in, but not of, the Department  
2 of Labor and Industry a public body corporate and politic, with  
3 corporate succession, to be known as the "New Jersey Economic  
4 Development Authority." The authority is hereby constituted as  
5 an instrumentality of the State exercising public and essential  
6 governmental functions, and the exercise by the authority of the  
7 powers conferred by this act shall be deemed and held to be an  
8 essential governmental function of the State.

9 b. The authority shall consist of the Commissioner of Labor and  
10 Industry, the Commissioner of Environmental Protection, the Com-  
11 missioner of Community Affairs, and the State Treasurer, who  
12 shall be members ex officio, and three members appointed by the

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13 Governor for terms of 3 years, provided that the members of the  
14 authority (other than the ex-officio members) first appointed by  
15 the Governor shall serve for terms of 1 year, 2 years, and 3 years  
16 respectively. Each member shall hold office for the term of his  
17 appointment and until his successor shall have been appointed and  
18 qualified. A member shall be eligible for reappointment. Any  
19 vacancy in the membership occurring other than by expiration of  
20 term shall be filled in the same manner as the original appointment  
21 but for the unexpired term only.

22 c. Each appointed member may be removed from office by the  
23 Governor, for cause, after a public hearing, and may be suspended  
24 by the Governor pending the completion of such hearing. Each  
25 member before entering upon his duties shall take and subscribe  
26 an oath to perform the duties of his office faithfully, impartially  
27 and justly to the best of his ability. A record of such oaths shall  
28 be filed in the office of the Secretary of State.

29 d. The Commissioner of Labor and Industry shall be the chair-  
30 man of the authority. The members of the authority shall elect  
31 from their remaining number a vice chairman and a treasurer  
32 thereof. The authority shall employ an executive director who  
33 shall be its secretary and chief executive officer. The powers of  
34 the authority shall be vested in the members thereof in office from  
35 time to time and four members of the authority shall constitute  
36 a quorum at any meeting thereof. Action may be taken and motions  
37 and resolutions adopted by the authority at any meeting thereof  
38 by the affirmative vote of at least four members of the authority.  
39 No vacancy in the membership of the authority shall impair the  
40 right of a quorum of the members to exercise all the powers and  
41 perform all the duties of the authority.

42 e. Each member of the authority shall execute a bond to be  
43 conditioned upon the faithful performance of the duties of such  
44 member in such form and amount as may be prescribed by the  
45 Comptroller of the Treasury. Such bonds shall be filed in the office  
46 of the Secretary of State. At all times thereafter the members  
47 and treasurer of the authority shall maintain such bonds in full  
48 force and effect. All costs of such bonds shall be borne by the  
49 authority.

50 f. The members of the authority shall serve without compensa-  
51 tion, but the authority shall reimburse its members for actual ex-  
52 penses necessarily incurred in the discharge of their duties. Not-  
53 withstanding the provisions of any other law, no officer or employee  
54 of the State shall be deemed to have forfeited or shall forfeit his  
55 office or employment or any benefits or emoluments thereof by

56 reason of his acceptance of the office of ex-officio member of the  
57 authority or his services therein.

58 g. Each ex-officio member of the authority may designate an  
59 officer or employee of his department to represent him at meetings  
60 of the authority, and each such designee may lawfully vote and  
61 otherwise act on behalf of the member for whom he constitutes  
62 the designee. Any such designation shall be in writing delivered  
63 to the authority and shall continue in effect until revoked or  
64 amended by writing delivered to the authority.

65 h. The authority may be dissolved by act of the Legislature on  
66 condition that the authority has no debts or obligations outstand-  
67 ing or that provision has been made for the payment or retirement  
68 of such debts or obligations. Upon **\*[and]\*** *\*any\** such dissolu-  
69 tion of the authority all property, funds and assets thereof shall  
70 be vested in the State.

71 i. A true copy of the minutes of every meeting of the authority  
72 shall be forthwith delivered by and under the certification of the  
73 secretary thereof to the Governor. No action taken at such meeting  
74 by the authority shall have force or effect until 10 days, Saturdays,  
75 Sundays, and public holidays excepted, after such copy of the  
76 minutes shall have been so delivered unless during such 10-day  
77 period the Governor shall approve the same in which case such  
78 action shall become effective upon such approval. If, in said  
79 10-day period, the Governor returns such copy of the minutes  
80 with veto of any action taken by the authority or any member  
81 thereof at such meeting, such action shall be null and void and  
82 of no effect. The powers conferred in this paragraph (i) upon the  
83 Governor shall be exercised with due regard for the rights of the  
84 holders of bonds and notes of the authority at any time outstanding,  
85 and nothing in, or done pursuant to, this paragraph (i) shall in  
86 any way limit, restrict or alter the obligation or powers of the  
87 authority or any representative or officer of the authority to carry  
88 out and perform in every detail each and every covenant, agree-  
89 ment or contract at any time made or entered into by or on behalf  
90 of the authority with respect to its bonds or notes or for the benefit,  
91 protection or security of the holders thereof.

92 j. On or before March 31 in each year, the authority shall make  
93 an annual report of its activities for the preceding calendar year  
94 to the Governor and the Legislature. Each such report shall set  
95 forth a complete operating and financial statement covering the  
96 authority's operations during the year. The authority shall cause  
97 an audit of its books and accounts to be made at least once in each  
98 year by certified public accountants and cause a copy thereof to be

99 filed with the Secretary of State and the Comptroller of the  
100 Treasury.

101 k. The Comptroller of the Treasury and his legally authorized  
102 representatives are hereby authorized and empowered from time  
103 to time to examine the accounts, books and records of the authority,  
104 including its receipts, disbursements, contracts, sinking funds, in-  
105 vestments and any other matters relating thereto and to its financial  
106 standing.

107 l. No member, officer, employee or agent of the authority shall  
108 be interested, either directly or indirectly, in any project or in any  
109 contract, sale, purchase, lease or transfer of real or personal prop-  
110 erty to which the authority is a party.

1 5. The authority shall have the following powers:

2 a. To adopt bylaws for the regulation of its affairs and the  
3 conduct of its business;

4 b. To adopt and have a seal and to alter the same at pleasure;

5 c. To sue and be sued;

6 d. To acquire in the name of the authority by purchase or other-  
7 wise, on such terms and conditions and such manner as it may  
8 deem proper, or by the exercise of the power of eminent domain  
9 in the manner provided by the Eminent Domain Act of 1971,  
10 P. L. 1971, c. 361 (C. 20:3-1 et seq.), any lands or interests therein  
11 or other property which it may determine is reasonably necessary  
12 for any project; provided, however, that the authority shall not  
13 take by exercise of the power of eminent domain any real property  
14 except upon consent thereto given by resolution of the governing  
15 body of the municipality in which such real property is located;

16 e. To enter into contracts with a person upon such terms and  
17 conditions as the authority shall determine to be reasonable, includ-  
18 ing but not limited to reimbursement for the planning, designing,  
19 financing, construction, reconstruction, improvement, equipping,  
20 furnishing, operation and maintenance of the project and to pay  
21 or compromise any claims arising therefrom;

22 f. To establish and maintain reserve and insurance funds with  
23 respect to the financing of the project;

24 g. To sell, convey or lease to any person all or any portion of  
25 a project, for such consideration and upon such terms as the au-  
26 thority may determine to be reasonable;

27 h. To mortgage, pledge or assign or otherwise encumber all or  
28 any portion of a project or revenues whenever it shall find such  
29 action to be in furtherance of the purposes of this act;

30 i. To grant options to purchase or renew a lease for any of its

31 projects on such terms as the authority may determine to be  
32 reasonable;

33 j. To contract for and to accept any gifts or grants or loans of  
34 funds or property or financial or other aid in any form from the  
35 United States of America or any agency or instrumentality thereof,  
36 or from the State or any agency, instrumentality or political sub-  
37 division thereof, or from any other source and to comply, subject to  
38 the provisions of the act, with the terms and conditions thereof;

39 k. In connection with any application for assistance under this  
40 act or commitments therefor, to require and collect such fees and  
41 charges as the authority shall determine to be reasonable;

42 l. To adopt, amend and repeal regulations to carry out the pro-  
43 visions of this act;

44 m. To acquire, purchase, manage and operate, hold and dispose  
45 of real and personal property or interests therein, take assign-  
46 ments of rentals and leases and make and enter into all contracts,  
47 leases, agreements and arrangements necessary or incidental to  
48 the performance of its duties;

49 n. To purchase, acquire and take assignments of notes, mort-  
50 gages and other forms of security and evidences of indebtedness;

51 o. To purchase, acquire, attach, seize, accept or take title to any  
52 project by conveyance or, by foreclosure, and sell, lease, manage  
53 or operate any project for a use specified in this act;

54 p. To borrow money and to issue bonds of the authority and to  
55 provide for the rights of the holders thereof as provided in this act.

56 q. To extend credit or make loans to any person for the planning,  
57 designing, acquiring, constructing, reconstructing, improving,  
58 equipping and furnishing of a project which credits or loans may  
59 be secured by loan and security agreements, mortgages, leases,  
60 and any other instruments, upon such terms and conditions as the  
61 authority shall deem reasonable, including provision for the estab-  
62 lishment and maintenance of reserve and insurance funds, and to  
63 require the inclusion in any mortgage, lease, contract, loan and  
64 security agreement or other instrument, such provisions for the  
65 construction, use, operation and maintenance and financing of a  
66 project as the authority may deem necessary or desirable;

67 r. To employ consulting engineers, architects, attorneys, real  
68 estate counselors, appraisers, and such other consultants and em-  
69 ployees as may be required in the judgment of the authority to  
70 carry out the purposes of the act, and to fix and pay their compensa-  
71 tion from funds available to the authority therefor, all without  
72 regard to the provisions of Title 11, Civil Service, of the Revised  
73 Statutes;

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74 s. To do and perform any acts and things authorized by this act  
75 under, through or by means of its own officers, agents and em-  
76 ployees, or by contracts with any person; and

77 t. To procure insurance against any losses in connection with its  
78 property, operations or assets in such amounts and from such  
79 insurers as it deems desirable;

80 u. To do any and all things necessary or convenient to carry out  
81 its purposes and exercise the powers given and granted in the act.

1 6. A copy of any application for assistance under this act  
2 received by the authority shall be submitted to, and for the review  
3 and advice of, the Director of the Division of Economic Develop-  
4 ment. Prior to making any commitment for such assistance, the  
5 authority, after consultation with the director of said division shall  
6 by resolution duly adopted, find and determine, on the basis of all  
7 information reasonably available to it, that such assistance will tend  
8 to maintain or provide gainful employment for the inhabitants of  
9 the State, and improve living conditions, and shall serve a public  
10 purpose by contributing to the prosperity, health and general wel-  
11 fare of the inhabitants of the State and will tend to aid and assist  
12 in the economic growth, development or redevelopment of the  
13 political subdivision wherein it is to be located, and such finding  
14 and determination shall be conclusive for all purposes of this act.

1 7. a. The authority shall establish and maintain a special fund  
2 called the "economic development fund" into which shall be  
3 deposited such moneys (1) as shall be appropriated by the State  
4 for the purpose of such fund; (2) if the authority so determines  
5 in any resolution authorizing any particular bonds, as shall be  
6 received by the authority from the sale of such bonds as provided  
7 by law; (3) as shall be received by the authority from the repay-  
8 ment of loans made pursuant to this act; (4) any other moneys or  
9 funds of the authority which it determines to deposit therein.  
10 Moneys at any time in the economic development fund may be  
11 used by the authority for any purpose of this act, including but not  
12 limited to payment of administrative expenses incurred by the  
13 authority in the performance of its duties, subject only to any  
14 agreements with the holders of particular bonds or notes.

15 b. The authority may, in any resolution authorizing the issuance  
16 of bonds or notes, create or authorize the creation within said  
17 economic development fund of special funds to be held in pledge  
18 or otherwise for payment or redemption of such bonds or notes,  
19 reserves or other purposes and to covenant as to use and disposition  
20 of the moneys held in such funds.



21 e. Moneys at any time in the economic development fund may  
22 be used to guarantee loans made to project applicants by persons.

23 d. Moneys at any time in the economic development fund may  
24 be invested in any direct obligations of, or obligations as to which  
25 the principal and interest thereof is guaranteed by, the United  
26 States of America or such other obligations as the authority may  
27 approve.

1 8. For the purpose of providing funds (a) to pay all or any part  
2 of the cost of any project or projects, (b) to make loans in accord-  
3 ance with the provisions of this act, and (c) for the funding or re-  
4 funding any bonds, the authority shall have power to authorize or  
5 provide for the issuance of bonds pursuant to this act.

1 9. By resolution, the authority shall have power to incur in-  
2 debtedness, borrow money and issue its bonds for the purposes  
3 stated in section 8 hereof. Except as may otherwise be expressly  
4 provided by the authority, every issue of its bonds shall be general  
5 obligations of the authority payable from any revenues or moneys  
6 of the authority, subject only to any agreements with the holders  
7 of particular bonds or notes pledging any particular revenues or  
8 moneys. Such bonds shall be authorized by resolution and may be  
9 issued in one or more series and shall bear such date or dates,  
10 mature at such time or times not exceeding 40 years from the date  
11 thereof, bear interest at a rate or rates, be in such denomination  
12 or denominations, be in such form, either coupon or registered,  
13 carry such conversion or registration privileges, have such rank  
14 or priority, be executed in such manner, be payable from such  
15 sources in such medium of payment at such place or places within  
16 or without the State, and be subject to such terms of redemption  
17 (with or without premium) as such resolution may provide. Bonds  
18 of the authority may be sold by the authority at public or private  
19 sale at such price or prices as the authority shall determine.

1 10. Any provision of any law to the contrary notwithstanding,  
2 any bond or other obligation issued pursuant to this act shall be  
3 fully negotiable within the meaning and for all purposes of Title  
4 12A, Commercial Transactions, of the New Jersey Statutes, and  
5 each holder or owner of such a bond or other obligation, or of any  
6 coupon appurtenant thereto, by accepting such bond or coupon  
7 shall be conclusively deemed to have agreed that such bond, obliga-  
8 tion or coupon is and shall be fully negotiable within the meaning  
9 and for all purposes of said Title 12A.

1 11. In order to secure the payment of such bonds and in addition  
2 to its other powers, the authority shall have power by resolution to

- 3 covenant and agree with the several holders of such bonds, as to:
- 4 a. The custody, security, use, expenditure or application of the  
5 proceeds of the bonds;
- 6 b. The use, regulation, operation, maintenance, insurance or  
7 disposition of all or any part of any project or projects;
- 8 c. Payment of the principal of or interest on the bonds, or any  
9 other obligations, and the sources and methods thereof, the rank  
10 or priority of any such bonds or obligations as to any lien or  
11 security, or the acceleration of the maturity of any such bonds or  
12 obligations;
- 13 d. The use and disposition of any moneys of the authority, in-  
14 cluding all revenues or other moneys derived or to be derived  
15 from any project or projects;
- 16 e. Pledging, setting aside, depositing or trusteeing all or any  
17 part of the revenues or other moneys of the authority to secure  
18 the payment of the principal of or interest on the bonds or any  
19 other obligations and the powers and duties of any trustee with  
20 regard thereto;
- 21 f. The setting aside out of the revenues or other moneys of the  
22 authority of reserves and sinking funds, and the source, custody,  
23 security, regulation, application and disposition thereof;
- 24 g. The rents, fees or other charges for the use of any project  
25 or projects, including any parts thereof theretofore constructed or  
26 acquired and any parts, replacements or improvements thereof  
27 thereafter constructed or acquired, and the fixing, establishment,  
28 collection and enforcement of the same;
- 29 h. Limitation on the issuance of additional bonds or any other  
30 obligations or on the incurrence of indebtedness of the authority;
- 31 i. Vesting in a trustee or trustees within or without the State  
32 such property, rights, powers and duties in trust as the authority  
33 may determine and limiting the rights, duties and powers of such  
34 trustee;
- 35 j. Payment of costs or expenses incident to the enforcement of  
36 the bonds or of the provisions of the resolution or of any covenant  
37 or contract with the holders of the bonds;
- 38 k. The procedure, if any, by which the terms of any covenant  
39 or contract with, or duty to, the holders of bonds may be amended  
40 or abrogated, the amount of bonds the holders of which must  
41 consent thereto, and the manner in which such consent may be  
42 given or evidenced; or
- 43 l. Any other matter or course of conduct which, by recital in  
44 the resolution, is declared to further secure the payment of the  
45 principal of or interest on the bonds.

46 All such provisions of the resolution and all such covenants and  
47 agreements shall constitute valid and legally-binding contracts  
48 between the authority and the several holders of the bonds, regard-  
49 less of the time of issuance of such bonds, and shall be enforceable  
50 by any such holder or holders by appropriate action, suit or pro-  
51 ceeding in any court of competent jurisdiction, or by proceeding  
52 in lieu of prerogative writ.

1 12. Any pledge of revenues or other moneys made by the au-  
2 thority shall be valid and binding from the time when the pledge is  
3 made; the revenues or other moneys so pledged and thereafter  
4 received by the authority shall immediately be subject to the lien  
5 of such pledge without any physical delivery thereof or further  
6 act, and the lien of any such pledge shall be valid and binding as  
7 against all parties having claims of any kind in tort, contract or  
8 otherwise against the authority, irrespective of whether such parties  
9 have notice thereof. Neither the resolution nor any other instru-  
10 ment by which a pledge is created need be filed or recorded except  
11 in the records of the authority.

1 13. Neither the members of the authority nor any person execut-  
2 ing bonds issued pursuant to this act shall be liable personally on  
3 the bonds by reason of the issuance thereof. Bonds or other obliga-  
4 tions issued by the authority pursuant to this act shall not be in  
5 any way a debt or liability of the State or of any political sub-  
6 division thereof and shall not create or constitute any indebtedness,  
7 liability or obligation of the State or of any political subdivision,  
8 either legal, moral or otherwise, and nothing in this act contained  
9 shall be construed to authorize the authority to incur any indebted-  
10 edness on behalf of or in any way to obligate the State or any  
11 political subdivision, and all such bonds shall contain on the face  
12 thereof a statement to that effect.

1 14. The exercise of the powers granted by this act shall con-  
2 stitute the performance of an essential governmental function and  
3 the authority shall not be required to pay any taxes or assessments  
4 upon or in respect of a project, or any property or moneys of the  
5 authority, and the authority, its projects, property and moneys and  
6 any bonds and notes issued under the provisions of this act, their  
7 transfer and the income therefrom, including any profit made on  
8 the sale thereof, shall at all times be free from taxation of every  
9 kind by the State except for transfer, inheritance and estate taxes  
10 and by any political subdivision of the State; provided, that any  
11 person occupying a project whether as lessee, vendee or otherwise  
12 shall, as long as title thereto shall remain in the authority, pay to

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13 the political subdivision in which such project is located a payment  
14 in lieu of taxes which shall equal the taxes on real and personal  
15 property, including water and sewer service charges or assess-  
16 ments, which such person would have been required to pay had it  
17 been the owner of such property during the period for which such  
18 payment is made and neither the authority nor its projects, prop-  
19 erties, money or bonds and notes shall be obligated, liable or subject  
20 to lien of any kind for the enforcement, collection or payment  
21 thereof. If and to the extent the proceedings under which the bonds  
22 authorized to be issued under the provisions of this act so provide,  
23 the authority may agree to cooperate with such person occupying a  
24 project, in connection with any administrative or judicial proceed-  
25 ings for determining the validity or amount of such payments and  
26 may agree to appoint or designate and reserve the right in and for  
27 such person to take all action which the authority may lawfully  
28 take in respect of such payments and all matters relating thereto,  
29 provided such person shall bear and pay all costs and expenses of  
30 the authority thereby incurred at the request of such person or by  
31 reason of any such action taken by such person in behalf of the  
32 authority. If such person occupying a project has paid the amounts  
33 in lieu of taxes required by this section to be paid such person shall  
34 not be required to pay any such taxes as to which a payment in  
35 lieu thereof has been made to the State or to any political sub-  
36 division, any other statute to the contrary notwithstanding.

1 15. Notwithstanding any restriction contained in any other law,  
2 the State and all political subdivisions of this State, their officers,  
3 boards, commissioners, departments or other agencies, all banks,  
4 bankers, trust companies, savings banks and institutions, building  
5 and loan associations, savings and loan associations, investment  
6 companies and other persons carrying on a banking or investment  
7 business, all insurance companies, insurance associations and other  
8 persons carrying on an insurance business, and all executors,  
9 administrators, guardians, trustees and other fiduciaries, and all  
10 other persons whatsoever who now are or may hereafter be au-  
11 thorized to invest in bonds or other obligations of the State, may  
12 properly and legally invest any sinking funds, moneys or other  
13 funds, including capital, belonging to them or within their control  
14 in any bonds or notes issued by the authority under the provisions  
15 of this act; and said bonds and notes are hereby made securities  
16 which may properly and legally be deposited with and received by  
17 any State or municipal officers or agency of the State for any  
18 purpose for which the deposit of bonds or other obligations of the  
19 State is now or may hereafter be authorized by law.

1 16. All banks, bankers, trust companies, savings banks, invest-  
2 ment companies and other persons carrying on a banking business  
3 are hereby authorized to give to the authority a good and sufficient  
4 undertaking with such sureties as shall be approved by the au-  
5 thority to the effect that such bank or banking institution as hercin-  
6 before described shall faithfully keep and pay over to the order of  
7 or upon the warrant of the authority or its authorized agent all  
8 such funds as may be deposited with it by the authority and agreed  
9 interest thereon, at such times or upon such demands as may be  
10 agreed with the authority or in lieu of such sureties, deposit with  
11 the authority or its authorized agent or any trustee therefor or for  
12 the holders of any bonds, as collateral, such securities as the au-  
13 thority may approve. The deposits of the authority may be  
14 evidenced by a depository collateral agreement in such form and  
15 upon such terms and conditions as may be agreed upon by the au-  
16 thority and such bank or banking institution.

1 17. The foregoing sections of this act shall be deemed to provide  
2 a complete method for the doing of things authorized thereby and  
3 shall be regarded as not in conflict with, or as restrictive of, powers  
4 conferred by any other laws, and the provisions of this act shall be  
5 complete authority for the issuance of bonds by the authority and  
6 the provisions of any other laws shall not apply to the issuance of  
7 such bonds.

1 18. If any section, part, phrase, or provision of this act or the  
2 application thereof to any person, project or circumstances, be  
3 adjudged invalid by any court of competent jurisdiction, such judg-  
4 ment shall be confined in its operation to the section, part, phrase,  
5 provision or application directly involved in the controversy in  
6 which such judgment shall have been rendered and shall not affect  
7 or impair the validity of the remainder of this act or the application  
8 thereof to other persons, projects or circumstances.

1 19. There is hereby appropriated to the authority from the  
2 General State Fund the sum of \$200,000.00, or so much thereof as  
3 may be necessary, for the purposes of carrying out its function and  
4 duties pursuant to this act. Such appropriation shall be repaid to  
5 the General State Fund as soon as practicable out of the proceeds  
6 of bonds issued by the authority or other available funds.

1 20. This act shall take effect immediately.

SENATE COMMITTEE AMENDMENTS TO

**ASSEMBLY, No. 1845**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

ADOPTED JULY 29, 1974

Amend page 4, section 4, line 13, after "Governor", insert "with the advice and consent of the Senate".

Amend page 6, section 5(d), line 15, after "located;"; insert "and provided further that at least 7 days prior to adoption of such resolution, the municipal governing body shall hold a public hearing on such resolution; and provided further that the authority shall be limited in its exercise of the power of eminent domain to municipalities receiving State aid under the provisions of P. L. 1971, c. 64, or to municipalities which had a population in 1970 in excess of 10,000;".

Amend page 9, section 7, line 27, after line 27, insert a new section 8 as follows:

"8. The authority shall also have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation, and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances herein called 'public utility facilities' of any public utility, as defined in R. S. 48:2-13, in, on, along, over or under any project.

Whenever the authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under any project, should be relocated, or should be removed from such project, the public utility owning or operating such facilities shall relocate or remove the same in accordance with the order of the authority; provided, however, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interests in lands, and any other rights acquired to accomplish such relocation or removal, less the cost of any lands or any rights of the public utility paid to the public utility in connection with the relocation or removal of such property, shall be ascertained and paid by the authority as a part of the cost of such project. In case

of any such relocation or removal of facilities, as aforesaid, the public utility owning or operating the same, its successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the new location or new locations, for as long a period, and upon the same terms and conditions, as it had the right to maintain and operate such facilities in their former location or locations.”.

Amend page 9, section 8, line 1, delete “8.” and insert “9.”.

Amend page 9, section 9, line 1, delete “9.” and insert “10.”.

Amend page 9, section 10, line 1, delete “10.” and insert “11.”.

Amend page 9, section 11, line 1, delete “11.” and insert “12.”.

Amend page 11, section 12, line 1, delete “12.” and insert “13.”.

Amend page 11, section 13, line 1, delete “13.” and insert “14.”.

Amend page 11, section 14, line 1, delete “14.” and insert “15.”.

Amend page 12, section 15, line 1, delete “15.” and insert “16.”.

Amend page 13, section 16, line 1, delete “16.” and insert “17.”.

Amend page 13, section 17, line 1, delete “17.” and insert “18.”.

Amend page 13, section 18, line 1, delete “18.” and insert “19.”.

Amend page 13, section 19, line 1, delete “19.” and insert “20.”.

Amend page 13, section 20, line 1, delete “20.” and insert “21.”.

APPROVED AUGUST 7, 1974

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 1845

STATE OF NEW JERSEY

INTRODUCED JUNE 13, 1974

By Assemblymen KLEIN, PELLECCIA, YATES, BURSTEIN, JACKMAN, WORTHINGTON, VAN WAGNER, PERSKIE, STEWART, HERMAN, GORMAN, LEFANTE, GEWERTZ, LITTELL, WOODSON, HAMILTON, HICKS, SINSIMER, EWING, BARBOUR, HURLEY, FORAN, GLADSTONE, BAER, MARTIN, MCCARTHY, RUANE, DEVERIN, NEWMAN, WEIDEL, DOYLE, OTLOWSKI, BORNHEIMER, HAWKINS, PATERO, SNEDEKER, FROUDE, SPIZZIRI, SALKIND, KOZLOSKI, FITZPATRICK, RYS, SHELTON, SWEENEY, Assemblywomen BERMAN, TOTARO, Assemblymen BATE, PERKINS, OWENS, BROWN, FLORIO, SCHUCK and GALLAGHER

Referred to Committee on State Government, Federal and  
Interstate Relations

AN ACT providing for the construction, acquisition, financing, selling and leasing of manufacturing, industrial, commercial and other employment promoting facilities; creating the New Jersey Economic Development Authority and defining its powers in connection therewith; providing for the issuance of bonds of the authority and the terms and security thereof; and providing an appropriation therefor.

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

1 1. This act shall be known and may be cited as "The New Jersey  
2 Economic Development Authority Act."

1 2. It is hereby declared to be in the public interest and to be the  
2 policy of the State to foster and promote the economy of the State,  
3 increase opportunities for gainful employment and improve living  
4 conditions, assist in the economic development or redevelopment  
5 of political subdivisions within the State, and otherwise contribute  
6 to the prosperity, health and general welfare of the State and its

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



7 inhabitants by inducing manufacturing, industrial, commercial and  
8 other employment promoting enterprises by making available  
9 financial assistance to locate, remain or expand within the State.  
10 It is the purpose and object of this act to further and implement  
11 such policy by creating a body corporate and politic having the  
12 powers, duties and functions as provided in this act.

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

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

5 b. "Bonds" means bonds or other obligations issued by the  
6 authority pursuant to this act;

7 c. "Cost" means, in addition to the usual connotations thereof,  
8 the cost of acquisition or construction of all or any part of any  
9 project, and shall include, but not be limited to, the cost or fair  
10 market value of construction, machinery and equipment, property,  
11 rights, easements, privileges, agreements, franchises, utility ex-  
12 tensions, disposal facilities, access roads and site development  
13 deemed by the authority to be necessary or useful and convenient  
14 therefor or in connection therewith, discount on bonds, cost of  
15 issuance of bonds, engineering and inspection costs and legal  
16 expenses, cost of financial, professional and other estimates and  
17 advice, organization, administrative, insurance, operating and other  
18 expenses of the authority or any person prior to and during any  
19 acquisition or construction, and all such other expenses as may be  
20 necessary or incident to the financing, acquisition, construction  
21 and completion of such project or part thereof, and also such pro-  
22 vision for reserves for payment or security of principal of or  
23 interest on bonds during or after such acquisition or construction  
24 as the authority may determine;

25 d. "Person" means any person, including individuals, firms,  
26 partnerships, associations, societies, trusts, public or private cor-  
27 porations, or other legal entities, including public or governmental  
28 bodies as well as natural persons. "Person" shall include the  
29 plural as well as the singular.

30 e. "Project" means any building whether or not in existence  
31 or under construction, or other improvement, purchase of an exist-  
32 ing building, refinancing of an existing building in order to facilitate  
33 substantial improvements thereto, or real estate improvement, in-  
34 cluding remodeling and refurnishing of or adding to existing  
35 property or both, in New Jersey, and, the land upon which it is  
36 located, all real property deemed necessary to its use, and the

37 extension or provision of utilities, access roads and other ap-  
38 purtenant facilities, which is to be used or occupied by any person  
39 for the manufacturing, processing or assembling of materials or  
40 manufactured products, or for research, office, industrial, com-  
41 mercial, recreational or hotel facilities, or warehousing, or for any  
42 combination thereof and which the authority determines will tend  
43 to maintain or provide gainful employment within and for the  
44 people of the State, aid and assist in the economic development  
45 or redevelopment of any political subdivision of the State, maintain  
46 or increase the tax base of any political subdivision of the State  
47 and maintain or diversify and expand industry within the State,  
48 and also including reimbursement to any person for costs in con-  
49 nection with, or the refinancing of, any project or portion as above  
50 described, if determined by the authority as necessary and in the  
51 public interest to facilitate substantial improvements thereto or the  
52 completion thereof. "Project" may also include machinery and  
53 equipment necessary or convenient in connection therewith, but  
54 shall not include raw materials, work in process or stock in trade;

55 f. "Revenues" means receipts, fees, rentals or other payments  
56 to be received on account of lease, mortgage, conditional sale, or  
57 sale and payments and any other income derived from the lease,  
58 sale or other disposition of a project, moneys in such reserve and  
59 insurance funds or accounts or other funds and accounts and income  
60 from the investment thereof, established in connection with the  
61 issuance of bonds or notes for a project or projects, and fees,  
62 charges or other moneys to be received by the authority in respect  
63 of projects and contracts with persons; and

64 g. "Resolution" means any resolution adopted or trust agree-  
65 ment executed by the authority pursuant to which bonds of the  
66 authority are authorized to be issued.

1 4. a. There is hereby established in, but not of, the Department  
2 of Labor and Industry a public body corporate and politic, with  
3 corporate succession, to be known as the "New Jersey Economic  
4 Development Authority." The authority is hereby constituted as  
5 an instrumentality of the State exercising public and essential  
6 governmental functions, and the exercise by the authority of the  
7 powers conferred by this act shall be deemed and held to be an  
8 essential governmental function of the State.

9 b. The authority shall consist of the Commissioner of Labor and  
10 Industry, the Commissioner of Environmental Protection, the Com-  
11 missioner of Community Affairs, and the State Treasurer, who  
12 shall be members ex officio, and three members appointed by the

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13 Governor *\*\*with the advice and consent of the Senate\*\** for terms  
14 of 3 years, provided that the members of the authority (other than  
15 the ex-officio members) first appointed by the Governor shall serve  
16 for terms of 1 year, 2 years, and 3 years respectively. Each mem-  
17 ber shall hold office for the term of his appointment and until his  
18 successor shall have been appointed and qualified. A member shall  
19 be eligible for reappointment. Any vacancy in the membership  
20 occurring other than by expiration of term shall be filled in the same  
21 manner as the original appointment but for the unexpired term only.

22 c. Each appointed member may be removed from office by the  
23 Governor, for cause, after a public hearing, and may be suspended  
24 by the Governor pending the completion of such hearing. Each  
25 member before entering upon his duties shall take and subscribe  
26 an oath to perform the duties of his office faithfully, impartially  
27 and justly to the best of his ability. A record of such oaths shall  
28 be filed in the office of the Secretary of State.

29 d. The Commissioner of Labor and Industry shall be the chair-  
30 man of the authority. The members of the authority shall elect  
31 from their remaining number a vice chairman and a treasurer  
32 thereof. The authority shall employ an executive director who  
33 shall be its secretary and chief executive officer. The powers of  
34 the authority shall be vested in the members thereof in office from  
35 time to time and four members of the authority shall constitute  
36 a quorum at any meeting thereof. Action may be taken and motions  
37 and resolutions adopted by the authority at any meeting thereof  
38 by the affirmative vote of at least four members of the authority.  
39 No vacancy in the membership of the authority shall impair the  
40 right of a quorum of the members to exercise all the powers and  
41 perform all the duties of the authority.

42 e. Each member of the authority shall execute a bond to be  
43 conditioned upon the faithful performance of the duties of such  
44 member in such form and amount as may be prescribed by the  
45 Comptroller of the Treasury. Such bonds shall be filed in the office  
46 of the Secretary of State. At all times thereafter the members  
47 and treasurer of the authority shall maintain such bonds in full  
48 force and effect. All costs of such bonds shall be borne by the  
49 authority.

50 f. The members of the authority shall serve without compensa-  
51 tion, but the authority shall reimburse its members for actual ex-  
52 penses necessarily incurred in the discharge of their duties. Not-  
53 withstanding the provisions of any other law, no officer or employee  
54 of the State shall be deemed to have forfeited or shall forfeit his  
55 office or employment or any benefits or emoluments thereof by

56 reason of his acceptance of the office of ex-officio member of the  
57 authority or his services therein.

58 g. Each ex-officio member of the authority may designate an  
59 officer or employee of his department to represent him at meetings  
60 of the authority, and each such designee may lawfully vote and  
61 otherwise act on behalf of the member for whom he constitutes  
62 the designee. Any such designation shall be in writing delivered  
63 to the authority and shall continue in effect until revoked or  
64 amended by writing delivered to the authority.

65 h. The authority may be dissolved by act of the Legislature on  
66 condition that the authority has no debts or obligations outstand-  
67 ing or that provision has been made for the payment or retirement  
68 of such debts or obligations. Upon **\*[and]\*** *\*any\** such dissolu-  
69 tion of the authority all property, funds and assets thereof shall  
70 be vested in the State.

71 i. A true copy of the minutes of every meeting of the authority  
72 shall be forthwith delivered by and under the certification of the  
73 secretary thereof to the Governor. No action taken at such meeting  
74 by the authority shall have force or effect until 10 days, Saturdays,  
75 Sundays, and public holidays excepted, after such copy of the  
76 minutes shall have been so delivered unless during such 10-day  
77 period the Governor shall approve the same in which case such  
78 action shall become effective upon such approval. If, in said  
79 10-day period, the Governor returns such copy of the minutes  
80 with veto of any action taken by the authority or any member  
81 thereof at such meeting, such action shall be null and void and  
82 of no effect. The powers conferred in this paragraph (i) upon the  
83 Governor shall be exercised with due regard for the rights of the  
84 holders of bonds and notes of the authority at any time outstanding,  
85 and nothing in, or done pursuant to, this paragraph (i) shall in  
86 any way limit, restrict or alter the obligation or powers of the  
87 authority or any representative or officer of the authority to carry  
88 out and perform in every detail each and every covenant, agree-  
89 ment or contract at any time made or entered into by or on behalf  
90 of the authority with respect to its bonds or notes or for the benefit,  
91 protection or security of the holders thereof.

92 j. On or before March 31 in each year, the authority shall make  
93 an annual report of its activities for the preceding calendar year  
94 to the Governor and the Legislature. Each such report shall set  
95 forth a complete operating and financial statement covering the  
96 authority's operations during the year. The authority shall cause  
97 an audit of its books and accounts to be made at least once in each  
98 year by certified public accountants and cause a copy thereof to be

99 filed with the Secretary of State and the Comptroller of the  
100 Treasury.

101 k. The Comptroller of the Treasury and his legally authorized  
102 representatives are hereby authorized and empowered from time  
103 to time to examine the accounts, books and records of the authority,  
104 including its receipts, disbursements, contracts, sinking funds, in-  
105 vestments and any other matters relating thereto and to its financial  
106 standing.

107 l. No member, officer, employee or agent of the authority shall  
108 be interested, either directly or indirectly, in any project or in any  
109 contract, sale, purchase, lease or transfer of real or personal prop-  
110 erty to which the authority is a party.

1 5. The authority shall have the following powers:

2 a. To adopt bylaws for the regulation of its affairs and the  
3 conduct of its business;

4 b. To adopt and have a seal and to alter the same at pleasure;

5 c. To sue and be sued;

6 d. To acquire in the name of the authority by purchase or other-  
7 wise, on such terms and conditions and such manner as it may  
8 deem proper, or by the exercise of the power of eminent domain  
9 in the manner provided by the Eminent Domain Act of 1971,  
10 P. L. 1971, c. 361 (C. 20:3-1 et seq.), any lands or interests therein  
11 or other property which it may determine is reasonably necessary  
12 for any project; provided, however, that the authority shall not  
13 take by exercise of the power of eminent domain any real property  
14 except upon consent thereto given by resolution of the governing  
15 body of the municipality in which such real property is located;  
15A *\*\*and provided further that at least 7 days prior to adoption of*  
15B *such resolution, the municipal governing body shall hold a public*  
15C *hearing on such resolution; and provided further that the authority*  
15D *shall be limited in its exercise of the power of eminent domain to*  
15E *municipalities receiving State aid under the provisions of P. L.*  
15F *1971, c. 64, or to municipalities which had a population in 1970 in*  
15G *excess of 10,000;\*\**

16 e. To enter into contracts with a person upon such terms and  
17 conditions as the authority shall determine to be reasonable, includ-  
18 ing but not limited to reimbursement for the planning, designing,  
19 financing, construction, reconstruction, improvement, equipping,  
20 furnishing, operation and maintenance of the project and to pay  
21 or compromise any claims arising therefrom;

22 f. To establish and maintain reserve and insurance funds with  
23 respect to the financing of the project;

24 g. To sell, convey or lease to any person all or any portion of

25 a project, for such consideration and upon such terms as the au-  
26 thority may determine to be reasonable;

27 h. To mortgage, pledge or assign or otherwise encumber all or  
28 any portion of a project or revenues whenever it shall find such  
29 action to be in furtherance of the purposes of this act;

30 i. To grant options to purchase or renew a lease for any of its  
31 projects on such terms as the authority may determine to be  
32 reasonable;

33 j. To contract for and to accept any gifts or grants or loans of  
34 funds or property or financial or other aid in any form from the  
35 United States of America or any agency or instrumentality thereof,  
36 or from the State or any agency, instrumentality or political sub-  
37 division thereof, or from any other source and to comply, subject to  
38 the provisions of the act, with the terms and conditions thereof;

39 k. In connection with any application for assistance under this  
40 act or commitments therefor, to require and collect such fees and  
41 charges as the authority shall determine to be reasonable;

42 l. To adopt, amend and repeal regulations to carry out the pro-  
43 visions of this act;

44 m. To acquire, purchase, manage and operate, hold and dispose  
45 of real and personal property or interests therein, take assign-  
46 ments of rentals and leases and make and enter into all contracts,  
47 leases, agreements and arrangements necessary or incidental to  
48 the performance of its duties;

49 n. To purchase, acquire and take assignments of notes, mort-  
50 gages and other forms of security and evidences of indebtedness;

51 o. To purchase, acquire, attach, seize, accept or take title to any  
52 project by conveyance or, by foreclosure, and sell, lease, manage  
53 or operate any project for a use specified in this act;

54 p. To borrow money and to issue bonds of the authority and to  
55 provide for the rights of the holders thereof as provided in this act.

56 q. To extend credit or make loans to any person for the planning,  
57 designing, acquiring, constructing, reconstructing, improving,  
58 equipping and furnishing of a project which credits or loans may  
59 be secured by loan and security agreements, mortgages, leases,  
60 and any other instruments, upon such terms and conditions as the  
61 authority shall deem reasonable, including provision for the estab-  
62 lishment and maintenance of reserve and insurance funds, and to  
63 require the inclusion in any mortgage, lease, contract, loan and  
64 security agreement or other instrument, such provisions for the  
65 construction, use, operation and maintenance and financing of a  
66 project as the authority may deem necessary or desirable;

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67 r. To employ consulting engineers, architects, attorneys, real  
68 estate counselors, appraisers, and such other consultants and em-  
69 ployees as may be required in the judgment of the authority to  
70 carry out the purposes of the act, and to fix and pay their compensa-  
71 tion from funds available to the authority therefor, all without  
72 regard to the provisions of Title 11, Civil Service, of the Revised  
73 Statutes;

74 s. To do and perform any acts and things authorized by this act  
75 under, through or by means of its own officers, agents and em-  
76 ployees, or by contracts with any person; and

77 t. To procure insurance against any losses in connection with its  
78 property, operations or assets in such amounts and from such  
79 insurers as it deems desirable;

80 u. To do any and all things necessary or convenient to carry out  
81 its purposes and exercise the powers given and granted in the act.

1 6. A copy of any application for assistance under this act  
2 received by the authority shall be submitted to, and for the review  
3 and advice of, the Director of the Division of Economic Develop-  
4 ment. Prior to making any commitment for such assistance, the  
5 authority, after consultation with the director of said division shall  
6 by resolution duly adopted, find and determine, on the basis of all  
7 information reasonably available to it, that such assistance will tend  
8 to maintain or provide gainful employment for the inhabitants of  
9 the State, and improve living conditions, and shall serve a public  
10 purpose by contributing to the prosperity, health and general wel-  
11 fare of the inhabitants of the State and will tend to aid and assist  
12 in the economic growth, development or redevelopment of the  
13 political subdivision wherein it is to be located, and such finding  
14 and determination shall be conclusive for all purposes of this act.

1 7. a. The authority shall establish and maintain a special fund  
2 called the "economic development fund" into which shall be  
3 deposited such moneys (1) as shall be appropriated by the State  
4 for the purpose of such fund; (2) if the authority so determines  
5 in any resolution authorizing any particular bonds, as shall be  
6 received by the authority from the sale of such bonds as provided  
7 by law; (3) as shall be received by the authority from the repay-  
8 ment of loans made pursuant to this act; (4) any other moneys or  
9 funds of the authority which it determines to deposit therein.  
10 Moneys at any time in the economic development fund may be  
11 used by the authority for any purpose of this act, including but not  
12 limited to payment of administrative expenses incurred by the  
13 authority in the performance of its duties, subject only to any  
14 agreements with the holders of particular bonds or notes.

15 b. The authority may, in any resolution authorizing the issuance  
 16 of bonds or notes, create or authorize the creation within said  
 17 economic development fund of special funds to be held in pledge  
 18 or otherwise for payment or redemption of such bonds or notes,  
 19 reserves or other purposes and to covenant as to use and disposition  
 20 of the moneys held in such funds.

21 c. Moneys at any time in the economic development fund may  
 22 be used to guarantee loans made to project applicants by persons.

23 d. Moneys at any time in the economic development fund may  
 24 be invested in any direct obligations of, or obligations as to which  
 25 the principal and interest thereof is guaranteed by, the United  
 26 States of America or such other obligations as the authority may  
 27 approve.

1 *\*\*8. The authority shall also have power to make reasonable*  
 2 *regulations for the installation, construction, maintenance, repair,*  
 3 *renewal, relocation, and removal of tracks, pipes, mains, conduits,*  
 4 *cables, wires, towers, poles and other equipment and appliances*  
 5 *herein called "public utility facilities" of any public utility, as*  
 6 *defined in R. S. 48:2-13, in, on, along, over or under any project.*

7 *Whenever the authority shall determine that it is necessary that*  
 8 *any such public utility facilities which now are, or hereafter may*  
 9 *be, located in, on, along, over or under any project, should be*  
 10 *relocated, or should be removed from such project, the public utility*  
 11 *owning or operating such facilities shall relocate or remove the*  
 12 *same in accordance with the order of the authority; provided,*  
 13 *however, that the cost and expenses of such relocation or removal,*  
 14 *including the cost of installing such facilities in a new location or*  
 15 *new locations, and the cost of any lands, or any rights or interests*  
 16 *in lands, and any other rights acquired to accomplish such reloca-*  
 17 *tion or removal, less the cost of any lands or any rights of the*  
 18 *public utility paid to the public utility in connection with the re-*  
 19 *location or removal of such property, shall be ascertained and paid*  
 20 *by the authority as a part of the cost of such project. In case of*  
 21 *any such relocation or removal of facilities, as aforesaid, the public*  
 22 *utility owning or operating the same, its successors or assigns,*  
 23 *may maintain and operate such facilities, with the necessary ap-*  
 24 *purtenances, in the new location or new locations, for as long a*  
 25 *period, and upon the same terms and conditions, as it had the right*  
 26 *to maintain and operate such facilities in their former location or*  
 27 *locations.\*\**

1 *\*\*[8.]\*\* \*\*9.\*\** For the purpose of providing funds (a) to pay all  
 2 or any part of the cost of any project or projects, (b) to make loans



3 in accordance with the provisions of this act, and (c) for the fund-  
 4 ing or refunding any bonds, the authority shall have power to au-  
 5 thorize or provide for the issuance of bonds pursuant to this act.

1     **\*\*[9.]\*\*** **\*\*10.\*\*** By resolution, the authority shall have power to  
 2 incur indebtedness, borrow money and issue its bonds for the pur-  
 3 poses stated in section 8 hereof. Except as may otherwise be ex-  
 4 pressly provided by the authority, every issue of its bonds shall be  
 5 general obligations of the authority payable from any revenues or  
 6 moneys of the authority, subject only to any agreements with the  
 7 holders of particular bonds or notes pledging any particular  
 8 revenues or moneys. Such bonds shall be authorized by resolution  
 9 and may be issued in one or more series and shall bear such date or  
 10 dates, mature at such time or times not exceeding 40 years from the  
 11 date thereof, bear interest at a rate or rates, be in such denomina-  
 12 tion or denominations, be in such form, either coupon or registered,  
 13 carry such conversion or registration privileges, have such rank  
 14 or priority, be executed in such manner, be payable from such  
 15 sources in such medium of payment at such place or places within  
 16 or without the State, and be subject to such terms of redemption  
 17 (with or without premium) as such resolution may provide. Bonds  
 18 of the authority may be sold by the authority at public or private  
 19 sale at such price or prices as the authority shall determine.

1     **\*\*[10.]\*\*** **\*\*11.\*\*** Any provision of any law to the contrary not-  
 2 withstanding, any bond or other obligation issued pursuant to this  
 3 act shall be fully negotiable within the meaning and for all purposes  
 4 of Title 12A, Commercial Transactions, of the New Jersey Statutes,  
 5 and each holder or owner of such a bond or other obligation, or of  
 6 any coupon appurtenant thereto, by accepting such bond or coupon  
 7 shall be conclusively deemed to have agreed that such bond, obliga-  
 8 tion or coupon is and shall be fully negotiable within the meaning  
 9 and for all purposes of said Title 12A.

1     **\*\*[11.]\*\*** **\*\*12.\*\*** In order to secure the payment of such bonds  
 2 and in addition to its other powers, the authority shall have power  
 3 by resolution to covenant and agree with the several holders of  
 3A such bonds, as to:

- 4     a. The custody, security, use, expenditure or application of the  
 5 proceeds of the bonds;
- 6     b. The use, regulation, operation, maintenance, insurance or  
 7 disposition of all or any part of any project or projects;
- 8     c. Payment of the principal of or interest on the bonds, or any  
 9 other obligations, and the sources and methods thereof, the rank  
 10 or priority of any such bonds or obligations as to any lien or

11 security, or the acceleration of the maturity of any such bonds or  
12 obligations;

13 d. The use and disposition of any moneys of the authority, in-  
14 cluding all revenues or other moneys derived or to be derived  
15 from any project or projects;

16 e. Pledging, setting aside, depositing or trusteeing all or any  
17 part of the revenues or other moneys of the authority to secure  
18 the payment of the principal of or interest on the bonds or any  
19 other obligations and the powers and duties of any trustee with  
20 regard thereto;

21 f. The setting aside out of the revenues or other moneys of the  
22 authority of reserves and sinking funds, and the source, custody,  
23 security, regulation, application and disposition thereof;

24 g. The rents, fees or other charges for the use of any project  
25 or projects, including any parts thereof theretofore constructed or  
26 acquired and any parts, replacements or improvements thereof  
27 thereafter constructed or acquired, and the fixing, establishment,  
28 collection and enforcement of the same;

29 h. Limitation on the issuance of additional bonds or any other  
30 obligations or on the incurrence of indebtedness of the authority;

31 i. Vesting in a trustee or trustees within or without the State  
32 such property, rights, powers and duties in trust as the authority  
33 may determine and limiting the rights, duties and powers of such  
34 trustee;

35 j. Payment of costs or expenses incident to the enforcement of  
36 the bonds or of the provisions of the resolution or of any covenant  
37 or contract with the holders of the bonds;

38 k. The procedure, if any, by which the terms of any covenant  
39 or contract with, or duty to, the holders of bonds may be amended  
40 or abrogated, the amount of bonds the holders of which must  
41 consent thereto, and the manner in which such consent may be  
42 given or evidenced; or

43 l. Any other matter or course of conduct which, by recital in  
44 the resolution, is declared to further secure the payment of the  
45 principal of or interest on the bonds.

46 All such provisions of the resolution and all such covenants and  
47 agreements shall constitute valid and legally-binding contracts  
48 between the authority and the several holders of the bonds, regard-  
49 less of the time of issuance of such bonds, and shall be enforceable  
50 by any such holder or holders by appropriate action, suit or pro-  
51 ceeding in any court of competent jurisdiction, or by proceeding  
52 in lieu of prerogative writ.

1     \*\*[12.]\*\* \*\*13.\*\* Any pledge of revenues or other moneys made  
2 by the authority shall be valid and binding from the time when the  
3 pledge is made; the revenues or other moneys so pledged and there-  
4 after received by the authority shall immediately be subject to the  
5 lien of such pledge without any physical delivery thereof or further  
6 act, and the lien of any such pledge shall be valid and binding as  
7 against all parties having claims of any kind in tort, contract or  
8 otherwise against the authority, irrespective of whether such parties  
9 have notice thereof. Neither the resolution nor any other instru-  
10 ment by which a pledge is created need be filed or recorded except  
11 in the records of the authority.

1     \*\*[13.]\*\* \*\*14.\*\* Neither the members of the authority nor any  
2 person executing bonds issued pursuant to this act shall be liable  
3 personally on the bonds by reason of the issuance thereof. Bonds  
4 or other obligations issued by the authority pursuant to this act  
5 shall not be in any way a debt or liability of the State or of any  
6 political subdivision thereof and shall not create or constitute any  
7 indebtedness, liability or obligation of the State or of any political  
8 subdivision, either legal, moral or otherwise, and nothing in this act  
9 contained shall be construed to authorize the authority to incur any  
10 indebtedness on behalf of or in any way to obligate the State or any  
11 political subdivision, and all such bonds shall contain on the face  
12 thereof a statement to that effect.

1     \*\*[14.]\*\* \*\*15.\*\* The exercise of the powers granted by this act  
2 shall constitute the performance of an essential governmental func-  
3 tion and the authority shall not be required to pay any taxes or  
4 assessments upon or in respect of a project, or any property or  
5 moneys of the authority, and the authority, its projects, property  
6 and moneys and any bonds and notes issued under the provisions  
7 of this act, their transfer and the income therefrom, including any  
8 profit made on the sale thereof, shall at all times be free from taxa-  
9 tion of every kind by the State except for transfer, inheritance and  
10 estate taxes and by any political subdivision of the State; provided,  
11 that any person occupying a project whether as lessee, vendee or  
12 otherwise shall, as long as title thereto shall remain in the authority,  
13 pay to the political subdivision in which such project is located a  
14 payment in lieu of taxes which shall equal the taxes on real and  
15 personal property, including water and sewer service charges or  
16 assessments, which such person would have been required to pay  
17 had it been the owner of such property during the period for which  
18 such payment is made and neither the authority nor its projects,  
19 properties, money or bonds and notes shall be obligated, liable or

20 subject to lien of any kind for the enforcement, collection or payment  
 21 thereof. If and to the extent the proceedings under which the bonds  
 22 authorized to be issued under the provisions of this act so provide,  
 23 the authority may agree to cooperate with such person occupying a  
 24 project, in connection with any administrative or judicial proceed-  
 25 ings for determining the validity or amount of such payments and  
 26 may agree to appoint or designate and reserve the right in and for  
 27 such person to take all action which the authority may lawfully  
 28 take in respect of such payments and all matters relating thereto,  
 29 provided such person shall bear and pay all costs and expenses of  
 30 the authority thereby incurred at the request of such person or by  
 31 reason of any such action taken by such person in behalf of the  
 32 authority. If such person occupying a project has paid the amounts  
 33 in lieu of taxes required by this section to be paid such person shall  
 34 not be required to pay any such taxes as to which a payment in  
 35 lieu thereof has been made to the State or to any political sub-  
 36 division, any other statute to the contrary notwithstanding.

1     \*\*[15.]\*\* \*\*16.\*\* Notwithstanding any restriction contained in  
 2 any other law, the State and all political subdivisions of this State,  
 3 their officers, boards, commissioners, departments or other agencies,  
 4 all banks, bankers, trust companies, savings banks and institutions,  
 5 building and loan associations, savings and loan associations, in-  
 6 vestment companies and other persons carrying on a banking or  
 7 investment business, all insurance companies, insurance associa-  
 8 tions and other persons carrying on an insurance business, and all  
 9 executors, administrators, guardians, trustees and other fiduciaries,  
 10 and all other persons whatsoever who now are or may hereafter be  
 11 authorized to invest in bonds or other obligations of the State, may  
 12 properly and legally invest any sinking funds, moneys or other  
 13 funds, including capital, belonging to them or within their control  
 14 in any bonds or notes issued by the authority under the provisions  
 15 of this act; and said bonds and notes are hereby made securities  
 16 which may properly and legally be deposited with and received by  
 17 any State or municipal officers or agency of the State for any  
 18 purpose for which the deposit of bonds or other obligations of the  
 19 State is now or may hereafter be authorized by law.

1     \*\*[16.]\*\* \*\*17.\*\* All banks, bankers, trust companies, savings  
 2 banks, investment companies and other persons carrying on a bank-  
 3 ing business are hereby authorized to give to the authority a good  
 4 and sufficient undertaking with such sureties as shall be approved  
 5 by the authority to the effect that such bank or banking institution  
 6 as hereinbefore described shall faithfully keep and pay over to the

7 order of or upon the warrant of the authority or its authorized agent  
8 all such funds as may be deposited with it by the authority and  
9 agreed interest thereon, at such times or upon such demands as may  
10 be agreed with the authority or in lieu of such sureties, deposit with  
11 the authority or its authorized agent or any trustee therefor or for  
12 the holders of any bonds, as collateral, such securities as the au-  
13 thority may approve. The deposits of the authority may be  
14 evidenced by a depository collateral agreement in such form and  
15 upon such terms and conditions as may be agreed upon by the au-  
16 thority and such bank or banking institution.

1     \*\*[17.]\*\* \*\*18.\*\* The foregoing sections of this act shall be  
2 deemed to provide a complete method for the doing of things  
3 authorized thereby and shall be regarded as not in conflict with, or  
4 as restrictive of, powers conferred by any other laws, and the pro-  
5 visions of this act shall be complete authority for the issuance of  
6 bonds by the authority and the provisions of any other laws shall  
7 not apply to the issuance of such bonds.

1     \*\*[18.]\*\* \*\*19.\*\* If any section, part, phrase, or provision of this  
2 act or the application thereof to any person, project or circum-  
3 stances, be adjudged invalid by any court of competent jurisdiction,  
4 such judgment shall be confined in its operation to the section, part,  
5 phrase, provision or application directly involved in the controversy  
6 in which such judgment shall have been rendered and shall not affect  
7 or impair the validity of the remainder of this act or the application  
8 thereof to other persons, projects or circumstances.

1     \*\*[19.]\*\* \*\*20.\*\* There is hereby appropriated to the authority  
2 from the General State Fund the sum of \$200,000.00, or so much  
3 thereof as may be necessary, for the purposes of carrying out its  
4 function and duties pursuant to this act. Such appropriation shall  
5 be repaid to the General State Fund as soon as practicable out of  
6 the proceeds of bonds issued by the authority or other available  
7 funds.

1     \*\*[20.]\*\* \*\*21.\*\* This act shall take effect immediately.

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FROM THE OFFICE OF THE GOVERNOR

AUGUST 7, 1974

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

DICK CAMPBELL

Governor Brendan Byrne signed into law Wednesday a bill designed to create new jobs for the working men and women of New Jersey.

The bill, A 1845, sponsored by Assemblyman Herbert Klein, D-Passaic, establishes an Economic Development Authority that would seek to attract new industry and to assist in the expansion of existing industry in the state.

"The overriding goal of this legislation is the economic revitalization of the state's urban areas and other labor markets with high rates of unemployment," said Byrne.

The new law creates a seven-member authority consisting of four cabinet officers and three private citizens.

The cabinet members would be the State Treasurer and the State Commissioners of Labor and Industry, Community Affairs and Environmental Protection. The citizen members would be subject to confirmation by the State Senate.

"The new Authority will be empowered to borrow money, acquire property, execute agreements with private corporations, and engage in a variety of other activities to create new employment opportunities or maintain existing employment opportunities in New Jersey," the Governor said.

Byrne said the objective is to stimulate the development of new commercial and industrial facilities in New Jersey.

Joseph A. Hoffman, State Commissioner of Labor and Industry, said plans are under way to begin the work of the authority.

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185 W. State Street  
Trenton, N.J.

In most cases the credit of an applicant firm would be sufficient to secure from private lenders the full amount of funds needed to complete a development project. In some instances, however, private lenders might not be prepared to loan the full amount needed for a project. In certain cases the Authority may find it necessary and in the public interest to guarantee the extra needed amount.

\*\*\*\*

"We will begin at once the organization and operations of the Authority," said Hoffman. "Hopefully, as early as late fall we may see the actual creation of new jobs through this agency."

The Authority is not empowered to pledge in any way the credit of the State of New Jersey. However, because it is a State Development Authority, the loans processed through the financial community will not be subject to the federal corporate tax. Since the lenders will not pay federal corporate taxes on the interest from loans concluded through the Authority, the interest rate will be substantially below market rates.

Using the financial tools provided by the legislation, the Authority would obtain loans from private lending sources (through mortgages or bond agreements with banks, insurance companies, individuals and others) and make these loan projects available to eligible private firms for the purpose of constructing and expanding commercial, research and industrial facilities in New Jersey.

The new legislation calls for an "Economic Development Fund" controlled by the Authority. Money in this fund would be used for loan guarantees.