

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

LAW/RWH

SENATE, No. 2097

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 21, 2010

Sponsored by:

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

Assemblyman ANTHONY M. BUCCO

District 25 (Morris)

Assemblyman DOMENICK DICICCO, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Directs transfer of up to \$22 million to support Main Street Business Assistance Program and provides for program's continuation; confers general power on EDA to collect certain fees.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/29/2010)

S2097 KYRILLOS

2

1 AN ACT providing for the transfer of certain funds from the Invest
2 in New Jersey Business Grant Program to the Economic
3 Recovery Fund, amending P.L.1992, c.16 and P.L.1974, c.80.

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

7
8 1. (New section) Notwithstanding any provision of law to the
9 contrary, the New Jersey Economic Development Authority
10 established pursuant to section 4 of P.L.1974, c.80 (C.34:1B-4)
11 shall transfer, on or before the fifth day after enactment of this act,
12 an amount not to exceed \$22,000,000, as shall be determined by the
13 State Treasurer, from the Invest in New Jersey Business Grant
14 Program established pursuant to P.L.2008, c.112 (C.34:1B-237 et
15 seq.), to the Economic Recovery Fund established pursuant to
16 P.L.1992, c.16 (C.34:1B-7.10 et seq.), for the purpose of funding
17 the Main Street Business Assistance Program established pursuant
18 to P.L.2008, c.117.

19
20 2. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to
21 read as follows:

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

32 a. an economic growth account for business programs, which
33 will invest in small and medium-size businesses that have the
34 greatest potential for creating jobs and stimulating economic growth
35 through such elements as a Statewide lending pool for small
36 business, a business composite bond guarantee, a fund to further
37 supplement the export finance program of the authority to provide
38 direct loans and working capital necessary for New Jersey
39 businesses to compete in the global market, real estate partnerships,
40 a Statewide composite bond pool to assist municipalities in
41 acquiring needed financing for capital expenditures, community-
42 based assistance to assist municipalities in establishing local
43 development corporations to stimulate economic development, a
44 venture capital fund for start-up costs for businesses developing
45 new concepts and inventions, a fund to assist businesses with

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

Matter underlined thus is new matter.

S2097 KYRILLOS

1 expansion in such areas as manufacturing retooling to improve
2 quality, to reduce production costs and to train employees to apply
3 the latest technology, and a "Main Street Business Assistance
4 Program" to provide guarantees and loans to small and mid-size
5 businesses and not-for-profit corporations [on an expedited basis
6 for a period not to exceed two years from the date of enactment of
7 P.L.2008, c.117,] to stimulate the economy. The authority may
8 promulgate rules and regulations for the effective implementation
9 of the "Main Street Business Assistance Program."
10 Notwithstanding any provision of the "Administrative Procedure
11 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the
12 authority may adopt, immediately upon filing with the Office of
13 Administrative Law, such regulations as are necessary to implement
14 the provisions of this act, which shall be effective for a period not
15 to exceed 12 months following enactment, and may thereafter be
16 amended, adopted, or readopted by the authority in accordance with
17 the requirements of the "Administrative Procedure Act," P.L.1968,
18 c.410 (C.52:14B-1 et seq.);

19 b. an economic development infrastructure program account,
20 which shall provide for the financing and development of
21 infrastructure and transportation projects, including but not limited
22 to ports, terminal and transit facilities, roads and airports, parking
23 facilities used in connection with transit facilities, and related
24 facilities, including public-private partnerships, that are integral to
25 economic growth;

26 c. an account for a cultural, recreational, fine and performing
27 arts, military and veterans memorial, historic preservation project
28 and tourism facilities and improvements program, which shall
29 provide for the financing and development of cultural, recreational,
30 fine and performing arts, military and veterans memorial, historic
31 preservation and tourism projects, including partnerships with
32 public, private and nonprofit entities;

33 d. an account, into which shall be deposited an amount not less
34 than \$45,000,000, out of the total amounts deposited or credited to
35 the fund from the proceeds of the sale of Economic Recovery Fund
36 Bonds or Notes, for the financing of capital facilities for primary
37 and secondary schools in the State for the purpose of the
38 renovation, repair or alteration of existing school buildings, the
39 construction of new school buildings or the conversion of existing
40 school buildings to other instructional purposes.

41 (1) Of the amount deposited in the account, not less than
42 \$25,000,000 shall be deposited in the "Public School Facilities
43 Code Compliance Loan Fund" established pursuant to section 4 of
44 P.L.1993, c.102 (C.34:1B-7.23).

45 (2) Of the amount deposited in the account, not less than
46 \$20,000,000 shall be deposited in the "Public School Facilities
47 Loan Assistance Fund" established pursuant to section 5 of
48 P.L.1993, c.102 (C.34:1B-7.24);

S2097 KYRILLOS

1 e. an environmental cleanup assistance account, into which
2 shall be deposited an amount not less than \$10,000,000, out of the
3 total amounts deposited or credited to the fund from the proceeds of
4 the sale of Economic Recovery Fund Bonds or Notes, to provide
5 financial assistance to the persons and other entities entitled to
6 apply for financial assistance pursuant to P.L.1993, c.139; and

7 f. an account, into which shall be deposited an amount not less
8 than \$15,000,000, out of the total amounts deposited or credited to
9 the fund from the proceeds of the sale of Economic Recovery Fund
10 Bonds or Notes, for the financing of shore restoration, maintenance,
11 monitoring, protection and preservation projects pursuant to the
12 shore protection master plan prepared by the Department of
13 Environmental Protection pursuant to P.L.1978, c.157.

14 (cf: P.L.2008, c.117, s.2)

15

16 3. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
17 as follows:

18 5. The authority shall have the following powers:

19 a. To adopt bylaws for the regulation of its affairs and the
20 conduct of its business;

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

22 c. To sue and be sued;

23 d. To acquire in the name of the authority by purchase or
24 otherwise, on such terms and conditions and such manner as it may
25 deem proper, or by the exercise of the power of eminent domain in
26 the manner provided by the "Eminent Domain Act of 1971,"
27 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or
28 other property which it may determine is reasonably necessary for
29 any project; provided, however, that the authority in connection
30 with any project shall not take by exercise of the power of eminent
31 domain any real property except upon consent thereto given by
32 resolution of the governing body of the municipality in which such
33 real property is located; and provided further that the authority shall
34 be limited in its exercise of the power of eminent domain in
35 connection with any project **[to] in qualifying municipalities**
36 **[receiving State aid] as defined** under the provisions of P.L.1978,
37 c.14 (C.52:27D-178 et seq.), or to municipalities which had a
38 population, according to the latest federal decennial census, in
39 excess of 10,000;

40 e. To enter into contracts with a person upon such terms and
41 conditions as the authority shall determine to be reasonable,
42 including, but not limited to, reimbursement for the planning,
43 designing, financing, construction, reconstruction, improvement,
44 equipping, furnishing, operation and maintenance of the project and
45 to pay or compromise any claims arising therefrom;

46 f. To establish and maintain reserve and insurance funds with
47 respect to the financing of the project or the school facilities project
48 and any project financed pursuant to the "Municipal Rehabilitation

S2097 KYRILLOS

1 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
2 al.);

3 g. To sell, convey or lease to any person all or any portion of a
4 project for such consideration and upon such terms as the authority
5 may determine to be reasonable;

6 h. To mortgage, pledge or assign or otherwise encumber all or
7 any portion of a project, or revenues, whenever it shall find such
8 action to be in furtherance of the purposes of this act, P.L.2000,
9 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
10 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
11 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
12 P.L.2009, c.90 (C.52:27D-489c et al.);

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

16 j. To contract for and to accept any gifts or grants or loans of
17 funds or property or financial or other aid in any form from the
18 United States of America or any agency or instrumentality thereof,
19 or from the State or any agency, instrumentality or political
20 subdivision thereof, or from any other source and to comply,
21 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
22 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
23 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
24 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and
25 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
26 conditions thereof;

27 k. In connection with any action undertaken by the authority in
28 the performance of its duties and any application for assistance
29 【under P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001,
30 c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the
31 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
32 c.43 (C.52:27BBB-1 et al.), or P.L.2007, c.137 (C.52:18A-235 et
33 al.)】 or commitments therefor and modifications thereof, to require
34 and collect such fees and charges as the authority shall determine to
35 be reasonable, including but not limited to fees and charges for the
36 authority's administrative, organizational, insurance, operating,
37 legal, and other expenses;

38 l. To adopt, amend and repeal regulations to carry out the
39 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
40 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
41 the "Municipal Rehabilitation and Economic Recovery Act,"
42 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137
43 (C.52:18A-235 et al.);

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

S2097 KYRILLOS

- 1 n. To purchase, acquire and take assignments of notes,
2 mortgages and other forms of security and evidences of
3 indebtedness;
- 4 o. To purchase, acquire, attach, seize, accept or take title to any
5 project or school facilities project by conveyance or by foreclosure,
6 and sell, lease, manage or operate any project or school facilities
7 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1
8 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"
9 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-
10 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
11 489c et al.);
- 12 p. To borrow money and to issue bonds of the authority and to
13 provide for the rights of the holders thereof, as provided in
14 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
15 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
16 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
17 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
18 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);
- 19 q. To extend credit or make loans to any person for the
20 planning, designing, acquiring, constructing, reconstructing,
21 improving, equipping and furnishing of a project or school facilities
22 project, which credits or loans may be secured by loan and security
23 agreements, mortgages, leases and any other instruments, upon such
24 terms and conditions as the authority shall deem reasonable,
25 including provision for the establishment and maintenance of
26 reserve and insurance funds, and to require the inclusion in any
27 mortgage, lease, contract, loan and security agreement or other
28 instrument, of such provisions for the construction, use, operation
29 and maintenance and financing of a project or school facilities
30 project as the authority may deem necessary or desirable;
- 31 r. To guarantee up to 90% of the amount of a loan to a person,
32 if the proceeds of the loan are to be applied to the purchase and
33 installation, in a building devoted to industrial or commercial
34 purposes, or in an office building, of an energy improvement
35 system;
- 36 s. To employ consulting engineers, architects, attorneys, real
37 estate counselors, appraisers, and such other consultants and
38 employees as may be required in the judgment of the redevelopment
39 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
40 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
41 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
42 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
43 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
44 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation
45 from funds available to the redevelopment utility therefor, all
46 without regard to the provisions of Title 11A of the New Jersey
47 Statutes;

1 t. To do and perform any acts and things authorized by
2 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
3 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
4 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
5 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
6 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
7 under, through or by means of its own officers, agents and
8 employees, or by contract with any person;

9 u. To procure insurance against any losses in connection with
10 its property, operations or assets in such amounts and from such
11 insurers as it deems desirable;

12 v. To do any and all things necessary or convenient to carry out
13 its purposes and exercise the powers given and granted in P.L.1974,
14 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-
15 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
16 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
17 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
18 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

19 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
20 maintain or repair or provide for the construction, reconstruction,
21 improvement, alteration, equipping or maintenance or repair of any
22 development property and lot, award and enter into construction
23 contracts, purchase orders and other contracts with respect thereto,
24 upon such terms and conditions as the authority shall determine to
25 be reasonable, including, but not limited to, reimbursement for the
26 planning, designing, financing, construction, reconstruction,
27 improvement, equipping, furnishing, operation and maintenance of
28 any such development property and the settlement of any claims
29 arising therefrom and the establishment and maintenance of reserve
30 funds with respect to the financing of such development property;

31 x. When authorized by the governing body of a municipality
32 exercising jurisdiction over an urban growth zone, to construct,
33 cause to be constructed or to provide financial assistance to projects
34 in an urban growth zone which shall be exempt from the terms and
35 requirements of the land use ordinances and regulations, including,
36 but not limited to, the master plan and zoning ordinances, of such
37 municipality;

38 y. To enter into business employment incentive agreements as
39 provided in the "Business Employment Incentive Program Act,"
40 P.L.1996, c.26 (C.34:1B-124 et al.);

41 z. To enter into agreements or contracts, execute instruments,
42 and do and perform all acts or things necessary, convenient or
43 desirable for the purposes of the redevelopment utility to carry out
44 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
45 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137
46 (C.52:18A-235 et al.), including, but not limited to, entering into
47 contracts with the State Treasurer, the Commissioner of Education,
48 districts, the New Jersey Schools Development Authority, and any

S2097 KYRILLOS

1 other entity which may be required in order to carry out the
2 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137
3 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90
4 (C.52:27D-489c et al.);

5 aa. (Deleted by amendment, P.L.2007, c.137);

6 bb. To make and contract to make loans to local units to finance
7 the cost of school facilities projects and to acquire and contract to
8 acquire bonds, notes or other obligations issued or to be issued by
9 local units to evidence the loans, all in accordance with the
10 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
11 c.137 (C.52:18A-235 et al.);

12 cc. Subject to any agreement with holders of its bonds issued to
13 finance a project or school facilities project, obtain as security or to
14 provide liquidity for payment of all or any part of the principal of
15 and interest and premium on the bonds of the authority or for the
16 purchase upon tender or otherwise of the bonds, lines of credit,
17 letters of credit, reimbursement agreements, interest rate exchange
18 agreements, currency exchange agreements, interest rate floors or
19 caps, options, puts or calls to hedge payment, currency, rate, spread
20 or similar exposure or similar agreements, float agreements,
21 forward agreements, insurance contract, surety bond, commitment
22 to purchase or sell bonds, purchase or sale agreement, or
23 commitments or other contracts or agreements, and other security
24 agreements or instruments in any amounts and upon any terms as
25 the authority may determine and pay any fees and expenses required
26 in connection therewith;

27 dd. To charge to and collect from local units, the State and any
28 other person, any fees and charges in connection with the
29 authority's actions undertaken with respect to school facilities
30 projects, including, but not limited to, fees and charges for the
31 authority's administrative, organization, insurance, operating and
32 other expenses incident to the financing of school facilities projects;

33 ee. To make loans to refinance solid waste facility bonds
34 through the issuance of bonds or other obligations and the execution
35 of any agreements with counties or public authorities to effect the
36 refunding or rescheduling of solid waste facility bonds, or otherwise
37 provide for the payment of all or a portion of any series of solid
38 waste facility bonds. Any county or public authority refunding or
39 rescheduling its solid waste facility bonds pursuant to this
40 subsection shall provide for the payment of not less than fifty
41 percent of the aggregate debt service for the refunded or
42 rescheduled debt of the particular county or public authority for the
43 duration of the loan; except that, whenever the solid waste facility
44 bonds to be refinanced were issued by a public authority and the
45 county solid waste facility was utilized as a regional county solid
46 waste facility, as designated in the respective adopted district solid
47 waste management plans of the participating counties as approved
48 by the department prior to November 10, 1997, and the utilization

1 of the facility was established pursuant to tonnage obligations set
2 forth in their respective interdistrict agreements, the public
3 authority refunding or rescheduling its solid waste facility bonds
4 pursuant to this subsection shall provide for the payment of a
5 percentage of the aggregate debt service for the refunded or
6 rescheduled debt of the public authority not to exceed the
7 percentage of the specified tonnage obligation of the host county for
8 the duration of the loan. Whenever the solid waste facility bonds
9 are the obligation of a public authority, the relevant county shall
10 execute a deficiency agreement with the authority, which shall
11 provide that the county pledges to cover any shortfall and to pay
12 deficiencies in scheduled repayment obligations of the public
13 authority. All costs associated with the issuance of bonds pursuant
14 to this subsection may be paid by the authority from the proceeds of
15 these bonds. Any county or public authority is hereby authorized to
16 enter into any agreement with the authority necessary, desirable or
17 convenient to effectuate the provisions of this subsection.

18 The authority shall not issue bonds or other obligations to effect
19 the refunding or rescheduling of solid waste facility bonds after
20 December 31, 2002. The authority may refund its own bonds issued
21 for the purposes herein at any time;

22 ff. To pool loans for any local government units that are
23 refunding bonds and do and perform any and all acts or things
24 necessary, convenient or desirable for the purpose of the authority
25 to achieve more favorable interest rates and terms for those local
26 governmental units;

27 gg. To finance projects approved by the board, provide staff
28 support to the board, oversee and monitor progress on the part of
29 the board in carrying out the revitalization, economic development
30 and restoration projects authorized pursuant to the "Municipal
31 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
32 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities
33 pursuant thereto;

34 hh. To offer financial assistance to qualified film production
35 companies as provided in the "New Jersey Film Production
36 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); and

37 ii. To finance or develop private or public parking facilities or
38 structures, which may include the use of solar photovoltaic
39 equipment, in municipalities qualified to receive State aid pursuant
40 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
41 municipalities that contain areas designated pursuant to P.L.1985,
42 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
43 Planning Area 2 (Suburban), or a town center, and to provide
44 appropriate assistance, including but not limited to, extensions of
45 credit, loans, and guarantees, to municipalities qualified to receive
46 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
47 178 et seq.) and municipalities that contain areas designated
48 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning

1 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
2 center, and their agencies and instrumentalities or to private entities
3 whose projects are located in those municipalities, in order to
4 facilitate the financing and development of parking facilities or
5 structures in such municipalities. The authority may serve as the
6 issuing agent of bonds to finance the undertaking of a project for
7 the purposes of this subsection.

8 (cf: P.L.2009, c.90, s.14)

9

10 4. This act shall take effect immediately.

11

12

13

STATEMENT

14

15 This bill would direct the New Jersey Economic Development
16 Authority (EDA) to transfer up to \$22 million from the Invest in
17 New Jersey Business Grant Program into the Economic Recovery
18 Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.).
19 Under the Economic Recovery Fund, the EDA makes direct
20 investments in economic development projects, establishes new
21 programs to assist small businesses, and leverages moneys for
22 economic recovery through public-private partnerships, grants,
23 guarantees, and direct loans. The transfer of funds is intended to
24 enable the EDA to make additional assistance available under the
25 “Main Street Business Assistance Program” established pursuant to
26 P.L.2008, c.117, which encourages New Jersey banks to lend to
27 small and medium-sized businesses by providing credit
28 enhancement and limited subordinate financing. This initiative,
29 which is proposed in the FY2011 Executive Budget
30 recommendations, will increase available revenue for the Main
31 Street program by up to \$22 million.

32 The bill also would eliminate the statutory two-year limitation on
33 the duration of the “Main Street Business Assistance Program” to
34 enable the EDA to continue to provide assistance under the
35 program.

36 In addition, the bill would give the EDA broad authority to
37 charge reasonable fees associated with the services it provides to
38 businesses. Currently, EDA’s enabling legislation does not have
39 generic fee language, of the kind included in the laws governing
40 many other authorities, that would enable the authority to charge
41 reasonable fees for service. From time to time, when the
42 Legislature establishes a new program to be administered by the
43 EDA, the specific legislation typically, but not always, amends the
44 authority’s enabling act with respect to that program, or sets fees
45 that may at the time seem reasonable, but that over the years
46 become inadequate to cover the authority’s costs.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2097

STATE OF NEW JERSEY

DATED: JUNE 23, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2097.

This bill would direct the New Jersey Economic Development Authority (EDA) to transfer up to \$22 million from the Invest in New Jersey Business Grant Program into the Economic Recovery Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.). The transfer of funds is intended to enable the EDA to make additional assistance available under the “Main Street Business Assistance Program” established pursuant to P.L.2008, c.117, which encourages New Jersey banks to lend to small and medium-sized businesses by providing credit enhancement and limited subordinate financing. This initiative, which is proposed in the FY2011 Executive Budget recommendations, will increase available revenue for the Main Street program by up to \$22 million.

The bill also would eliminate the statutory two-year limitation on the duration of the “Main Street Business Assistance Program” to enable the EDA to continue to provide assistance under the program.

In addition, the bill would give the EDA broad authority to charge reasonable fees associated with the services it provides to businesses. Currently, EDA’s enabling legislation does not have generic fee language, of the kind included in the laws governing many other authorities, that would enable the authority to charge reasonable fees for service.

FISCAL IMPACT

Implementation of the fund transfer provision of this bill would reduce the funding available to the InvestNJ Business Grant Program by the amount transferred and would increase the funding available to the Main Street Business Assistance Program by a like amount. Such an increase would offset, to the extent of the amount transferred, any transfer of funds out of the Main Street Business Assistance Program’s account within the Long Term Obligation and Capital Expenditure Fund that may occur as a result of the transfer of monies from that Fund to the General Fund under section 9 of Senate Bill No. 2142 (FY2010 supplemental appropriation).

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2097
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JULY 28, 2010

SUMMARY

- Synopsis:** Directs transfer of up to \$22 million to support Main Street Business Assistance Program and provides for program’s continuation; confers general power on EDA to collect certain fees.
- Type of Impact:** Transfer of EDA monies allocated for Invest in New Jersey Business Grant Program to Economic Recovery Fund account of Main Street Business Assistance Program; possible revenue increase to EDA.
- Agencies Affected:** NJ Economic Development Authority

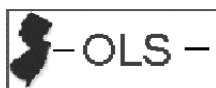
Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Possible revenue increase to the NJ Economic Development Authority			

- The bill would reduce funding available to the InvestNJ Business Grant Program by the amount transferred and increase the funding available to the Main Street Business Assistance Program by a like amount.
- The bill’s general grant to the New Jersey Economic Development Authority (EDA) of authority to collect reasonable fees for its services could result in its recovery of an indeterminate amount of additional revenue.

BILL DESCRIPTION

Senate Bill No. 2097 of 2010 would direct the EDA to transfer up to \$22 million from the Invest in New Jersey Business Grant Program into the Economic Recovery Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.). The transfer of funds is intended to enable the EDA to make additional assistance available under the “Main Street Business Assistance Program” established pursuant to P.L.2008, c.117, which encourages New Jersey banks to lend to small and medium-sized businesses by providing credit enhancement and limited subordinate financing. This initiative, which is proposed in the FY2011 Executive Budget recommendations, will increase available revenue for the Main Street program by up to \$22 million.



The bill also would eliminate the statutory two-year limitation on the duration of the “Main Street Business Assistance Program” to enable the EDA to continue to provide assistance under the program.

In addition, the bill would give the EDA broad authority to charge reasonable fees associated with the services it provides to businesses. Currently, EDA’s enabling legislation does not have generic fee language, of the kind included in the laws governing many other authorities, that would enable the authority to charge reasonable fees for service.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Implementation of the fund transfer provision of this bill would reduce the funding available to the InvestNJ Business Grant Program by the amount transferred and would increase the funding available to the Main Street Business Assistance Program by a like amount. Such an increase would offset, to the extent of the amount transferred, any transfer of funds out of the Main Street Business Assistance Program’s account within the Long Term Obligation and Capital Expenditure Fund that may occur as a result of the transfer of monies from that Fund to the General Fund under section 9 of Senate Bill No. 2142/Assembly Bill No. 3071 (FY2010 supplemental appropriation).

Implementation of the provision giving the EDA general authority to collect reasonable administrative and other fees for the services it provides to businesses is expected to result in the authority’s recovery of some revenue in addition to that currently collected with respect to particular programs for which statutory administrative fees are already authorized, but no data is available upon which to base an estimate of the amount of that additional revenue. According to information informally supplied by the EDA, the authority’s currently imposed charges include a standard application fee of \$1,000 and varying fees for commitment of financing and closing of projects (generally, 0.875 percent of financing amounts).

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Donald S. Margeson
Section Chief*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 3004

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 24, 2010

Sponsored by:

Assemblyman ANTHONY M. BUCCO

District 25 (Morris)

Assemblyman DOMENICK DICICCO, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Directs transfer of up to \$22 million to support Main Street Business Assistance Program and provides for program's continuation; confers general power on EDA to collect certain fees.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT providing for the transfer of certain funds from the Invest
2 in New Jersey Business Grant Program to the Economic
3 Recovery Fund, amending P.L.1992, c.16 and P.L.1974, c.80.

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

7
8 1. (New section) Notwithstanding any provision of law to the
9 contrary, the New Jersey Economic Development Authority
10 established pursuant to section 4 of P.L.1974, c.80 (C.34:1B-4)
11 shall transfer, on or before the fifth day after enactment of this act,
12 an amount not to exceed \$22,000,000, as shall be determined by the
13 State Treasurer, from the Invest in New Jersey Business Grant
14 Program established pursuant to P.L.2008, c.112 (C.34:1B-237 et
15 seq.), to the Economic Recovery Fund established pursuant to
16 P.L.1992, c.16 (C.34:1B-7.10 et seq.), for the purpose of funding
17 the Main Street Business Assistance Program established pursuant
18 to P.L.2008, c.117.

19
20 2. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to
21 read as follows:

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

32 a. an economic growth account for business programs, which
33 will invest in small and medium-size businesses that have the
34 greatest potential for creating jobs and stimulating economic growth
35 through such elements as a Statewide lending pool for small
36 business, a business composite bond guarantee, a fund to further
37 supplement the export finance program of the authority to provide
38 direct loans and working capital necessary for New Jersey
39 businesses to compete in the global market, real estate partnerships,
40 a Statewide composite bond pool to assist municipalities in
41 acquiring needed financing for capital expenditures, community-
42 based assistance to assist municipalities in establishing local
43 development corporations to stimulate economic development, a
44 venture capital fund for start-up costs for businesses developing

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

Matter underlined thus is new matter.

1 new concepts and inventions, a fund to assist businesses with
2 expansion in such areas as manufacturing retooling to improve
3 quality, to reduce production costs and to train employees to apply
4 the latest technology, and a "Main Street Business Assistance
5 Program" to provide guarantees and loans to small and mid-size
6 businesses and not-for-profit corporations [on an expedited basis
7 for a period not to exceed two years from the date of enactment of
8 P.L.2008, c.117,] to stimulate the economy. The authority may
9 promulgate rules and regulations for the effective implementation
10 of the "Main Street Business Assistance Program."
11 Notwithstanding any provision of the "Administrative Procedure
12 Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the
13 authority may adopt, immediately upon filing with the Office of
14 Administrative Law, such regulations as are necessary to implement
15 the provisions of this act, which shall be effective for a period not
16 to exceed 12 months following enactment, and may thereafter be
17 amended, adopted, or readopted by the authority in accordance with
18 the requirements of the "Administrative Procedure Act," P.L.1968,
19 c.410 (C.52:14B-1 et seq.);

20 b. an economic development infrastructure program account,
21 which shall provide for the financing and development of
22 infrastructure and transportation projects, including but not limited
23 to ports, terminal and transit facilities, roads and airports, parking
24 facilities used in connection with transit facilities, and related
25 facilities, including public-private partnerships, that are integral to
26 economic growth;

27 c. an account for a cultural, recreational, fine and performing
28 arts, military and veterans memorial, historic preservation project
29 and tourism facilities and improvements program, which shall
30 provide for the financing and development of cultural, recreational,
31 fine and performing arts, military and veterans memorial, historic
32 preservation and tourism projects, including partnerships with
33 public, private and nonprofit entities;

34 d. an account, into which shall be deposited an amount not less
35 than \$45,000,000, out of the total amounts deposited or credited to
36 the fund from the proceeds of the sale of Economic Recovery Fund
37 Bonds or Notes, for the financing of capital facilities for primary
38 and secondary schools in the State for the purpose of the
39 renovation, repair or alteration of existing school buildings, the
40 construction of new school buildings or the conversion of existing
41 school buildings to other instructional purposes.

42 (1) Of the amount deposited in the account, not less than
43 \$25,000,000 shall be deposited in the "Public School Facilities
44 Code Compliance Loan Fund" established pursuant to section 4 of
45 P.L.1993, c.102 (C.34:1B-7.23).

46 (2) Of the amount deposited in the account, not less than
47 \$20,000,000 shall be deposited in the "Public School Facilities

1 Loan Assistance Fund" established pursuant to section 5 of
2 P.L.1993, c.102 (C.34:1B-7.24);

3 e. an environmental cleanup assistance account, into which
4 shall be deposited an amount not less than \$10,000,000, out of the
5 total amounts deposited or credited to the fund from the proceeds of
6 the sale of Economic Recovery Fund Bonds or Notes, to provide
7 financial assistance to the persons and other entities entitled to
8 apply for financial assistance pursuant to P.L.1993, c.139; and

9 f. an account, into which shall be deposited an amount not less
10 than \$15,000,000, out of the total amounts deposited or credited to
11 the fund from the proceeds of the sale of Economic Recovery Fund
12 Bonds or Notes, for the financing of shore restoration, maintenance,
13 monitoring, protection and preservation projects pursuant to the
14 shore protection master plan prepared by the Department of
15 Environmental Protection pursuant to P.L.1978, c.157.

16 (cf: P.L.2008, c.117, s.2)

17

18 3. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
19 as follows:

20 5. The authority shall have the following powers:

21 a. To adopt bylaws for the regulation of its affairs and the
22 conduct of its business;

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

24 c. To sue and be sued;

25 d. To acquire in the name of the authority by purchase or
26 otherwise, on such terms and conditions and such manner as it may
27 deem proper, or by the exercise of the power of eminent domain in
28 the manner provided by the "Eminent Domain Act of 1971,"
29 P.L.1971, c.361 (C.20:3-1 et seq.), any lands or interests therein or
30 other property which it may determine is reasonably necessary for
31 any project; provided, however, that the authority in connection
32 with any project shall not take by exercise of the power of eminent
33 domain any real property except upon consent thereto given by
34 resolution of the governing body of the municipality in which such
35 real property is located; and provided further that the authority shall
36 be limited in its exercise of the power of eminent domain in
37 connection with any project **[to]** in qualifying municipalities
38 **[receiving State aid]** as defined under the provisions of P.L.1978,
39 c.14 (C.52:27D-178 et seq.), or to municipalities which had a
40 population, according to the latest federal decennial census, in
41 excess of 10,000;

42 e. To enter into contracts with a person upon such terms and
43 conditions as the authority shall determine to be reasonable,
44 including, but not limited to, reimbursement for the planning,
45 designing, financing, construction, reconstruction, improvement,
46 equipping, furnishing, operation and maintenance of the project and
47 to pay or compromise any claims arising therefrom;

- 1 f. To establish and maintain reserve and insurance funds with
2 respect to the financing of the project or the school facilities project
3 and any project financed pursuant to the "Municipal Rehabilitation
4 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
5 al.);
- 6 g. To sell, convey or lease to any person all or any portion of a
7 project for such consideration and upon such terms as the authority
8 may determine to be reasonable;
- 9 h. To mortgage, pledge or assign or otherwise encumber all or
10 any portion of a project, or revenues, whenever it shall find such
11 action to be in furtherance of the purposes of this act, P.L.2000,
12 c.72 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and
13 Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.),
14 P.L.2007, c.137 (C.52:18A-235 et al.), and sections 3 through 18 of
15 P.L.2009, c.90 (C.52:27D-489c et al.);
- 16 i. To grant options to purchase or renew a lease for any of its
17 projects on such terms as the authority may determine to be
18 reasonable;
- 19 j. To contract for and to accept any gifts or grants or loans of
20 funds or property or financial or other aid in any form from the
21 United States of America or any agency or instrumentality thereof,
22 or from the State or any agency, instrumentality or political
23 subdivision thereof, or from any other source and to comply,
24 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
25 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
26 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
27 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and
28 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
29 conditions thereof;
- 30 k. In connection with any action undertaken by the authority in
31 the performance of its duties and any application for assistance
32 【under P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001,
33 c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the
34 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
35 c.43 (C.52:27BBB-1 et al.), or P.L.2007, c.137 (C.52:18A-235 et
36 al.)】 or commitments therefor and modifications thereof, to require
37 and collect such fees and charges as the authority shall determine to
38 be reasonable, including but not limited to fees and charges for the
39 authority's administrative, organizational, insurance, operating,
40 legal, and other expenses;
- 41 l. To adopt, amend and repeal regulations to carry out the
42 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
43 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
44 the "Municipal Rehabilitation and Economic Recovery Act,"
45 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137
46 (C.52:18A-235 et al.);
- 47 m. To acquire, purchase, manage and operate, hold and dispose
48 of real and personal property or interests therein, take assignments

1 of rentals and leases and make and enter into all contracts, leases,
2 agreements and arrangements necessary or incidental to the
3 performance of its duties;

4 n. To purchase, acquire and take assignments of notes,
5 mortgages and other forms of security and evidences of
6 indebtedness;

7 o. To purchase, acquire, attach, seize, accept or take title to any
8 project or school facilities project by conveyance or by foreclosure,
9 and sell, lease, manage or operate any project or school facilities
10 project for a use specified in this act, P.L.2000, c.72 (C.18A:7G-1
11 et al.), the "Municipal Rehabilitation and Economic Recovery Act,"
12 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-
13 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
14 489c et al.);

15 p. To borrow money and to issue bonds of the authority and to
16 provide for the rights of the holders thereof, as provided in
17 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
18 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
19 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
20 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
21 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

22 q. To extend credit or make loans to any person for the
23 planning, designing, acquiring, constructing, reconstructing,
24 improving, equipping and furnishing of a project or school facilities
25 project, which credits or loans may be secured by loan and security
26 agreements, mortgages, leases and any other instruments, upon such
27 terms and conditions as the authority shall deem reasonable,
28 including provision for the establishment and maintenance of
29 reserve and insurance funds, and to require the inclusion in any
30 mortgage, lease, contract, loan and security agreement or other
31 instrument, of such provisions for the construction, use, operation
32 and maintenance and financing of a project or school facilities
33 project as the authority may deem necessary or desirable;

34 r. To guarantee up to 90% of the amount of a loan to a person,
35 if the proceeds of the loan are to be applied to the purchase and
36 installation, in a building devoted to industrial or commercial
37 purposes, or in an office building, of an energy improvement
38 system;

39 s. To employ consulting engineers, architects, attorneys, real
40 estate counselors, appraisers, and such other consultants and
41 employees as may be required in the judgment of the redevelopment
42 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
43 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
44 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
45 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
46 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
47 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation
48 from funds available to the redevelopment utility therefor, all

1 without regard to the provisions of Title 11A of the New Jersey
2 Statutes;

3 t. To do and perform any acts and things authorized by
4 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
5 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
6 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
7 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
8 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
9 under, through or by means of its own officers, agents and
10 employees, or by contract with any person;

11 u. To procure insurance against any losses in connection with
12 its property, operations or assets in such amounts and from such
13 insurers as it deems desirable;

14 v. To do any and all things necessary or convenient to carry out
15 its purposes and exercise the powers given and granted in P.L.1974,
16 c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401 (C.34:1B-
17 4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
18 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
19 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
20 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

21 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
22 maintain or repair or provide for the construction, reconstruction,
23 improvement, alteration, equipping or maintenance or repair of any
24 development property and lot, award and enter into construction
25 contracts, purchase orders and other contracts with respect thereto,
26 upon such terms and conditions as the authority shall determine to
27 be reasonable, including, but not limited to, reimbursement for the
28 planning, designing, financing, construction, reconstruction,
29 improvement, equipping, furnishing, operation and maintenance of
30 any such development property and the settlement of any claims
31 arising therefrom and the establishment and maintenance of reserve
32 funds with respect to the financing of such development property;

33 x. When authorized by the governing body of a municipality
34 exercising jurisdiction over an urban growth zone, to construct,
35 cause to be constructed or to provide financial assistance to projects
36 in an urban growth zone which shall be exempt from the terms and
37 requirements of the land use ordinances and regulations, including,
38 but not limited to, the master plan and zoning ordinances, of such
39 municipality;

40 y. To enter into business employment incentive agreements as
41 provided in the "Business Employment Incentive Program Act,"
42 P.L.1996, c.26 (C.34:1B-124 et al.);

43 z. To enter into agreements or contracts, execute instruments,
44 and do and perform all acts or things necessary, convenient or
45 desirable for the purposes of the redevelopment utility to carry out
46 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
47 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137
48 (C.52:18A-235 et al.), including, but not limited to, entering into

1 contracts with the State Treasurer, the Commissioner of Education,
2 districts, the New Jersey Schools Development Authority, and any
3 other entity which may be required in order to carry out the
4 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137
5 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90
6 (C.52:27D-489c et al.);

7 aa. (Deleted by amendment, P.L.2007, c.137);

8 bb. To make and contract to make loans to local units to finance
9 the cost of school facilities projects and to acquire and contract to
10 acquire bonds, notes or other obligations issued or to be issued by
11 local units to evidence the loans, all in accordance with the
12 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
13 c.137 (C.52:18A-235 et al.);

14 cc. Subject to any agreement with holders of its bonds issued to
15 finance a project or school facilities project, obtain as security or to
16 provide liquidity for payment of all or any part of the principal of
17 and interest and premium on the bonds of the authority or for the
18 purchase upon tender or otherwise of the bonds, lines of credit,
19 letters of credit, reimbursement agreements, interest rate exchange
20 agreements, currency exchange agreements, interest rate floors or
21 caps, options, puts or calls to hedge payment, currency, rate, spread
22 or similar exposure or similar agreements, float agreements,
23 forward agreements, insurance contract, surety bond, commitment
24 to purchase or sell bonds, purchase or sale agreement, or
25 commitments or other contracts or agreements, and other security
26 agreements or instruments in any amounts and upon any terms as
27 the authority may determine and pay any fees and expenses required
28 in connection therewith;

29 dd. To charge to and collect from local units, the State and any
30 other person, any fees and charges in connection with the
31 authority's actions undertaken with respect to school facilities
32 projects, including, but not limited to, fees and charges for the
33 authority's administrative, organization, insurance, operating and
34 other expenses incident to the financing of school facilities projects;

35 ee. To make loans to refinance solid waste facility bonds
36 through the issuance of bonds or other obligations and the execution
37 of any agreements with counties or public authorities to effect the
38 refunding or rescheduling of solid waste facility bonds, or otherwise
39 provide for the payment of all or a portion of any series of solid
40 waste facility bonds. Any county or public authority refunding or
41 rescheduling its solid waste facility bonds pursuant to this
42 subsection shall provide for the payment of not less than fifty
43 percent of the aggregate debt service for the refunded or
44 rescheduled debt of the particular county or public authority for the
45 duration of the loan; except that, whenever the solid waste facility
46 bonds to be refinanced were issued by a public authority and the
47 county solid waste facility was utilized as a regional county solid
48 waste facility, as designated in the respective adopted district solid

1 waste management plans of the participating counties as approved
2 by the department prior to November 10, 1997, and the utilization
3 of the facility was established pursuant to tonnage obligations set
4 forth in their respective interdistrict agreements, the public
5 authority refunding or rescheduling its solid waste facility bonds
6 pursuant to this subsection shall provide for the payment of a
7 percentage of the aggregate debt service for the refunded or
8 rescheduled debt of the public authority not to exceed the
9 percentage of the specified tonnage obligation of the host county for
10 the duration of the loan. Whenever the solid waste facility bonds
11 are the obligation of a public authority, the relevant county shall
12 execute a deficiency agreement with the authority, which shall
13 provide that the county pledges to cover any shortfall and to pay
14 deficiencies in scheduled repayment obligations of the public
15 authority. All costs associated with the issuance of bonds pursuant
16 to this subsection may be paid by the authority from the proceeds of
17 these bonds. Any county or public authority is hereby authorized to
18 enter into any agreement with the authority necessary, desirable or
19 convenient to effectuate the provisions of this subsection.

20 The authority shall not issue bonds or other obligations to effect
21 the refunding or rescheduling of solid waste facility bonds after
22 December 31, 2002. The authority may refund its own bonds issued
23 for the purposes herein at any time;

24 ff. To pool loans for any local government units that are
25 refunding bonds and do and perform any and all acts or things
26 necessary, convenient or desirable for the purpose of the authority
27 to achieve more favorable interest rates and terms for those local
28 governmental units;

29 gg. To finance projects approved by the board, provide staff
30 support to the board, oversee and monitor progress on the part of
31 the board in carrying out the revitalization, economic development
32 and restoration projects authorized pursuant to the "Municipal
33 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
34 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities
35 pursuant thereto;

36 hh. To offer financial assistance to qualified film production
37 companies as provided in the "New Jersey Film Production
38 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); and

39 ii. To finance or develop private or public parking facilities or
40 structures, which may include the use of solar photovoltaic
41 equipment, in municipalities qualified to receive State aid pursuant
42 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
43 municipalities that contain areas designated pursuant to P.L.1985,
44 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
45 Planning Area 2 (Suburban), or a town center, and to provide
46 appropriate assistance, including but not limited to, extensions of
47 credit, loans, and guarantees, to municipalities qualified to receive

1 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
2 178 et seq.) and municipalities that contain areas designated
3 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning
4 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
5 center, and their agencies and instrumentalities or to private entities
6 whose projects are located in those municipalities, in order to
7 facilitate the financing and development of parking facilities or
8 structures in such municipalities. The authority may serve as the
9 issuing agent of bonds to finance the undertaking of a project for
10 the purposes of this subsection.

11 (cf: P.L.2009, c.90, s.14)

12

13 4. This act shall take effect immediately.

14

15

16

STATEMENT

17

18 This bill would direct the New Jersey Economic Development
19 Authority (EDA) to transfer up to \$22 million from the Invest in
20 New Jersey Business Grant Program into the Economic Recovery
21 Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.).
22 Under the Economic Recovery Fund, the EDA makes direct
23 investments in economic development projects, establishes new
24 programs to assist small businesses, and leverages moneys for
25 economic recovery through public-private partnerships, grants,
26 guarantees, and direct loans. The transfer of funds is intended to
27 enable the EDA to make additional assistance available under the
28 “Main Street Business Assistance Program” established pursuant to
29 P.L.2008, c.117, which encourages New Jersey banks to lend to
30 small and medium-sized businesses by providing credit
31 enhancement and limited subordinate financing. This initiative,
32 which is proposed in the FY2011 Executive Budget
33 recommendations, will increase available revenue for the Main
34 Street program by up to \$22 million.

35 The bill also would eliminate the statutory two-year limitation on
36 the duration of the “Main Street Business Assistance Program” to
37 enable the EDA to continue to provide assistance under the
38 program.

39 In addition, the bill would give the EDA broad authority to
40 charge reasonable fees associated with the services it provides to
41 businesses. Currently, EDA’s enabling legislation does not have
42 generic fee language, of the kind included in the laws governing
43 many other authorities, that would enable the authority to charge
44 reasonable fees for service. From time to time, when the
45 Legislature establishes a new program to be administered by the
46 EDA, the specific legislation typically, but not always, amends the
47 authority’s enabling act with respect to that program, or sets fees

- 1 that may at the time seem reasonable, but that over the years
- 2 become inadequate to cover the authority's costs.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3004

STATE OF NEW JERSEY

DATED: JUNE 24, 2010

The Assembly Budget Committee reports favorably Assembly Bill No. 3004.

The bill would direct the New Jersey Economic Development Authority (EDA) to transfer up to \$22 million from the Invest in New Jersey Business Grant Program into the Economic Recovery Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.). The transfer of funds is intended to enable the EDA to make additional assistance available under the “Main Street Business Assistance Program” established pursuant to P.L.2008, c.117, which encourages New Jersey banks to lend to small and medium-sized businesses by providing credit enhancement and limited subordinate financing. This initiative, which is proposed in the FY2011 Executive Budget recommendations, will increase available revenue for the Main Street program by up to \$22 million.

The bill also would eliminate the statutory two-year limitation on the duration of the “Main Street Business Assistance Program” to enable the EDA to continue to provide assistance under the program.

In addition, the bill would give the EDA broad authority to charge reasonable fees associated with the services it provides to businesses. Currently, EDA’s enabling legislation does not have generic fee language, of the kind included in the laws governing many other authorities, that would enable the authority to charge reasonable fees for service.

FISCAL IMPACT:

Implementation of the fund transfer provision of this bill would reduce the funding available to the InvestNJ Business Grant Program by the amount transferred and would increase the funding available to the Main Street Business Assistance Program by a like amount. Such an increase would offset, to the extent of the amount transferred, any transfer of funds out of the Main Street Business Assistance Program’s account within the Long Term Obligation and Capital Expenditure Fund that may occur as a result of the transfer of monies from that Fund to the General Fund under section 9 of Assembly Bill No. 3071 (FY2010 supplemental appropriation).

Implementation of the provision giving the EDA general authority to collect reasonable administrative and other fees for the services it

provides to businesses is expected to result in the authority's recovery of some additional revenue, but no data is available upon which to base an estimate of the amount of that revenue.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3004
STATE OF NEW JERSEY
214th LEGISLATURE

DATED: JULY 23, 2010

SUMMARY

- Synopsis:** Directs transfer of up to \$22 million to support Main Street Business Assistance Program and provides for program’s continuation; confers general power on EDA to collect certain fees.
- Type of Impact:** Transfer of EDA monies allocated for Invest in New Jersey Business Grant Program to Economic Recovery Fund account of Main Street Business Assistance Program; possible revenue increase to EDA.
- Agencies Affected:** NJ Economic Development Authority

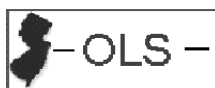
Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Possible revenue increase to the NJ Economic Development Authority			

- The bill would reduce funding available to the InvestNJ Business Grant Program by the amount transferred and increase the funding available to the Main Street Business Assistance Program by a like amount.
- The bill’s general grant to the New Jersey Economic Development Authority (EDA) of authority to collect reasonable fees for its services could result in its recovery of an indeterminate amount of additional revenue.

BILL DESCRIPTION

Assembly Bill No. 3004 of 2010 would direct the New Jersey Economic Development Authority (EDA) to transfer up to \$22 million from the Invest in New Jersey Business Grant Program into the Economic Recovery Fund established pursuant to P.L.1992, c.16 (C.34:1B-7.10 et seq.). The transfer of funds is intended to enable the EDA to make additional assistance available under the “Main Street Business Assistance Program” established pursuant to P.L.2008, c.117, which encourages New Jersey banks to lend to small and medium-sized businesses by providing credit enhancement and limited subordinate financing. This initiative,



which is proposed in the FY2011 Executive Budget recommendations, will increase available revenue for the Main Street program by up to \$22 million.

The bill also would eliminate the statutory two-year limitation on the duration of the “Main Street Business Assistance Program” to enable the EDA to continue to provide assistance under the program.

In addition, the bill would give the EDA broad authority to charge reasonable fees associated with the services it provides to businesses. Currently, EDA’s enabling legislation does not have generic fee language, of the kind included in the laws governing many other authorities, that would enable the authority to charge reasonable fees for service.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Implementation of the fund transfer provision of this bill would reduce the funding available to the InvestNJ Business Grant Program by the amount transferred and would increase the funding available to the Main Street Business Assistance Program by a like amount. Such an increase would offset, to the extent of the amount transferred, any transfer of funds out of the Main Street Business Assistance Program’s account within the Long Term Obligation and Capital Expenditure Fund that may occur as a result of the transfer of monies from that Fund to the General Fund under section 9 of Senate Bill No. 2142/Assembly Bill No. 3071 (FY2010 supplemental appropriation).

Implementation of the provision giving the EDA general authority to collect reasonable administrative and other fees for the services it provides to businesses is expected to result in the authority’s recovery of some revenue in addition to that currently collected with respect to particular programs for which statutory administrative fees are already authorized, but no data is available upon which to base an estimate of the amount of that additional revenue. According to information informally supplied by the EDA, the authority’s currently imposed charges include a standard application fee of \$1,000 and varying fees for commitment of financing and closing of projects (generally, 0.875 percent of financing amounts).

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Donald S. Margeson
Section Chief*

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

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).