

CHAPTER 102

AN ACT authorizing the financing of the cost of State capital construction projects, including stem cell research facilities , life sciences research facilities and biomedical research facilities, with the proceeds of bonds to be issued by the New Jersey Economic Development Authority, supplementing P.L.1974, c.80 (C.34:1B-1 et seq.).

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

C.34:1B-21.31 Definitions relative to financing of certain stem cell, life sciences, and biomedical research facilities.

1. As used in this act, the following words or terms shall have the following meanings unless a different meaning clearly appears from the context:

"Authority" means the New Jersey Economic Development Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

"Biomedical research facilities" means one or more facilities owned by Rutgers, the State University, located in Camden, New Jersey, and operated by a consortium of Rutgers, The State University, The Coriell Institute for Medical Research, the Robert Wood Johnson Medical School at Camden, and the Cancer Institute of New Jersey, South Jersey, which will be utilized for biomedical research and related activities, including all facilities ancillary thereto;

"Blood collection facilities" means one or more facilities located in the State that will be utilized by the Elie Katz Umbilical Cord Blood Program at Community Blood Services located in Allendale, New Jersey, for cord blood collection to support stem cell research and related activities, including all facilities ancillary thereto;

"Bonds" means any bonds, notes or other obligations issued or entered into by the authority pursuant to this act;

"Cancer research facilities" means one or more facilities located in Belleville, New Jersey, that will be utilized by the Garden State Cancer Center for cancer research and related activities, including all facilities ancillary thereto;

"Capital cost" means the expenses incurred in connection with: the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation and equipping of State capital construction projects authorized by this act; the acquisition by purchase, lease, or otherwise, and the development of any real or personal property, and the acquisition and construction of new structures and equipment for use in connection with a State capital construction project authorized by this act, including any rights or interests therein, the execution of any agreements and franchises deemed to be necessary or useful and convenient in connection with any State capital construction project authorized by this act; the procurement of engineering, inspection, planning, legal, financial, or other professional services; the administrative, organizational, operating or other expenses incident to the financing, completing, and placing into service of any State capital construction project authorized by this act;

"Refunding bonds" means any bonds, notes or other obligations issued by the authority to refinance bonds, notes or other obligations previously issued or entered into by the authority pursuant to this act;

"State capital construction project" means a project that includes the acquisition of land, and the acquisition and construction of new structures and equipment for capital facilities by grant of the authority for State use and use by other units of government, which use shall include the occupancy by the State and other units of government, and the leasing and licensing of facilities to other entities by the State or other units of government, including

stem cell research facilities – New Brunswick and stem cell research facilities – Newark, biomedical research facilities, blood collection facilities and cancer research facilities, whose estimated cost of land, planning, acquisition, construction, furnishing and equipping is estimated to be \$50,000 or more;

“Stem cell research facilities - New Brunswick” means facilities located in New Brunswick, New Jersey, which shall be only utilized for stem cell research, including all facilities ancillary thereto; and

“Stem cell research facilities - Newark” means facilities operated by the New Jersey Institute of Technology and located in Newark, New Jersey, which shall be only utilized for stem cell research, including all facilities ancillary thereto.

C.34:1B-21.32 Findings, declarations relative to certain stem cell, life sciences, and biomedical research.

2. The Legislature finds and declares that:

Millions of people suffer from currently incurable diseases and injuries, and recent medical science, including the use of new regenerative medical therapies such as the use of a special type of human cells called "stem cells," provides indications that cures and treatments for certain of these diseases and injuries can be developed;

The development of such cures and treatments will improve New Jersey's health care system, can reduce long-term health care costs, and can benefit the New Jersey economy by creating projects, jobs and therapies;

The State of New Jersey is home to many of the leading life sciences, biotechnology and pharmaceutical companies and the State seeks to preserve its leading role, attract investment, attract scientists, enhance research and, toward that end, seeks to finance facilities for entities involved in stem cell research, life sciences and biomedical research;

Financing stem cell research facilities and life sciences and biomedical research facilities will substantially further the public interest and can most economically be financed through a bond issue; and

The State of New Jersey has determined that bonds issued by the New Jersey Economic Development Authority are the most desirable means to provide funding for such facilities and projects.

C.34:1B-21.33 Powers of authority.

3. Notwithstanding the provisions of any law, rule, regulation or order to the contrary:

a. The authority shall have the power, pursuant to the provisions of this act and P.L.1974, c.80 (C.34:1B-1 et seq.), to issue bonds and refunding bonds, incur indebtedness and borrow money secured, in whole or in part, by money received pursuant to this act for the purpose of providing funds for State capital construction projects and any costs related to the issuance of such bonds. The authority may establish reserve or other funds to further secure bonds and refunding bonds. The bonds shall be in the amount to yield proceeds to fund, all or in part, the payment of State capital construction projects plus additional bonds to pay for the costs of issuance.

b. The authority may, in any resolution authorizing the issuance of bonds or refunding bonds, pledge the contract with the State Treasurer, provided for in section 4 of P.L.2006, c.102 (C.34:1B-21.34), or any part thereof, to secure the payment, purchase or redemption of the bonds or refunding bonds or any obligations of the authority under any contract or agreement entered into by the authority pursuant to subsection c. of this section, and

covenant as to the use and disposition of money available to the authority for the payment, purchase or redemption of bonds and refunding bonds and the payment of any obligations of the authority under any contract or agreement entered into by the authority pursuant to subsection c. of this section. All costs, fees and other expenses related to, or incurred by the authority or the State in connection with, the issuance of bonds and refunding bonds by the authority for the purposes set forth in this act may be paid by the authority from amounts it receives from the proceeds of the bonds or refunding bonds and from amounts it receives pursuant to section 4 of P.L.2006, c.102 (C.34:1B-21.34), which costs, fees and other expenses may include, but are not limited to, any initial or annual administrative costs and fees of the authority attributable to any bonds or refunding bonds issued pursuant to this act, all legal, accounting, trustee or other professional fees, costs or expenses, any costs and fees relating to the issuance of the bonds or refunding bonds, the fees and costs of bond counsel and any other professional fees and costs attributable to the agreements described in subsection c. of this section. The bonds or refunding bonds shall be authorized by resolution, which shall stipulate the manner of execution and form of the bonds, whether the bonds are in one or more series, the date or dates of issue, time or times of maturity, which shall not exceed 20 years, the rate or rates of interest payable on the bonds, which may be at fixed rates or variable rates, and which interest may be current interest or may accrue, the denomination or denominations in which the bonds are issued, conversion or registration privileges, the sources and medium of payment and place or places of payment, terms of redemption, privileges of exchangeability or interchangeability, and entitlement to priorities of payment or security in the amounts to be received by the authority pursuant to section 4 of P.L.2006, c.102 (C.34:1B-21.34). The bonds may be sold at a public or private sale at a price or prices determined by the authority. The authority is authorized to enter into any agreements necessary or desirable to effectuate the purposes of this section, including agreements to sell bonds or refunding bonds to any person and to comply with the laws of any jurisdiction relating thereto.

c. In connection with any bonds or refunding bonds issued pursuant to this act, the authority may also enter into any revolving credit agreement, agreement establishing a line of credit or letter of credit, reimbursement agreement, interest rate exchange agreement, currency exchange agreement, interest rate floor or cap, options, puts or calls to hedge payment, currency, rate, spread or similar exposure, or similar agreements, float agreements, forward agreements, insurance contract, surety bond, commitment to purchase or sell bonds, purchase or sale agreement, or commitments or other contracts or agreements and other security agreements approved by the authority.

d. No resolution adopted by the authority authorizing the issuance of bonds or refunding bonds pursuant to this act shall be adopted or otherwise made effective without the approval in writing of the State Treasurer and the Joint Budget Oversight Committee. Except as provided by subsection i. of section 4 of P.L.1974, c.80 (C.34:1B-4), bonds or refunding bonds may be issued without obtaining the consent of any department, division, commission, board, bureau or agency of the State, other than the approval as required by this subsection, and without any other proceedings or the occurrence of any other conditions or other things other than those proceedings, conditions or things which are specifically required by this act.

e. Bonds and refunding bonds issued by the authority pursuant to this act shall be special and limited obligations of the authority payable from, and secured by, such funds and moneys determined by the authority in accordance with this section. Neither the members of the authority nor any other person executing the bonds or refunding bonds shall be personally

liable with respect to payment of interest and principal on these bonds or refunding bonds. Bonds or refunding bonds issued pursuant to the provisions of this act shall not be a debt or liability of the State or any agency or instrumentality thereof, except as otherwise provided by this subsection, either legal, moral or otherwise, and nothing contained in this act shall be construed to authorize the authority to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, and all bonds and refunding bonds issued by the authority shall contain a statement to that effect on their face.

f. The authority is authorized to engage, subject to the approval of the State Treasurer and in such manner as the State Treasurer shall determine, the services of bond counsel, financial advisors and experts, placement agents, underwriters, trustees, verification agents, remarketing agents, broker-dealers, appraisers, and such other advisors, consultants and agents as may be necessary to effectuate the purposes of this act.

g. The proceeds from the sale of the bonds, other than refunding bonds, issued pursuant to this act, after payment of any costs related to the issuance of such bonds, shall be paid by the authority to be applied to the payment, in full or in part, for the purposes set forth in subsection a. of this section as directed by the State Treasurer.

h. All bonds or refunding bonds issued by the authority are deemed to be issued by a body corporate and politic of the State for an essential governmental purpose, and the interest thereon and the income derived from all funds, revenues, incomes and other moneys received for or to be received by the authority and pledged and available to pay or secure the payment on bonds or refunding bonds and the interest thereon, shall be exempt from all taxes levied pursuant to the provisions of Title 54 of the Revised Statutes or Title 54A of the New Jersey Statutes, except for transfer inheritance and estate taxes levied pursuant to Subtitle 5 of Title 54 of the Revised Statutes.

i. The State hereby pledges and covenants with the holders of any bonds or refunding bonds issued pursuant to the provisions of this act, that it will not limit or alter the rights or powers vested in the authority by this act, nor limit or alter the rights or powers of the State Treasurer in any manner which would jeopardize the interest of the holders or any trustee of such holders, or inhibit or prevent performance or fulfillment by the authority or the State Treasurer with respect to the terms of any agreement made with the holders of these bonds or refunding bonds or agreements made pursuant to subsection c. of this section except that the failure of the Legislature to appropriate moneys for any purpose of this act shall not be deemed a violation of this section.

j. Notwithstanding any restriction contained in any other law, rule, regulation or order to the contrary, the State and all political subdivisions of this State, their officers, boards, commissioners, departments or other agencies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking or investment business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest any sinking funds, moneys or other funds, including capital, belonging to them or within their control, in any bonds or refunding bonds issued by the authority under the provisions of this act; and said bonds and refunding bonds are hereby made securities which may properly and legally be deposited with, and received by any State or municipal officers or agency of the State, for any purpose for which the deposit of bonds or other obligations of the State is now, or may hereafter be,

authorized by law.

C.34:1B-21.34 Appropriations for payment of obligations incurred.

4. In each State fiscal year during which the authority has outstanding bonds or refunding bonds which have been issued pursuant to this act, or is obligated to make any payments under any contract or agreement entered into by the authority pursuant to subsection c. of section 3 of P.L.2006, c.102 (C.34:1B-21.33), the State Treasurer shall pay from the General Fund to the authority, in accordance with a contract or contracts between the State Treasurer and the authority, authorized pursuant to section 5 of P.L.2006, c.102 (C.34:1B-21.35), an amount equivalent to the debt service payable on the authority's then outstanding bonds or refunding bonds issued pursuant to this act during such fiscal year and any amounts required to be paid by the authority during such fiscal year under any contract or agreement entered into by the authority pursuant to subsection c. of section 3 of P.L.2006, c.102 (C.34:1B-21.33). Notwithstanding any other provision of any law, rule, regulation or order to the contrary, the authority shall be paid only such funds as shall be required by the provisions of any contract between the State Treasurer authorized and entered into pursuant to section 5 of P.L.2006, c.102 (C.34:1B-21.35) and further provided that the incurrence of any obligation of the State under any such contract, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

C.34:1B-21.35 Contracts to implement payment arrangement.

5. The State Treasurer and the authority are authorized to enter into one or more contracts to implement the payment arrangement that is provided for in section 4 of P.L.2006, c.102 (C.34:1B-21.34). The contract or contracts shall provide for payment by the State Treasurer of the amounts required to be paid pursuant to section 4 of P.L.2006, c.102 (C.34:1B-21.34) and shall set forth the procedure for the transfer of moneys for the purpose of paying such amounts. The contract or contracts shall contain such terms and conditions as are determined by the authority and the State Treasurer, and shall include, but not be limited to, terms and conditions necessary and desirable to secure any bonds or refunding bonds of the authority issued pursuant to this act or any obligations of the authority under any contract or agreement entered into by the authority pursuant to subsection c. of section 4 of P.L.2006, c.102 (C.34:1B-21.34); provided however, that notwithstanding any other provision of any law, rule, regulation or order to the contrary, the authority shall be paid only such amounts as shall be required by the provisions of any contract or contracts and further provided that the incurrence of any obligation of the State under any such contract or contracts, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

C.34:1B-21.36 Amounts provided by authority; projects, amounts, certain.

6. From the proceeds of the bonds issued pursuant to section 3 of P.L.2006, c.102 (C.34:1B-21.33) for State capital construction projects, the following amounts shall be provided by the authority from time to time, and applied as set forth in this section upon written request of the State Treasurer pursuant to an agreement between the authority and the State Treasurer authorized and entered into pursuant to this section:

a. From \$270,000,000 in the aggregate from the proceeds of bonds issued after enactment of this act:

(1) an amount not to exceed \$150,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of stem cell research facilities - New Brunswick;

(2) an amount not to exceed \$50,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of biomedical research facilities;

(3) an amount not to exceed \$50,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of stem cell research facilities - Newark;

(4) an amount not to exceed \$10,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of blood collection facilities; and

(5) an amount not to exceed \$10,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of cancer research facilities.

b. Any agreement entered into pursuant to this section shall specify the scope of the State capital construction project, the use of the proceeds of the bonds, the acquisition plan for the State capital construction project site, the proposed occupants and permitted uses of the State capital construction project, the proposed operational plan and operating budget for the project including any rental income from the project, and such other matters as the State Treasurer shall determine.

7. This act shall take effect immediately.

Approved December 20, 2006.