

ASSEMBLY, No. 822

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman ARNONE and Assemblywoman FARRAGHER

1 AN ACT to authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in an aggregate
3 principal amount of \$50,000,000 for the construction of a
4 psychiatric hospital and the development of additional transitional
5 housing; authorizing the issuance of refunding bonds; providing the
6 ways and means to pay and discharge the principal of and interest
7 on the bonds and refunding bonds; providing for the submission of
8 this act to the people at a general election; and making an
9 appropriation therefor.

10

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

13

14 1. This act shall be known and may be cited as the "State Hospital
15 and Transitional Housing Construction Bond Act of 1993."

16

17 2. The Legislature finds and declares that:

18 a. The Department of Human Services requires funds to either
19 construct a new 300-bed psychiatric hospital or to make capital
20 improvements to Marlboro Psychiatric Hospital, as identified in the
21 department's Facilities Master Plan dated (February 1992).

22 b. The Department of Human Services needs to develop additional
23 transitional housing on the grounds of the four adult psychiatric
24 hospitals, to be operated by private, nonprofit agencies.

25 c. Implementation of these construction programs will meet the
26 immediate and critical needs of the people of New Jersey, will
27 substantially further the public interest, and can be most economically
28 financed through a bond issue.

29

30 3. As used in this act:

31 "Bonds" means the bonds authorized to be issued, or issued, under
32 this act.

33 "Commissioner" means the Commissioner of Human Services.

34 "Construct" and "construction" means, in addition to the usual
35 meaning thereof, the planning, erecting, purchasing, improving,

1 developing, constructing, reconstructing, extending, rehabilitating,
2 renovating, upgrading, demolishing and equipping of public purpose
3 buildings.

4 "Cost" means the expenses incurred in connection with: the
5 acquisition by purchase, lease, or otherwise, the development and the
6 construction of a project authorized by this act; the acquisition by
7 purchase, lease, or otherwise, and the development of any real or
8 personal property for use in connection with a project authorized by
9 this act, including any rights or interests therein, the execution of any
10 agreements and franchises deemed by the department to be necessary
11 or useful and convenient in connection with any project authorized by
12 this act; the procurement of engineering, inspection, planning, legal,
13 financial, or other professional services, including the services of a
14 bond registrar or an authenticating agent; the issuance of bonds, or any
15 interest or discount thereon; the administrative, organizational,
16 operating or other expenses incident to the financing, completing, and
17 placing into service of any project authorized by this act; the
18 establishment of a reserve fund or funds for working capital,
19 operating, maintenance, or replacement expenses and for the payment
20 or security of principal or interest on bonds, as the Director of the
21 Division of Budget and Accounting in the Department of the Treasury
22 may determine; and reimbursement to any fund of the State of moneys
23 which may have been transferred or advanced therefrom to any fund
24 created by this act, or of any moneys which may have been expended
25 therefrom for, or in connection with this act.

26 "Department" means the Department of Human Services.

27 "Government securities" means any bonds or other obligations
28 which as to principal and interest constitute direct obligations of, or
29 are unconditionally guaranteed by, the United States of America,
30 including obligations of any federal agency, to the extent those
31 obligations are unconditionally guaranteed by the United States of
32 America, and any certificates or any other evidences of an ownership
33 interest in those obligations of, or unconditionally guaranteed by, the
34 United States of America or in specified portions which may consist
35 of the principal of, or the interest on, those obligations.

36 "New Jersey Commission on Capital Budgeting and Planning"
37 means the commission established by section 2 of P.L.1975, c.208
38 (C.52:9S-2).

39 "Project" means any work relating to human services buildings.

40 "Transitional housing" means housing that is constructed on the
41 grounds of the State's adult psychiatric hospitals, and is operated by
42 private, nonprofit agencies. The housing shall be used to: provide
43 appropriate residential care and programming to persons who no
44 longer require psychiatric hospitalization, but who require more
45 structured care and services than is available in the community; and
46 provide appropriate care and programming to persons currently

1 residing in the community who are not able to function in the
2 community, but who do not require hospitalization at an adult
3 psychiatric hospital. Transitional housing is considered short-term in
4 nature with the ultimate objective being the placement of the person
5 into an appropriate community residential facility.

6
7 4. a. The commissioner shall adopt, pursuant to the
8 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
9 seq.), rules and regulations necessary to implement the provisions of
10 this act. The commissioner shall review and consider the findings and
11 recommendations of the New Jersey Commission on Capital Budgeting
12 and Planning in the administration of the provisions of this act.

13 b. (1) Of the amount allocated to the department for construction
14 of a new 300-bed psychiatric hospital or for necessary capital
15 improvements at Marlboro Psychiatric Hospital, funds shall be
16 appropriated by the Legislature only in accordance with a
17 departmental report indicating whether a new 300-bed psychiatric
18 hospital is to be constructed or whether Marlboro Psychiatric Hospital
19 is to be reconstructed and the reasons behind this recommendation.
20 The plan shall be developed in consultation with appropriate
21 community providers and shall be submitted by the commissioner to
22 the Commission on Capital Budgeting and Planning for review and
23 approval.

24 (2) Of the amount allocated to the department for development of
25 transitional housing on the grounds of the adult State psychiatric
26 hospitals, funds shall be appropriated only in accordance with a plan
27 which provides the following information:

28 (a) the total cost of developing transitional housing at each adult
29 State psychiatric hospital and whether federal and other sources of
30 funds can be obtained to meet the cost of developing the transitional
31 housing;

32 (b) the number of units of transitional housing to be developed at
33 each adult State psychiatric hospital;

34 (c) the number of persons to be assisted by the transitional housing;
35 and

36 (d) the annual operating costs of the transitional housing.
37

38 5. a. Bonds of the State of New Jersey are authorized to be issued
39 in an aggregate principal amount not exceeding \$50,000,000 for the
40 purpose of capital expenditure for the cost of construction of public
41 purpose buildings.

42 b. Of this total, \$40,000,000 shall be for either the construction of
43 a new 300-bed psychiatric hospital, or to undertake necessary capital
44 improvements to Marlboro Psychiatric Hospital, and \$10,000,000 shall
45 be for the development of transitional housing on the grounds of the
46 adult State psychiatric hospitals. If the department determines that

1 construction of a new 300-bed psychiatric hospital is more cost
2 effective than making needed capital improvements to Marlboro
3 Psychiatric Hospital, the new hospital shall be constructed on the
4 grounds of Marlboro Psychiatric Hospital.

5
6 6. The bonds authorized under this act shall be serial bonds, term
7 bonds, or a combination thereof, and shall be known as "State Hospital
8 and Transitional Housing Construction Bonds." They shall be issued
9 from time to time as the issuing officials herein named shall determine
10 and may be issued in coupon form, fully-registered form or book-entry
11 form. The bonds may be subject to redemption prior to maturity and
12 shall mature and be paid not later than 35 years from the respective
13 dates of their issuance.

14
15 7. The Governor, the State Treasurer and the Director of the
16 Division of Budget and Accounting in the Department of the Treasury,
17 or any two of these officials, herein referred to as "the issuing
18 officials," are authorized to carry out the provisions of this act relating
19 to the issuance of bonds, and shall determine all matters in connection
20 therewith, subject to the provisions of this act. If an issuing official is
21 absent from the State or incapable of acting for any reason, the powers
22 and duties of that issuing official shall be exercised and performed by
23 the person authorized by law to act in an official capacity in the place
24 of that issuing official.

25
26 8. Bonds issued in accordance with the provisions of this act shall
27 be direct obligations of the State of New Jersey, and the faith and
28 credit of the State are pledged for the payment of the interest and
29 redemption premium thereon, if any, when due, and for the payment
30 of the principal thereof at maturity or earlier redemption date. The
31 principal of and interest on the bonds shall be exempt from taxation by
32 the State or by any county, municipality or other taxing district of the
33 State.

34
35 9. The bonds shall be signed in the name of the State by means of
36 the manual or facsimile signature of the Governor under the Great Seal
37 of the State, which seal may be by facsimile or by way of any other
38 form of reproduction on the bonds, and attested by the manual or
39 facsimile signature of the Secretary of State, or an assistant Secretary
40 of State, and shall be countersigned by the facsimile signature of the
41 Director of the Division of Budget and Accounting in the Department
42 of the Treasury and may be manually authenticated by an
43 authenticating agent or bond registrar, as the issuing officials shall
44 determine. Interest coupons, if any, attached to the bonds shall be
45 signed by the facsimile signature of the Director of the Division of
46 Budget and Accounting. The bonds may be issued notwithstanding

1 that an official signing them or whose manual or facsimile signature
2 appears on the bonds or coupons has ceased to hold office at the time
3 of issuance, or at the time of the delivery of the bonds to the purchaser
4 thereof.

5
6 10. a. The bonds shall recite that they are issued for the purposes
7 set forth in section 5 of this act, that they are issued pursuant to this
8 act, that this act was submitted to the people of the State at the
9 general election held in the month of November, 1993, and that this
10 act was approved by a majority of the legally qualified voters of the
11 State voting thereon at the election. This recital shall be conclusive
12 evidence of the authority of the State to issue the bonds and their
13 validity. Any bonds containing this recital shall, in any suit, action or
14 proceeding involving their validity, be conclusively deemed to be fully
15 authorized by this act and to have been issued, sold, executed and
16 delivered in conformity herewith and with all other provisions of law
17 applicable hereto, and shall be incontestable for any cause.

18 b. The bonds shall be issued in such denominations and in such
19 form or forms, whether coupon, fully-registered or book-entry, and
20 with or without provisions for the interchangeability thereof, as may
21 be determined by the issuing officials.

22
23 11. When the bonds are issued from time to time, the bonds of
24 each issue shall constitute a separate series to be designated by the
25 issuing officials. Each series of bonds shall bear such rate or rates of
26 interest as may be determined by the issuing officials, which interest
27 shall be payable semiannually; except that, the first and last interest
28 periods may be longer or shorter, in order that the intervening
29 semiannual payments may be at convenient dates.

30
31 12. The bonds shall be issued and sold at the price or prices and
32 under the terms, conditions and regulations as the issuing officials may
33 prescribe, after notice of the sale, published at least once in at least
34 three newspapers published in this State, and at least once in a
35 publication carrying municipal bond notices and devoted primarily to
36 financial news, published in this State or in the city of New York, the
37 first notice to appear at least five days prior to the day of bidding. The
38 notice of sale may contain a provision to the effect that any bid in
39 pursuance thereof may be rejected. In the event of rejection or of
40 failure to receive any acceptable bid, the issuing officials, at any time
41 within 60 days from the date of the advertised sale, may sell the bonds
42 at a private sale at such price or prices and under such terms and
43 conditions as the issuing officials may prescribe. The issuing officials
44 may sell all or part of the bonds of any series as issued to any State
45 fund or to the federal government or any agency thereof, at a private
46 sale, without advertisement.

1 13. Until permanent bonds are prepared, the issuing officials may
2 issue temporary bonds in a form and with those privileges as to their
3 registration and exchange for permanent bonds as may be determined
4 by the issuing officials.

5
6 14. The proceeds derived from the sale of bonds shall be paid to
7 the State Treasurer in a separate fund, which shall be known as the
8 "State Hospital and Transitional Housing Construction Fund." The
9 proceeds of this fund shall be deposited in those depositories as may
10 be selected by the State Treasurer to the credit of the fund.

11
12 15. a. The moneys in the "State Hospital and Transitional Housing
13 Construction Fund" are specifically dedicated and shall be applied to
14 the cost of the purposes set forth in section 5 of this act. However, no
15 moneys in the fund shall be expended for those purposes, except as
16 otherwise authorized by this act, without the specific appropriation
17 thereof by the Legislature, but bonds may be issued as herein provided,
18 notwithstanding that the Legislature shall not have then adopted an act
19 making a specific appropriation of any of the moneys. Any act
20 appropriating moneys from the "State Hospital and Transitional
21 Housing Construction Fund" shall identify the project to be funded by
22 the moneys.

23 b. At any time prior to the issuance and sale of bonds under this
24 act, the State Treasurer is authorized to transfer from any available
25 moneys in any fund of the treasury of the State to the credit of the
26 "State Hospital and Transitional Housing Construction Fund" those
27 sums as the State Treasurer may deem necessary. The sums so
28 transferred shall be returned to the same fund of the treasury of the
29 State by the State Treasurer from the proceeds of the sale of the first
30 issue of bonds.

31 c. Pending their application to the purposes provided in this act,
32 the moneys in the "State Hospital and Transitional Housing
33 Construction Fund" may be invested and reinvested as are other trust
34 funds in the custody of the State Treasurer, in the manner provided by
35 law. Net earnings received from the investment or deposit of moneys
36 in the "State Hospital and Transitional Housing Construction Fund"
37 shall be paid into the General Fund.

38
39 16. If any coupon bond, coupon or registered bond is lost,
40 mutilated or destroyed, a new bond or coupon shall be executed and
41 delivered of like tenor, in substitution for the lost, mutilated or
42 destroyed bond or coupon, upon the owner furnishing to the issuing
43 officials evidence satisfactory to them of the loss, mutilation or
44 destruction of the bond or coupon, the ownership thereof, and
45 security, indemnity and reimbursement for expenses connected
46 therewith, as the issuing officials may require.

1 17. The accrued interest, if any, received upon the sale of the
2 bonds shall be applied to the discharge of a like amount of interest
3 upon the bonds when due. Any expense incurred by the issuing
4 officials for advertising, engraving, printing, clerical, authenticating,
5 registering, legal or other services necessary to carry out the duties
6 imposed upon them by the provisions of this act shall be paid from the
7 proceeds of the sale of the bonds by the State Treasurer, upon the
8 warrant of the Director of the Division of Budget and Accounting in
9 the Department of the Treasury, in the same manner as other
10 obligations of the State are paid.

11

12 18. Bonds of each series issued hereunder shall mature, including
13 any sinking fund redemptions, not later than the 35th year from the
14 date of issue of that series, and in such amounts as shall be determined
15 by the issuing officials. The issuing officials may reserve to the State,
16 by appropriate provision in the bonds of any series, the power to
17 redeem any of the bonds prior to maturity at such price or prices and
18 upon such terms and conditions as may be provided in the bonds.

19

20 19. The issuing officials may issue refunding bonds in an amount
21 not to exceed the amount necessary to effectuate the refinancing of
22 any bonds issued pursuant to this act, at any time and from time to
23 time, for the purpose of refinancing any bond or bonds issued pursuant
24 to this act, subject to the following provisions:

25 a. Refunding bonds may be issued at such time prior to the
26 maturity or redemption of the bonds to be refinanced thereby as the
27 issuing officials shall determine.

28 b. Each series of refunding bonds may be issued in a sufficient
29 amount to pay or to provide for the payment of the principal of the
30 bonds to be refinanced thereby, together with any redemption premium
31 thereon, any interest accrued or to accrue on the bonds to be
32 refinanced to the date of payment of the outstanding bonds, the
33 expense of issuing the refunding bonds and the expenses, if any, of
34 paying the bonds to be refinanced.

35 c. No refunding bonds shall be issued unless the issuing officials
36 shall first determine that the present value of the aggregate principal
37 amount of and interest on the refunding bonds is less than the present
38 value of the aggregate principal of and interest on the bonds to be
39 refinanced thereby; provided that, for the purposes of this limitation,
40 present value shall be computed using a discount ratio equal to the
41 yield of the refunding bonds, and yield shall be computed using an
42 actuarial method based upon a 360-day year with semiannual
43 compounding and upon the price or prices paid to the State by the
44 initial purchasers of the refunding bonds.

45 d. Any refinancing authorized hereunder may be effected by the
46 sale of the refunding bonds and the application of the proceeds thereof

1 to the immediate payment of the principal of the bonds to be
2 refinanced thereby, together with any redemption premium thereon,
3 any interest accrued or to accrue on the bonds to be refinanced to the
4 date of payment of the bonds, the expenses of issuing the refunding
5 bonds and the expenses, if any, of paying those bonds to be refinanced,
6 or, to the extent not required for that immediate payment, shall be
7 deposited, together with any other moneys legally available therefor,
8 in trust with one or more trustees or escrow agents, which trustees or
9 escrow agents shall be trust companies or national or state banks
10 having powers of a trust company, located either within or without the
11 State, to be applied solely to the payment when due of the principal of,
12 redemption premium, if any, and interest due and to become due on
13 the bonds to be refinanced on or prior to the redemption date or
14 maturity date thereof, as the case may be. The proceeds or moneys so
15 held by the trustees or escrow agents may be invested in government
16 securities, including government securities issued or held in book-entry
17 form on the books of the Department of the Treasury of the United
18 States; provided those government securities shall not be subject to
19 redemption prior to their maturity other than at the option of the
20 holder thereof. Except as otherwise provided in this subsection,
21 neither government securities nor moneys so deposited with the
22 trustee or escrow agents shall be withdrawn or used for any purpose
23 other than, and shall be held in trust for, the payment of the principal
24 of, redemption premium, if any, and interest on the bonds to be
25 refinanced thereby; provided that, any cash received from the principal
26 or interest payments on those government securities deposited with the
27 trustees or escrow agents, to the extent the cash will not be required
28 at any time for that purpose, shall be paid over to the trustees or
29 escrow agents, and to the extent the cash will be required for that
30 purpose at a later date, shall, to the extent practicable and legally
31 permissible, be reinvested in government securities maturing at times
32 and in amounts sufficient to pay when due the principal of, redemption
33 premium, if any, and interest to become due on the bonds to be
34 refinanced, on and prior to the redemption date or maturity date
35 thereof, as the case may be, and interest earned from those
36 reinvestments, to the extent not required for the payment of bonds,
37 shall be paid over to the State, as received by the trustees or escrow
38 agents. Notwithstanding anything to the contrary contained herein:

39 (1) The trustees or escrow agents shall, if so directed by the issuing
40 officials, apply moneys on deposit with the trustees or escrow agents
41 pursuant to the provisions of this section, and redeem or sell
42 government securities so deposited with the trustees or escrow agents
43 and apply the proceeds thereof to (a) the purchase of the bonds which
44 were refinanced by the deposit with the trustees or escrow agents of
45 the moneys and government securities and immediately thereafter
46 cancel all outstanding bonds so purchased or (b) the purchase of

1 different government securities; provided however, that the moneys
2 and government securities on deposit with the trustees or escrow
3 agents after the purchase and cancellation of the outstanding bonds or
4 the purchase of different government securities shall be sufficient to
5 pay when due the principal of, redemption premium, if any, and
6 interest on all other bonds in respect of which the moneys and
7 government securities were deposited with the trustees or escrow
8 agents on or prior to the redemption date or maturity date thereof, as
9 the case may be; and

10 (2) In the event that on any date, as a result of any purchases and
11 cancellations of the outstanding bonds or any purchases of different
12 government securities as provided in this subsection, the total amount
13 of moneys and government securities remaining on deposit with the
14 trustees or escrow agents is in excess of the total amount which would
15 have been required to be deposited with the trustees or escrow agents
16 on that date in respect of the remaining bonds for which such deposit
17 was made in order to pay when due the principal of, redemption
18 premium, if any, and interest on those remaining bonds, the trustees or
19 escrow agents shall, if so directed by the issuing officials, pay the
20 amount of the excess to the State. Any amounts held by the State
21 Treasurer in a separate fund or funds for the payment of the principal
22 of, redemption premium, if any, and interest on bonds to be refinanced,
23 as provided herein, shall, if so directed by the issuing officials, be
24 transferred by the State Treasurer for deposit with one or more
25 trustees or escrow agents, as provided herein, to be applied to the
26 payment when due of the principal of, redemption premium, if any, and
27 interest to become due on those bonds to be refinanced, as provided
28 in this section, or be applied by the State Treasurer to the payment
29 when due of the principal of, redemption premium, if any, and interest
30 on refunding bonds issued hereunder to refinance those bonds. The
31 State Treasurer is authorized to enter into contracts with one or more
32 trust companies or national or state banks, as provided herein, to act
33 as trustees or escrow agents as provided herein, subject to the
34 approval of the issuing officials.

35 e. Notwithstanding the provisions of section 12 of this act, any
36 series of refunding bonds issued pursuant to this section shall mature
37 at any time or times not later than five years following the latest
38 scheduled final maturity date, determined without regard to any
39 redemptions prior thereto, of any of the bonds to be refunded thereby,
40 and in no event later than 35 years following the date of issuance of
41 that series of refunding bonds, and those refunding bonds may be sold
42 at public or private sale at prices and under those terms, conditions
43 and regulations as the issuing officials may prescribe. Refunding
44 bonds shall be entitled to all the benefits of this act and subject to all
45 its limitations, except as to sale provisions and to the extent therein
46 otherwise expressly provided.

1 f. Upon the decision by the issuing officials to issue refunding
2 bonds pursuant to this section, and prior to the sale of those bonds, the
3 issuing officials shall transmit to the Joint Budget Oversight
4 Committee, or its successor, a report that a decision has been made,
5 reciting the basis on which the decision was made, including an
6 estimate of the debt service savings to be achieved and the calculations
7 upon which the issuing officials relied when making the decision to
8 issue refunding bonds. The report shall also disclose the intent of the
9 issuing officials to issue and sell the refunding bonds at public or
10 private sale and the reasons therefor.

11 g. The Joint Budget Oversight Committee, or its successor, shall
12 have authority to approve or disapprove the sale of refunding bonds
13 as included in each report submitted in accordance with subsection f.
14 of this section. The committee shall notify the issuing officials in
15 writing of the approval or disapproval as expeditiously as possible.

16 h. No refunding bonds shall be issued unless the report has been
17 submitted to and approved by the Joint Budget Oversight Committee,
18 or its successor, as set forth in subsection g. of this section.

19 i. Within 30 days after the sale of the refunding bonds, the issuing
20 officials shall notify the Joint Budget Oversight Committee, or its
21 successor, of the result of that sale, including the prices and terms,
22 conditions and regulations concerning the refunding bonds, the actual
23 amount of debt service savings to be realized as a result of the sale of
24 refunding bonds, and the intended use of the proceeds from the sale of
25 those bonds.

26 j. The Joint Budget Oversight Committee, or its successor, shall,
27 however, review all information and reports submitted in accordance
28 with this section and may, on its own initiative, make observations and
29 recommendations to the issuing officials, or to the Legislature, or
30 both, as it deems appropriate.

31

32 20. Any bond or bonds issued hereunder shall no longer be deemed
33 to be outstanding, shall no longer constitute a direct obligation of the
34 State of New Jersey, and the faith and credit of the State shall no
35 longer be pledged to the payment of the principal of, redemption
36 premium, if any, and interest on the bonds, and the bonds shall be
37 secured solely by and payable solely from moneys and government
38 securities deposited in trust with one or more trustees or escrow
39 agents, which trustees and escrow agents shall be trust companies or
40 national or state banks having powers of a trust company, located
41 either within or without the State, as provided herein, whenever there
42 shall be deposited in trust with the trustees or escrow agents, as
43 provided herein, either moneys or government securities, including
44 government securities issued or held in book-entry form on the books
45 of the Department of Treasury of the United States, the principal of
46 and interest on which when due will provide money which, together

1 with the moneys, if any, deposited with the trustees or escrow agents
2 at the same time, shall be sufficient to pay when due the principal of,
3 redemption premium, if any, and interest due and to become due on
4 the bonds on or prior to the redemption date or maturity date thereof,
5 as the case may be; provided the government securities shall not be
6 subject to redemption prior to their maturity other than at the option
7 of the holder thereof. The State of New Jersey hereby covenants with
8 the holders of any bonds for which government securities or moneys
9 shall have been deposited in trust with the trustees or escrow agents
10 as provided in this section that, except as otherwise provided in this
11 section, neither the government securities nor moneys so deposited
12 with the trustees or escrow agents shall be withdrawn or used by the
13 State for any purpose other than, and shall be held in trust for, the
14 payment of the principal of, redemption premium, if any, and interest
15 to become due on the bonds; provided that, any cash received from the
16 principal or interest payments on the government securities deposited
17 with the trustees or escrow agents, to the extent the cash will not be
18 required at any time for that purpose, shall be paid over to the State,
19 as received by the trustees or escrow agents, free and clear of any
20 trust, lien, pledge or assignment securing the bonds; and to the extent
21 the cash will be required for that purpose at a later date, shall, to the
22 extent practicable and legally permissible, be reinvested in government
23 securities maturing at times and in amounts sufficient to pay when due
24 the principal of, redemption premium, if any, and interest to become
25 due on the bonds on and prior to the redemption date or maturity date
26 thereof, as the case may be, and interest earned from the reinvestments
27 shall be paid over to the State, as received by the trustees or escrow
28 agents, free and clear of any trust, lien or pledge securing the bonds.
29 Notwithstanding anything to the contrary contained herein:

30 a. The trustees or escrow agents shall, if so directed by the issuing
31 officials, apply moneys on deposit with the trustees or escrow agents
32 pursuant to the provisions of this section, and redeem or sell
33 government securities so deposited with the trustees or escrow agents,
34 and apply the proceeds thereof to (1) the purchase of the bonds which
35 were refinanced by the deposit with the trustees or escrow agents of
36 the moneys and government securities and immediately thereafter
37 cancel all bonds so purchased, or (2) the purchase of different
38 government securities; provided however, that the moneys and
39 government securities on deposit with the trustees or escrow agents
40 after the purchase and cancellation of the bonds or the purchase of
41 different government securities, shall be sufficient to pay when due the
42 principal of, redemption premium, if any, and interest on all other
43 bonds in respect of which the moneys and government securities were
44 deposited with the trustees or escrow agents on or prior to the
45 redemption date or maturity date thereof, as the case may be; and
46 b. In the event that on any date, as a result of any purchases and

1 cancellations of bonds or any purchases of different government
2 securities, as provided in this section, the total amount of moneys and
3 government securities remaining on deposit with the trustees or
4 escrow agents is in excess of the total amount which would have been
5 required to be deposited with the trustees or escrow agents on that
6 date in respect of the remaining bonds for which the deposit was made
7 in order to pay when due the principal of, redemption premium, if any,
8 and interest on the remaining bonds, the trustees or escrow agents
9 shall, if so directed by the issuing officials, pay the amount of the
10 excess to the State, free and clear of any trust, lien, pledge or
11 assignment securing the refunding bonds.

12

13 21. Refunding bonds issued pursuant to section 19 of this act may
14 be consolidated with bonds issued pursuant to section 6 of this act or
15 with bonds issued pursuant to any other act for purposes of sale.

16

17 22. To provide funds to meet the interest and principal payment
18 requirements for the bonds and refunding bonds issued under this act
19 and outstanding, there is appropriated in the order following:

20 a. Revenue derived from the collection of taxes under the "Sales
21 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
22 thereof as may be required; and

23 b. If, at any time, funds necessary to meet the interest, redemption
24 premium, if any, and principal payments on outstanding bonds issued
25 under this act are insufficient or not available, there shall be assessed,
26 levied and collected annually in each of the municipalities of the
27 counties of this State, a tax on the real and personal property upon
28 which municipal taxes are or shall be assessed, levied and collected,
29 sufficient to meet the interest on all outstanding bonds issued
30 hereunder and on the bonds proposed to be issued under this act in the
31 calendar year in which the tax is to be raised and for the payment of
32 bonds falling due in the year following the year for which the tax is
33 levied. The tax shall be assessed, levied and collected in the same
34 manner and at the same time as other taxes upon real and personal
35 property. The governing body of each municipality shall pay to the
36 county treasurer of the county in which the municipality is located, on
37 or before December 15 in each year, the amount of tax herein directed
38 to be assessed and levied, and the county treasurer shall pay the
39 amount of the tax to the State Treasurer on or before December 20 in
40 each year.

41 If on or before December 31 in any year the issuing officials, by
42 resolution, determine that there are moneys in the General Fund
43 beyond the needs of the State, sufficient to pay the principal of bonds
44 falling due and all interest and redemption premium, if any, payable in
45 the ensuing calendar year, the issuing officials shall file the resolution
46 in the office of the State Treasurer, whereupon the State Treasurer

1 shall transfer the moneys to a separate fund to be designated by the
2 State Treasurer, and shall pay the principal, redemption premium, if
3 any, and interest out of that fund as the same shall become due and
4 payable, and the other sources of payment of the principal, redemption
5 premium, if any, and interest provided for in this section shall not then
6 be available, and the receipts for that year from the tax specified in
7 subsection a. of this section shall be considered and treated as part of
8 the General Fund, available for general purposes.

9
10 23. Should the State Treasurer, by December 31 of any year, deem
11 it necessary, because of the insufficiency of funds collected from the
12 sources of revenues as provided in this act, to meet the interest and
13 principal payments for the year after the ensuing year, then the State
14 Treasurer shall certify to the Director of the Division of Budget and
15 Accounting in the Department of the Treasury the amount necessary
16 to be raised by taxation for those purposes, the same to be assessed,
17 levied and collected for and in the ensuing calendar year. The director
18 shall, on or before March 1 following, calculate the amount in dollars
19 to be assessed, levied and collected in each county as herein set forth.
20 This calculation shall be based upon the corrected assessed valuation
21 of each county for the year preceding the year in which the tax is to be
22 assessed, but the tax shall be assessed, levied and collected upon the
23 assessed valuation of the year in which the tax is assessed and levied.
24 The director shall certify the amount to the county board of taxation
25 and the treasurer of each county. The county board of taxation shall
26 include the proper amount in the current tax levy of the several taxing
27 districts of the county in proportion to the ratables as ascertained for
28 the current year.

29
30 24. For the purpose of complying with the provisions of the State
31 Constitution, this act shall be submitted to the people at the general
32 election to be held in the month of November, 1993. To inform the
33 people of the contents of this act, it shall be the duty of the Secretary
34 of State, after this section takes effect, and at least 60 days prior to the
35 election, to cause this act to be published at least once in one or more
36 newspapers of each county, if any newspapers be published therein and
37 to notify the clerk of each county of this State of the passage of this
38 act; and the clerks respectively, in accordance with the instructions of
39 the Secretary of State, shall have printed on each of the ballots the
40 following:

41 If you approve of the act entitled below, make a cross (X), plus (+),
42 or check (O) mark in the square opposite the word "Yes."

43 If you disapprove of the act entitled below, make a cross (X), plus
44 (+) or check (O) mark in the square opposite the word "No."

45 If voting machines are used, a vote of "Yes" or "No" shall be
46 equivalent to these markings respectively.

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20</p>	<p>YES</p>	<p style="text-align: center;">STATE HOSPITAL AND TRANSITIONAL HOUSING CONSTRUCTION BOND ISSUE</p> <p>Shall the "State Hospital and Transitional Housing Construction Bond Act of 1993," which authorizes the State to issue bonds in the amount of \$50,000,000 for the purpose of either constructing a new 300-bed psychiatric hospital on the grounds of Marlboro Psychiatric Hospital or reconstructing Marlboro Psychiatric Hospital, and developing transitional housing for persons with mental illness on the grounds of the adult State psychiatric hospitals; and in a principal amount sufficient to refinance any of the bonds if the same will result in a present value savings; and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?</p>
<p>21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42</p>	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$50,000,000 in State general obligation bonds. Of the total, \$40,000,000 will be used for either the construction of a new 300-bed psychiatric hospital on the grounds of Marlboro Psychiatric Hospital or for necessary capital improvements, of Marlboro Psychiatric Hospital, whichever option is economically more advantageous; \$10,000,000 will be used to develop transitional housing on the grounds of the adult State psychiatric hospitals to be operated by private, nonprofit agencies, for persons who no longer require the services of a State psychiatric hospital and for persons who are unable to function in the community, but who do not require State hospitalization. The act also authorizes the issuance of bonds in a sufficient amount to refinance any of these bonds if the same will result in a present value savings.</p>

43
44 The fact and date of the approval or passage of this act, as the case
45 may be, may be inserted in the appropriate place after the title in the

1 ballot. No other requirements of law of any kind or character as to
2 notice or procedure, except as herein provided, need be adhered to.

3 The votes cast for and against the approval of this act, by ballot or
4 voting machine shall be counted and the result thereof returned by the
5 election officer, and a canvass of the election had in the same manner
6 as is provided for by law in the case of the election of a Governor, and
7 the approval or disapproval of this act so determined shall be declared
8 in the same manner as the result of an election for a Governor, and if
9 there is a majority of all votes cast for and against it at the election in
10 favor of the approval of this act, then all the provisions of this act not
11 made effective theretofore shall take effect forthwith.

12

13 25. There is appropriated the sum of \$5,000.00 to the Department
14 of State for expenses in connection with the publication of notice
15 pursuant to section 24 of this act.

16

17 26. The commissioner shall submit to the State Treasurer and the
18 New Jersey Commission on Capital Budgeting and Planning with his
19 respective department's annual budget request, a plan for the
20 expenditure of funds from the "State Hospital and Transitional
21 Housing Construction Fund" for the upcoming fiscal year. This plan
22 shall include the following information: a performance evaluation of
23 the expenditures made from the fund to date; a description of
24 programs planned during the upcoming fiscal year; a copy of the
25 regulations in force governing the operation of programs that are
26 financed, in part or in whole, by funds from the "State Hospital and
27 Transitional Housing Construction Fund"; and an estimate of
28 expenditures for the upcoming fiscal year.

29

30 27. Immediately following the submission to the Legislature of the
31 Governor's annual budget message, the commissioner shall submit to
32 the relevant standing committees of the Legislature, as designated by
33 the President of the Senate and the Speaker of the General Assembly,
34 and to the Joint Budget Oversight Committee, or its successor, a copy
35 of the plan called for under section 26 of this act, together with such
36 changes therein as may have been required by the Governor's budget
37 message.

38

39 28. Not less than 30 days prior to entering into any contract, lease,
40 obligation, or agreement to effectuate the purposes of this act, the
41 commissioner shall report to and consult with the Joint Budget
42 Oversight Committee, or its successor.

43

44 29. All appropriations from the "State Hospital and Transitional
45 Housing Construction Fund" shall be by specific allocation for each
46 project, and any transfer of any funds so appropriated shall require the

1 approval of the Joint Budget Oversight Committee, or its successor.

2

3 30. This section and sections 24 and 25 of this act shall take effect
4 immediately and the remainder of this act shall take effect as and when
5 provided in section 24.

6

7

8

STATEMENT

9

10 This bill authorizes the State of New Jersey to issue \$50 million in
11 bonds: \$40 million will be used for either the construction of a new
12 300-bed psychiatric hospital on the grounds of Marlboro Psychiatric
13 Hospital or for necessary capital improvements at Marlboro
14 Psychiatric Hospital, whichever option is economically more
15 advantageous; and \$10 million will be used to develop additional
16 transitional housing on the grounds of the four adult psychiatric
17 hospitals to be operated by private, nonprofit agencies.

18

19

20

21

22 _____
23 Authorizes \$50,000,000 sale of State bonds for construction projects
at Marlboro Psychiatric Hospital.