

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1443

STATE OF NEW JERSEY

ADOPTED MAY 2, 1996

Sponsored by Assemblymen DORIA and KELLY

1 **AN ACT** authorizing the creation of a debt of the State of New Jersey
2 by the issuance of bonds of the State in an aggregate principal
3 amount of \$290,000,000 for the purpose of providing grants, loans
4 and other forms of subsidies to foster the development of small
5 businesses in urban and low income areas; for the construction and
6 rehabilitation of safe and decent housing for low and moderate
7 income households; to foster home ownership among that
8 population; providing the ways and means to pay and discharge the
9 principal and interest on the bonds; providing for the submission
10 of this act to the people at a general election; and making an
11 appropriation therefor.

12

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

15

16 1. This act shall be known and may be cited as the "Jobs from
17 Housing and Economic Development Bond Act."

18

19 2. The Legislature hereby finds that:

20 a. Economic conditions in New Jersey, along with those in other
21 northeastern states, have been slow to recover from the downturn of
22 the last few years. This sluggish recovery has taken its toll on working
23 families, the unemployed, and the underemployed.

24 b. Small businesses and the construction industry are an important
25 source of primary and secondary employment in the State, especially
26 in New Jersey's cities and low income communities.

27 c. Small businesses and the construction industry in particular,
28 especially in New Jersey's cities and low income areas, have
29 experienced great difficulty securing private financing because they
30 often do not satisfy conventional underwriting criteria and suffer
31 disproportionately from the general pattern of disinvestment in the
32 cities and low income areas. More needs to be done, therefore, to
33 bolster small business development and expansion within New Jersey's
34 cities.

35 d. The lack of capital for housing production, planning and

1 development, construction financing, long-term financing, and
2 project-based assistance has served as a major impediment to the
3 production of affordable housing in this State, whether that housing is
4 newly constructed or rehabilitated. As a result, the entire State
5 continues to suffer from a shortage of safe, decent rental and owner-
6 occupied housing affordable to low and moderate income households,
7 including housing for the elderly and for disabled persons.

8 e. The ability of low and moderate income households, including
9 households with elderly and disabled persons, to purchase housing is
10 limited, in part, by their inability to make down payments and pay
11 closing costs.

12 f. The lack of safe, decent, affordable housing discourages
13 job-creating businesses from moving to, and remaining in this State.
14 Because access to safe, decent affordable housing and opportunities
15 for remunerative employment are intimately connected, it is sound
16 policy to seek to address these problems in a manner which is mutually
17 reinforcing.

18 g. Experience has shown that nonprofit entities can be efficient
19 and effective producers and managers of low and moderate income
20 housing. Experience also has shown that nonprofit entities can be
21 efficient and effective catalysts for the promotion of private
22 entrepreneurship and small businesses in cities and low income areas.

23 h. Accordingly, it is the purpose of this act to promote job
24 creation by providing funding to foster the development of small
25 businesses in New Jersey's cities and low income areas, to provide
26 funds for the construction and rehabilitation of very low, low, and
27 moderate income housing throughout the State, including housing for
28 households with elderly and disabled persons, and to assure the
29 long-term economic viability of such housing, to fund loans, grants
30 and other forms of assistance to low, moderate, and middle income
31 households for down payment and closing costs, and to provide funds
32 to build the capacity of nonprofit entities to construct and rehabilitate
33 low and moderate income housing and foster economic development.

34 i. The "Jobs from Housing and Economic Development Bond
35 Act," P.L. , c. (now pending before the Legislature as this bill),
36 would provide the financial resources necessary to stimulate the small
37 business sector throughout the State, particularly in the State's cities
38 and low income areas, and thereby promote significant gains in
39 primary and secondary employment in those areas most in need of
40 economic revitalization.

41

42 3. As used in this act:

43 "Affordable" means, (1) in the case of owner-occupied housing,
44 housing whose sales price is such that households throughout the
45 relevant income range need pay no more than 25 percent of gross

1 household income for principal, interest, insurance, taxes,
2 homeowner's association fees and assessments, and fees for sewerage,
3 water and solid waste disposal. Payments required for principal and
4 interest shall be determined on the basis of 95 percent mortgages at
5 rates generally available within the housing market in the relevant
6 housing region; (2) in the case of rental housing, "affordable" means
7 housing whose rents and fees are such that households throughout the
8 relevant income range need pay no more than 30 percent of gross
9 household income for rents and fees, including heat, hot water, gas,
10 electricity, water, sewerage, and solid waste disposal. Affordable
11 housing shall be subject to resale and rental controls to assure that it
12 continues to be reserved for and affordable to very low income
13 households, low income households and moderate income households
14 for at least 30 years.

15 "Bonds" means bonds authorized to be issued, or issued, under
16 this act.

17 "Commissioner" means the Commissioner of Community Affairs.
18 "Costs of construction and rehabilitation" means the expenses
19 incurred in connection with: the planning for the development,
20 conversion or rehabilitation of low or moderate income housing; the
21 acquisition by purchase, lease, or otherwise, of land or buildings for
22 the development, conversion or rehabilitation of low or moderate
23 income housing; the preparation of land for development of low or
24 moderate income housing, including the demolition of existing
25 structures on the land; the construction, reconstruction, or
26 rehabilitation of low or moderate income housing; the conversion of
27 buildings for use as low and moderate income housing; the acquisition
28 by purchase, lease, or otherwise, and the development of any real or
29 personal property for use in connection with a project authorized by
30 this act, including any rights or interests therein, the execution of any
31 agreements and franchises deemed by the commissioner to be
32 necessary or useful and convenient in connection with any housing
33 authorized by this act; the procurement of engineering, inspection,
34 planning, legal, accounting, financial, or other professional services,
35 including the services of a bond register or an authenticating agent;
36 the administrative expenses of underwriting, administering, servicing,
37 and collecting loans; the issuance of bonds, or any interest or discount
38 thereon; project-based rental assistance to very low income tenants
39 occupying housing constructed or rehabilitated with loans, grants, or
40 other forms of assistance provided under this act; the administrative,
41 organizational, operating or other expenses incident to the financing,
42 completing, and marketing, counseling prospective purchasers or
43 tenants, selecting purchasers or tenants for, and placing into service of,
44 any housing development constructed or rehabilitated under this act;
45 the issuance of bonds, or any interest or discount thereon; the payment

1 of the fees of independent contractors to perform any of the foregoing
2 functions; the establishment of a reserve fund or funds for working
3 capital, operating, maintenance, or replacement expenses and for the
4 payment or security of principal or interest on bonds, as the Director
5 of the Division of Budget and Accounting in the Department of the
6 Treasury may determine; and reimbursement to any fund of the State
7 of moneys which may have been transferred or advanced therefrom to
8 any fund created by this act, or any moneys which may have been
9 expended therefrom for, or in connection with, this act. No
10 administrative expenses incurred by a department pursuant to this act
11 shall be paid from any fund created pursuant to this act.

12 "Costs of fostering the development and growth of small
13 businesses" means the expenses incurred in connection with: planning
14 for the fostering of development and growth of small businesses; the
15 acquisition by purchase, lease, or otherwise, of land or buildings to
16 house small business; the preparation of land for development of
17 buildings to house small businesses, including the demolition of
18 existing structures on the land; the construction, reconstruction, or
19 rehabilitation of buildings to house small businesses; the conversion
20 of existing buildings to house small businesses; the acquisition by
21 purchase, lease, or otherwise, of fixtures, machinery, equipment, and
22 other personal property for the operation of small businesses; the
23 acquisition by purchase, lease, license or otherwise, of patents,
24 copyrights, trademarks, service marks, franchises, and other intangible
25 property for the operation of small businesses; acquisition by purchase,
26 lease, or otherwise of raw materials and inventory; loans or other
27 assistance for working capital; the procurement of engineering,
28 inspection, planning, legal, accounting, financial, graphic design,
29 advertising or other professional services, including the services of a
30 bond register or an authenticating agent; training of current and
31 potential owners of small businesses; development of business and
32 marketing plans; the administrative expenses of underwriting,
33 administering, servicing, and collecting loans; the issuance of bonds,
34 or any interest or discount thereon; payment of the fees of independent
35 contractors to perform any of the foregoing functions; the
36 establishment of a reserve fund or funds for working capital,
37 operating, maintenance, or replacement expenses and for the payment
38 or security of principal or interest on bonds, as the Director of the
39 Division of Budget and Accounting in the Department of the Treasury
40 may determine; and reimbursement to any fund of the State of moneys
41 which may have been transferred or advanced therefrom to any fund
42 created by this act, or any moneys which may have been expended
43 therefrom for, or in connection with, this act. No administrative
44 expenses incurred by a department pursuant to this act shall be paid
45 from any fund created pursuant to this act.

- 1 "Eligible small business" means an entity that:
- 2 a. sells goods or services;
- 3 b. is independently owned and operated;
- 4 c. has no more than 25 employees, provided that the
- 5 corporation may by regulation establish an alternative standard for
- 6 retail grocery stores;
- 7 d. has its principal place of business in an urban area or a low
- 8 income area; and
- 9 e. either (1) 51 percent or more of the equity in the business
- 10 is held by persons residing in the municipality which is the primary
- 11 place of business or (2) 51 percent or more of the current employees
- 12 reside in the municipality.
- 13 f. is participating or has enrolled in a bona fide entrepreneurial
- 14 training program which includes technical assistance to formulate a
- 15 small business plan.
- 16 "Government securities" means any bonds or other obligations
- 17 which as to principal and interest constitute direct obligations of, or
- 18 are unconditionally guaranteed by, the United States of America,
- 19 including obligations of any federal agency, to the extent those
- 20 obligations are unconditionally guaranteed by the United States of
- 21 America, and any certificates or any other evidences of an ownership
- 22 interest in those obligations of, or unconditionally guaranteed by, the
- 23 United States of America or in specified portions which may consist
- 24 of the principal of, or the interest on, those obligations;
- 25 "Grant" means payment of funds to a recipient under terms that do
- 26 not require the recipient to repay the funds under any circumstances,
- 27 provided that the funds are used lawfully and in accordance with those
- 28 terms.
- 29 "Housing region" means "housing region" as that term is or may
- 30 hereafter be defined pursuant to subsection b. of section 4 of
- 31 P.L.1985, c.222 (C.52:27D-304).
- 32 "Loan" means payment of funds to a recipient under terms that
- 33 require repayment, but which requirement to repay may be delayed or
- 34 conditional, or may be subordinated to other specified financial
- 35 obligations. Loans made under this act may be of a nature similar to
- 36 those made by the Commissioner of Community Affairs under the
- 37 department's "Balanced Housing Program."
- 38 "Low income areas" means municipalities in which the median
- 39 gross annual household income, as reported in the most recent federal
- 40 decennial census, is less than or equal to 80 percent of the median
- 41 gross annual household income for all households in the State.
- 42 "Low income household" means a household with a gross
- 43 household income less than or equal to 50 percent of the median gross
- 44 household income for households of similar size within the housing
- 45 region in which the housing is located. "Low income household"

1 includes "very low income household."

2 "Low income housing" means housing affordable to a low income
3 household.

4 "Middle income household" means a household with a gross
5 household income between 80 and 115 percent of the median gross
6 household income for households of similar size within the housing
7 region in which the housing is located.

8 "Middle income housing" means housing affordable to a middle
9 income household.

10 "Moderate income household" means a household with a gross
11 household income greater than 50 and equal to or less than 80 percent
12 of the median gross household income for households of similar size
13 within the housing region in which the housing is located.

14 "Moderate income housing" means housing affordable to a
15 moderate income household.

16 "Nonprofit entity" means an entity that is exempt from federal
17 taxation on income pursuant to 26 U.S.C. §501(c)(3), as amended, or
18 any successor provision of federal law, and is organized for the
19 purpose of providing low and moderate income housing or fostering
20 economic development.

21 "Urban areas" means municipalities eligible to receive "urban aid"
22 under P.L.1978, c.14 (C.52:27D-178 et seq.).

23 "Very low income household" means a household with a gross
24 household income below 30 percent of the median gross household
25 income for a household of similar size within the housing region in
26 which the housing is located.

27 "Very low income housing means housing affordable to a very low
28 income household.

29

30 4. Bonds of the State of New Jersey are authorized to be issued
31 in the aggregate principal amount of \$290,000,000 for the following
32 purposes:

33 a. \$216,000,000 to establish an "Affordable Housing Development
34 Fund," which shall be a non-lapsing revolving fund administered by the
35 Department of Community Affairs for providing loans, loan
36 guarantees, equity investments, grants or other forms of assistance for
37 the costs of construction and rehabilitation of safe, decent rental and
38 owner-occupied housing affordable to low and moderate income
39 households, including housing for households with elderly or disabled
40 persons. Of this amount, \$50,000,000 shall be allocated to
41 project-based assistance to assure that, to the maximum extent
42 feasible, rental housing constructed or rehabilitated with assistance
43 from the Affordable Housing Development Fund is affordable to very
44 low income households, and \$6,000,000 shall be allocated to grants to
45 nonprofit entities for planning for the development of housing

1 affordable to low and moderate income households.

2 b. \$30,000,000 to establish a "Homeownership Fund," which shall
3 be a non-lapsing revolving fund administered by the New Jersey
4 Housing and Mortgage Finance Agency, for the purpose of providing
5 loans, loan guarantees, grants, and other forms of assistance to enable
6 low, moderate, and middle income households to make
7 downpayments, pay closing costs, and pay other one-time expenses
8 associated with the purchase of housing, including condominium and
9 cooperative housing.

10 c. \$44,000,000 to establish an "Economic Development Fund,"
11 which shall be a non-lapsing revolving fund administered by the
12 Economic Development Authority for the purpose of providing loans,
13 loan guarantees, equity investments, grants and other forms of
14 assistance to pay the costs of fostering the development and growth of
15 eligible small businesses in urban areas and low income areas. Of this
16 \$44,000,000, a maximum of \$3,000,000 shall be allocated to grants to
17 nonprofit entities for planning for the fostering the development and
18 growth of eligible small businesses in urban and low income areas and
19 a maximum of \$4,000,000 shall be for the purposes of training present
20 and prospective owners, managers, and employees of eligible small
21 businesses.

22

23 5. Expenditures for the purposes set forth in section 4 of this act
24 shall be made in accordance with the provisions of P.L. , c. (C.)
25 (now pending before the Legislature as Assembly Committee
26 Substitute for Assembly Bill No.1442 of 1996).

27

28 6. The bonds authorized under this act shall be serial bonds, term
29 bonds, or a combination thereof, and shall be known as "Jobs from
30 Housing and Economic Development Bonds." They shall be issued
31 from time to time as the issuing officials herein named shall determine
32 and may be issued in coupon form, fully-registered form or book-entry
33 form. The bonds may be subject to redemption prior to maturity and
34 shall mature and be paid not later than 30 years from the respective
35 dates of their issuance.

36

37 7. The Governor, the State Treasurer and the Director of the
38 Division of Budget and Accounting in the Department of the Treasury,
39 or any two of these officials, herein referred to as "the issuing
40 officials," are authorized to carry out the provisions of this act relating
41 to the issuance of bonds, and shall determine all matters in connection
42 therewith, subject to the provisions of this act. If an issuing official is
43 absent from the State or incapable of acting for any reason, the powers
44 and duties of that issuing official shall be exercised and performed by
45 the person authorized by law to act in an official capacity in the place

1 of that issuing official.

2

3 8. Bonds issued in accordance with the provisions of this act shall
4 be direct obligations of the State of New Jersey, and the faith and
5 credit of the State are pledged for the payment of the interest and
6 redemption premium thereon, if any, when due, and for the payment
7 of the principal thereof at maturity or earlier redemption date. The
8 principal of and interest on the bonds shall be exempt from taxation by
9 the State or by any county, municipality or other taxing district of the
10 State.

11

12 9. The bonds shall be signed in the name of the State by means of
13 the manual or facsimile signature of the Governor under the Great Seal
14 of the State, which seal may be by facsimile or by way of any other
15 form of reproduction on the bonds, and attested by the manual or
16 facsimile signature of the Secretary of State, or an Assistant Secretary
17 of State, and shall be countersigned by the facsimile signature of the
18 Director of the Division of Budget and Accounting in the Department
19 of the Treasury and may be manually authenticated by an
20 authenticating agent or bond registrar, as the issuing officials shall
21 determine. Interest coupons, if any, attached to the bonds shall be
22 signed by the facsimile signature of the Director of the Division of
23 Budget and Accounting in the Department of the Treasury. The bonds
24 may be issued notwithstanding that an official signing them or whose
25 manual or facsimile signature appears on the bonds or coupons has
26 ceased to hold office at the time of issuance, or at the time of the
27 delivery of the bonds to the purchaser thereof.

28

29 10. a. The bonds shall recite that they are issued for the purposes
30 set forth in section 4 of this act, that they are issued pursuant to this
31 act, that this act was submitted to the people of the State at the
32 general election held in the month of November, 1996, and that this
33 act was approved by a majority of the legally qualified voters of the
34 State voting thereon at the election. This recital shall be conclusive
35 evidence of the authority of the State to issue the bonds and their
36 validity. Any bonds containing this recital shall, in any suit, action or
37 proceeding involving their validity, be conclusively deemed to be fully
38 authorized by this act and to have been issued, sold, executed and
39 delivered in conformity herewith and with all other provisions of law
40 applicable hereto, and shall be incontestable for any cause.

41 b. The bonds shall be issued in the denominations and in the form
42 or forms, whether coupon, fully-registered or book-entry, and with or
43 without provisions for the interchangeability thereof, as may be
44 determined by the issuing officials.

45

1 11. When the bonds are issued from time to time, the bonds of
2 each issue shall constitute a separate series to be designated by the
3 issuing officials. Each series of bonds shall bear such rate or rates of
4 interest as may be determined by the issuing officials, which interest
5 shall be payable semiannually; except that the first and last interest
6 periods may be longer or shorter, in order that the intervening
7 semiannual payments may be at convenient dates.

8

9 12. The bonds shall be issued and sold at the price or prices and
10 under the terms, conditions and regulations as the issuing officials may
11 prescribe, after notice of the sale, published at least once in at least
12 three newspapers published in this State, and at least once in a
13 publication carrying municipal bond notices and devoted primarily to
14 financial news, published in this State or in the City of New York, the
15 first notice to appear at least five days prior to the day of bidding. The
16 notice of sale may contain a provision to the effect that any bid in
17 pursuance thereof may be rejected. In the event of rejection or failure
18 to receive any acceptable bid, the issuing officials, at any time within
19 60 days from the date of the advertised sale, may sell the bonds at a
20 private sale at such price or prices and under the terms and conditions
21 as the issuing officials may prescribe. The issuing officials may sell all
22 or part of the bonds of any series as issued to any State fund or to the
23 federal government or any agency thereof, at a private sale, without
24 advertisement.

25

26 13. Until permanent bonds are prepared, the issuing officials may
27 issue temporary bonds in a form and with those privileges as to their
28 registration and exchange for permanent bonds as may be determined
29 by the issuing officials.

30

31 14. Each separate issuance of bonds may be issued on terms that
32 render the interest taxable or exempt from taxation under federal law,
33 as may be determined by the issuing officials consistent with the
34 purposes of this act and P.L. ,c. (C.)(now pending before the
35 Legislature as Assembly Committee Substitute for Assembly Bill No.
36 1442 of 1996). It is the intention of the Legislature that bonds issued
37 for the purpose of funding rental housing under the Affordable
38 Housing Development Fund be issued under terms that would render
39 the interest from such bonds exempt from taxation.

40

41 15. The proceeds derived from the sale of bonds shall be paid to
42 the State Treasurer to be held by the State Treasurer in a separate
43 fund, which shall be known as the "Jobs from Housing and Economic
44 Development Fund." The proceeds of this fund shall be deposited in
45 those depositories as may be selected by the State Treasurer to the

1 credit of the fund.

2

3 16. a. The moneys in the "Jobs from Housing and Economic
4 Development Fund" are specifically dedicated and shall be applied to
5 the cost of the purposes set forth in section 4 of this act. However, no
6 moneys in the fund shall be expended for those purposes, except as
7 otherwise authorized by this act, without the specific appropriations
8 thereof by the Legislature, but bonds may be issued as herein provided,
9 notwithstanding that the Legislature shall not have then adopted an act
10 making a specific appropriation of any of the moneys.

11 b. At any time prior to the issuance and sale of bonds under this
12 act, the State Treasurer is authorized to transfer from any available
13 moneys in any fund of the treasury of the State to the credit of the
14 "Jobs from Housing and Economic Development Fund" those sums as
15 the State Treasurer may deem necessary. The sums so transferred
16 shall be returned to the same fund of the treasury of the State by the
17 State Treasurer from the proceeds of the sale of the first issue of
18 bonds.

19 c. Pending their application to the purposes provided in this act,
20 the moneys in the "Jobs from Housing and Economic Development
21 Fund" may be invested and reinvested as are other trust funds in the
22 custody of the State Treasurer, in the manner provided by law. Net
23 earnings received from the investment or deposit of moneys in the
24 "Jobs from Housing and Economic Development Fund" shall be paid
25 into the General Fund.

26

27 17. If any coupon bond, coupon or registered bond is lost,
28 mutilated or destroyed, a new bond or coupon shall be executed and
29 delivered of like tenor, in substitution for the lost, mutilated or
30 destroyed bond or coupon, upon the owner furnishing to the issuing
31 officials evidence satisfactory to them of the loss, mutilation or
32 destruction of the bond or coupon, the ownership thereof, and
33 security, indemnity and reimbursement for expenses connected
34 therewith, as the issuing officials may require.

35

36 18. The accrued interest, if any, received upon the sale of the
37 bonds shall be applied to the discharge of a like amount of interest
38 upon the bonds when due. Any expense incurred by the issuing
39 officials for advertising, engraving, printing, clerical, authenticating,
40 registering, legal or other services necessary to carry out the duties
41 imposed upon them by the provisions of this act shall be paid from the
42 proceeds of the sale of the bonds by the State Treasurer, upon the
43 warrant of the Director of the Division of Budget and Accounting in
44 the Department of the Treasury, in the same manner as other
45 obligations of the State are paid.

1 19. Bonds of each series issued hereunder shall mature, including
2 any sinking fund redemptions, not later than the 30th year from the
3 date of issue of that series, and in amounts as shall be determined by
4 the issuing officials. The issuing officials may reserve to the State by
5 appropriate provision in the bonds of any series the power to redeem
6 any of the bonds prior to maturity at such price or prices and upon
7 such terms and conditions as may be provided in the bonds.

8

9 20. Any bond or bonds issued hereunder, which are subject to the
10 "Refunding Bond Act of 1985," P.L.1985, c.74 as amended by
11 P.L.1992, c.182 (C.49:2B-1 et seq.), shall no longer be deemed to be
12 outstanding, shall no longer constitute a direct obligation of the State
13 of New Jersey, and the faith and credit of the State shall no longer be
14 pledged to the payment of the principal of, redemption premium, if
15 any, and interest on the bonds, and the bonds shall be secured solely
16 by and payable solely from moneys and government securities
17 deposited in trust with one or more trustees or escrow agents, which
18 trustees and escrow agents shall be trust companies or national or state
19 banks having powers of a trust company, located either within or
20 without the State, as provided herein, whenever there shall be
21 deposited in trust with the trustees or escrow agents, as provided
22 herein, either moneys or government securities, including government
23 securities issued or held in book-entry form on the books of the
24 Department of Treasury of the United States, the principal of and
25 interest on which when due will provide money which, together with
26 the moneys, if any, deposited with the trustees or escrow agents at the
27 same time, shall be sufficient to pay when due the principal of,
28 redemption premium, if any, and interest due and to become due on
29 the bonds on or prior to the redemption date or maturity date thereof,
30 as the case may be; provided the government securities shall not be
31 subject to redemption prior to their maturity other than at the option
32 of the holder thereof. The State of New Jersey hereby covenants with
33 the holders of any bonds for which government securities or moneys
34 shall have been deposited in trust with the trustees or escrow agents
35 as provided in this section that, except as otherwise provided in this
36 section, neither the government securities nor moneys so deposited
37 with the trustees or escrow agents shall be withdrawn or used by the
38 State for any purpose other than, and shall be held in trust for, the
39 payment of the principal of, redemption premium, if any, and interest
40 to become due on the bonds; provided that any cash received from the
41 principal or interest payments on the government securities deposited
42 with the trustees or escrow agents, to the extent the cash will not be
43 required at any time for that purpose, shall be paid over to the State,
44 as received by the trustees or escrow agents, free and clear of any
45 trust, lien, pledge or assignment securing the bonds; and to the extent

1 the cash will be required for that purpose at a later date, shall, to the
2 extent practicable and legally permissible, be reinvested in government
3 securities maturing at times and in amounts sufficient to pay when due
4 the principal of, redemption premium, if any, and interest to become
5 due on the bonds on and prior to the redemption date or maturity date
6 thereof, as the case may be, and interest earned from the reinvestment
7 shall be paid over to the State, as received by the trustees or escrow
8 agents, free and clear of any trust, lien or pledge securing the bonds.

9 Notwithstanding anything to the contrary contained herein:

10 a. the trustees or escrow agents shall, if so directed by the issuing
11 officials, apply moneys on deposit with the trustees or escrow agents
12 pursuant to the provisions of this section, and redeem or sell
13 government securities so deposited with the trustees or escrow agents,
14 and apply the proceeds thereof to (1) the purchase of the bonds which
15 were refinanced by the deposit with the trustees or escrow agents of
16 the moneys and government securities and immediately thereafter
17 cancel all bonds so purchased, or (2) the purchase of different
18 government securities; provided however, that the moneys and
19 government securities on deposit with the trustees or escrow agents
20 after the purchase and cancellation of the bonds or the purchase of
21 different government securities shall be sufficient to pay when due the
22 principal of, redemption premium, if any, and interest on all other
23 bonds in respect of which the moneys and government securities were
24 deposited with the trustees or escrow agents on or prior to the
25 redemption date or maturity date thereof, as the case may be; and

26 b. in the event that on any date, as a result of any purchases and
27 cancellations of bonds or any purchases of different government
28 securities, as provided in this sentence, the total amount of moneys
29 and government securities remaining on deposit with the trustees or
30 escrow agents is in excess of the total amount which would have been
31 required to be deposited with the trustees or escrow agents on that
32 date in respect of the remaining bonds for which the deposit was made
33 in order to pay when due the principal of, redemption premium, if any,
34 and interest on the remaining bonds, the trustees or escrow agents
35 shall, if so directed by the issuing officials, pay the amount of the
36 excess to the State, free and clear of any trust, lien, pledge or
37 assignment securing the refunding bonds.

38

39 21. Refunding bonds issued pursuant to P.L.1985, c.74 as
40 amended by P.L.1992, c.182 (C.49:2B-1 et seq.), may be consolidated
41 with bonds issued pursuant to section 6 of this act or with bonds
42 issued pursuant to any other act for purposes of sale.

43

44 22. To provide funds to meet the interest and principal payment
45 requirements for the bonds issued under this act and outstanding, there

1 is appropriated in the order following:

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

5 b. If, at any time, funds necessary to meet the interest, redemption
6 premium, if any, and principal payments on outstanding bonds issued
7 under this act are insufficient or not available, there shall be assessed,
8 levied and collected annually in each of the municipalities of the
9 counties of this State, a tax on the real and personal property upon
10 which municipal taxes are or shall be assessed, levied and collected,
11 sufficient to meet the interest on all outstanding bonds issued
12 hereunder and on the bonds proposed to be issued under this act in the
13 calendar year in which the tax is to be raised and for the payment of
14 bonds falling due in the year following the year for which the tax is
15 levied. The tax shall be assessed, levied and collected in the same
16 manner and at the same time as other taxes upon real and personal
17 property. The governing body of each municipality shall pay to the
18 county treasurer of the county in which the municipality is located, on
19 or before December 15 in each year, the amount of tax herein directed
20 to be assessed and levied, and the county treasurer shall pay the
21 amount of the tax to the State Treasurer on or before December 20 in
22 each year.

23 If on or before December 31 in any year, the issuing officials, by
24 resolution, determine that there are moneys in the General Fund
25 beyond the needs of the State, sufficient to pay the principal of bonds
26 falling due and all interest and redemption premium, if any, payable in
27 the ensuing calendar year, the issuing officials shall file the resolution
28 in the office of the State Treasurer, whereupon the State Treasurer
29 shall transfer the moneys to a separate fund to be designated by the
30 State Treasurer, and shall pay the principal, redemption premium, if
31 any, and interest out of that fund as the same shall become due and
32 payable, and the other sources of payment of the principal, redemption
33 premium, if any, and interest provided for in this section shall not then
34 be available, and the receipts for the year from the tax specified in
35 subsection a. of this section shall be considered and treated as part of
36 the General Fund, available for general purposes.

37

38 23. Should the State Treasurer, by December 31 of any year, deem
39 it necessary, because of the insufficiency of funds collected from the
40 sources of revenues as provided in this act, to meet the interest and
41 principal payments for the year after the ensuing year, then the State
42 Treasurer shall certify to the Director of the Division of Budget and
43 Accounting in the Department of the Treasury the amount necessary
44 to be raised by taxation for those purposes, the same to be assessed,
45 levied and collected for and in the ensuing calendar year. The director

1 shall, on or before March 1 following, calculate the amount in dollars
2 to be assessed, levied and collected in each county as herein set forth.
3 This calculation shall be based upon the corrected assessed valuation
4 of each county for the year preceding the year in which the tax is to be
5 assessed, but the tax shall be assessed, levied and collected upon the
6 assessed valuation of the year in which the tax is assessed and levied.
7 The director shall certify the amount to the county board of taxation
8 and the treasurer of each county. The county board of taxation shall
9 include the proper amount in the current tax levy of the several taxing
10 districts of the county in proportion to the ratables as ascertained for
11 the current year.

12

13 24. For the purpose of complying with the provisions of the State
14 Constitution, this act shall be submitted to the people at the general
15 election to be held in the month of November, 1996. To inform the
16 people of the contents of this act, it shall be the duty of the Secretary
17 of State, after this section takes effect and at least 60 days prior to the
18 election, to cause this act to be published at least once in one or more
19 newspapers of each county, if any newspapers be published therein and
20 to notify the clerk of each county of this State of the passage of this
21 act; and the clerks respectively, in accordance with the instructions of
22 the Secretary of State, shall have printed on each of the ballots the
23 following:

24 If you approve of the act entitled below make a cross (X), plus (+)
25 or check (T) in the square opposite the word "Yes."

26 If you disapprove of the act entitled below, make a cross (X), plus
27 (+) or check (T) in the square opposite the word "No."

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

1	2	3	JOBS FROM HOUSING AND ECONOMIC DEVELOPMENT FUND BOND ISSUE
4	5	6	Shall the "Jobs from Housing and Economic 7 Development Bond Act," which authorizes the 8 State of New Jersey to issue general 9 obligation bonds in the amount of 10 \$290,000,000 for the purposes of funding 11 grants, loans, and other forms of assistance to 12 foster the development and growth of small 13 businesses in urban and low income areas, to 14 facilitate the construction and rehabilitation of 15 safe, decent rental and owner-occupied 16 housing for low and moderate income 17 households, to facilitate the purchase of safe, 18 decent housing by low, moderate, and middle 19 income households, to assist nonprofit entities 20 to construct or rehabilitate safe, decent 21 housing affordable to low and moderate 22 income households and to foster the creation 23 of small businesses and employment in urban 24 and low income areas, be approved?
25	26	27	INTERPRETIVE STATEMENT 28 If this act is approved, the State would sell 29 \$290 million of general obligation bonds. The 30 proceeds from the sale of these bonds will be 31 used for the purpose of providing loans, loan 32 guarantees, equity investments, grants and 33 other forms of assistance 1) to help small 34 businesses in urban and low income areas to 35 develop and grow, 2) for construction and 36 rehabilitation of safe, decent housing for low 37 and moderate income households, and 3) to 38 help low, moderate, and middle income 39 households purchase safe and decent housing.

40 The fact and date of the approval or passage of this act, as the case
 41 may be, may be inserted in the appropriate place after the title in the
 42 ballot. No other requirements of law of any kind or character as to
 43 notice or procedure, except as herein provided, need be adhered to.

44 The votes cast for and against the approval of this act, by ballot or
 45 voting machine, shall be counted and the result thereof returned by the
 46 election officer, and a canvass of the election had in the same manner

1 as is provided for by law in the case of the election of a Governor, and
2 the approval or disapproval of this act so determined shall be declared
3 in the same manner as the result of an election for a Governor, and if
4 there is a majority of all votes cast for and against it at the election in
5 favor of the approval of this act, then all the provisions of this act not
6 made effective theretofore shall take effect forthwith.

7

8 25. There is appropriated the sum of \$5,000 to the Department of
9 State for expenses in connection with the publication of notice
10 pursuant to section 24 of this act.

11

12 26. This section and sections 24 and 25 of this act shall take effect
13 immediately and the remainder of this act shall take effect as and when
14 provided in section 24.

15

16

17

18

19 Authorizes creation of \$290 million in debt to foster development of
20 affordable housing and growth of small businesses.
