

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1643

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1643 with committee amendments.

Assembly Bill No. 1643, as amended, authorizes the issuance of \$35 million in State general obligation bonds for the costs of the demolition and disposal of unsafe buildings in urban and rural centers. The bill defines "urban and rural center" as any municipality eligible to receive State aid under P.L.1977, c.260 (C.52:27D-162 et seq.) or P.L.1978, c.14 (C.52:27D-178 et seq.).

Of this amount, \$15 million will be used for grants to municipalities, and agencies or authorities thereof, for building demolition and disposal projects, \$15 million will be used for loans to such entities for such projects, and \$5 million will be used by the State for demolishing and disposing of State-owned buildings in urban and rural areas.

The bill requires the Commissioner of Community Affairs to devise procedures for the review and approval of, and eligibility criteria for, building demolition and disposal projects. In addition, a grant award will require the municipal government to provide matching funds toward the cost of the project. Loan awards could be made for terms of up to 20 years at an interest rate not exceeding 4 percent per year.

The bill requires the commissioner to prepare a priority list of eligible municipal projects based upon requests from municipal governing bodies, or agencies or authorities thereof, and based upon need. The commissioner is required to prepare a priority list of eligible State projects based upon requests from the State Treasurer.

The expenditure of bond funds will require an act of the Legislature and each such act must identify the projects to be funded.

The bill will not take effect until it has been signed by the Governor and until the passage by the voters of the bond measure at the next general election.

As amended, this bill is identical to Senate Bill No. 865 (1R).

FISCAL IMPACT:

This bill permits the issuance by the State of general obligation bonds in the aggregate principal amount of \$35,000,000 for the

demolition of unsafe buildings in urban and rural centers in this State.

The bill appropriates \$5,000 to the Department of State for the costs of publishing notices of this bond issue in newspapers prior to the next general election.

COMMITTEE AMENDMENTS:

The amendments clarify that the guidelines governing the commissioner in establishing priorities for project funding shall apply only to municipal projects and not eligible State projects. The amendments also make the bill identical to Senate Bill No. 865 (1R) of 1996.