

SENATE COMMITTEE SUBSTITUTE FOR  
SENATE, No. 202

STATE OF NEW JERSEY

ADOPTED MAY 9, 1996

Sponsored by Senators LaROSSA, SINGER, Lynch, Palaia,  
McGreevey, Bryant, Kenny and Sinagra

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 \$200,000,000 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 RESOLVED** 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.

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

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

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

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

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

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

42

43 3. As used in this act:

44 "Affordable" means, (1) in the case of owner-occupied housing,  
45 housing whose sales price is such that households throughout the

1 relevant income range need pay no more than 25 percent of gross  
2 household income for principal, interest, insurance, taxes, homeowners  
3 association fees and assessments, and fees for sewerage, water and  
4 solid waste disposal. Payments required for principal and interest shall  
5 be determined on the basis of 95 percent mortgages at rates generally  
6 available within the housing market in the relevant housing region; (2)  
7 in the case of rental housing, "affordable" means housing whose rents  
8 and fees are such that households throughout the relevant income  
9 range need pay no more than 30 percent of gross household income  
10 for rents and fees, including heat, hot water, gas, electricity, water,  
11 sewerage, and solid waste disposal. Affordable housing shall be  
12 subject to resale and rental controls to assure that it continues to be  
13 reserved for and affordable to very low income households, low  
14 income households and moderate income households for at least 30  
15 years.

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

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 to be necessary or useful and  
32 convenient in connection with any housing authorized by this act; the  
33 procurement of engineering, inspection, planning, legal, accounting,  
34 financial, or other professional services, including the services of a  
35 bond register or an authenticating agent; the administrative expenses  
36 of underwriting, administering, servicing, and collecting loans; the  
37 issuance of bonds, or any interest or discount thereon; project-based  
38 rental assistance to very low income tenants occupying housing  
39 constructed or rehabilitated with loans, grants, or other forms of  
40 assistance provided under this act; the administrative, organizational,  
41 operating or other expenses incident to the financing, completing, and  
42 marketing, counseling prospective purchasers or tenants, selecting  
43 purchasers or tenants for, and placing into service of, any housing  
44 development constructed or rehabilitated under this act; the issuance  
45 of bonds, or any interest or discount thereon; the payment of the fees

1 of independent contractors to perform any of the foregoing functions;  
2 the establishment of a reserve fund or funds for working capital,  
3 operating, maintenance, or replacement expenses and for the payment  
4 or security of principal or interest on bonds, as the Director of the  
5 Division of Budget and Accounting in the Department of the Treasury  
6 may determine; and reimbursement to any fund of the State of moneys  
7 which may have been transferred or advanced therefrom to any fund  
8 created by this act, or any moneys which may have been expended  
9 therefrom for, or in connection with, this act. No administrative  
10 expenses incurred by a department in implementing the provisions of  
11 this act 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 in implementing the provisions of  
45 this act shall be paid 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 \$200,000,000 for the following  
32 purposes:

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

1       b. To establish a "Homeownership Fund," which shall be a  
2 non-lapsing revolving fund for the purpose of providing loans, loan  
3 guarantees, grants, and other forms of assistance to enable low,  
4 moderate, and middle income households to make downpayments, pay  
5 closing costs, and pay other one-time expenses associated with the  
6 purchase of housing, including condominium and cooperative housing.

7       c. To establish an "Economic Development Fund," which shall be  
8 a non-lapsing revolving fund for the purpose of providing loans, loan  
9 guarantees, equity investments, grants and other forms of assistance  
10 to pay the costs of fostering the development and growth of eligible  
11 small businesses in urban areas and low income areas, grants to  
12 nonprofit entities for planning the development and growth of small  
13 businesses, and for the purposes of training present and prospective  
14 owners, managers, and employees of eligible small businesses.

15  
16       5. The bonds authorized under this act shall be serial bonds, term  
17 bonds, or a combination thereof, and shall be known as "Jobs from  
18 Housing and Economic Development Bonds." They shall be issued  
19 from time to time as the issuing officials herein named shall determine  
20 and may be issued in coupon form, fully-registered form or book-entry  
21 form. The bonds may be subject to redemption prior to maturity and  
22 shall mature and be paid not later than 30 years from the respective  
23 dates of their issuance.

24  
25       6. The Governor, the State Treasurer and the Director of the  
26 Division of Budget and Accounting in the Department of the Treasury,  
27 or any two of these officials, herein referred to as "the issuing  
28 officials," are authorized to carry out the provisions of this act relating  
29 to the issuance of bonds, and shall determine all matters in connection  
30 therewith, subject to the provisions of this act. If an issuing official is  
31 absent from the State or incapable of acting for any reason, the powers  
32 and duties of that issuing official shall be exercised and performed by  
33 the person authorized by law to act in an official capacity in the place  
34 of that issuing official.

35  
36       7. Bonds issued in accordance with the provisions of this act shall  
37 be direct obligations of the State of New Jersey, and the faith and  
38 credit of the State are pledged for the payment of the interest and  
39 redemption premium thereon, if any, when due, and for the payment  
40 of the principal thereof at maturity or earlier redemption date. The  
41 principal of and interest on the bonds shall be exempt from taxation by  
42 the State or by any county, municipality or other taxing district of the  
43 State.

44  
45       8. The bonds shall be signed in the name of the State by means of

1 the manual or facsimile signature of the Governor under the Great Seal  
2 of the State, which seal may be by facsimile or by way of any other  
3 form of reproduction on the bonds, and attested by the manual or  
4 facsimile signature of the Secretary of State, or an Assistant Secretary  
5 of State, and shall be countersigned by the facsimile signature of the  
6 Director of the Division of Budget and Accounting in the Department  
7 of the Treasury and may be manually authenticated by an  
8 authenticating agent or bond registrar, as the issuing officials shall  
9 determine. Interest coupons, if any, attached to the bonds shall be  
10 signed by the facsimile signature of the Director of the Division of  
11 Budget and Accounting in the Department of the Treasury. The bonds  
12 may be issued notwithstanding that an official signing them or whose  
13 manual or facsimile signature appears on the bonds or coupons has  
14 ceased to hold office at the time of issuance, or at the time of the  
15 delivery of the bonds to the purchaser thereof.

16

17 9. a. The bonds shall recite that they are issued for the purposes  
18 set forth in section 4 of this act, that they are issued pursuant to this  
19 act, that this act was submitted to the people of the State at the  
20 general election held in the month of November, 1996, and that this  
21 act was approved by a majority of the legally qualified voters of the  
22 State voting thereon at the election. This recital shall be conclusive  
23 evidence of the authority of the State to issue the bonds and their  
24 validity. Any bonds containing this recital shall, in any suit, action or  
25 proceeding involving their validity, be conclusively deemed to be fully  
26 authorized by this act and to have been issued, sold, executed and  
27 delivered in conformity herewith and with all other provisions of law  
28 applicable hereto, and shall be incontestable for any cause.

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

33

34 10. When the bonds are issued from time to time, the bonds of  
35 each issue shall constitute a separate series to be designated by the  
36 issuing officials. Each series of bonds shall bear such rate or rates of  
37 interest as may be determined by the issuing officials, which interest  
38 shall be payable semiannually; except that the first and last interest  
39 periods may be longer or shorter, in order that the intervening  
40 semiannual payments may be at convenient dates.

41

42 11. The bonds shall be issued and sold at the price or prices and  
43 under the terms, conditions and regulations as the issuing officials may  
44 prescribe, after notice of the sale, published at least once in at least  
45 three newspapers published in this State, and at least once in a

1 publication carrying municipal bond notices and devoted primarily to  
2 financial news, published in this State or in the City of New York, the  
3 first notice to appear at least five days prior to the day of bidding. The  
4 notice of sale may contain a provision to the effect that any bid in  
5 pursuance thereof may be rejected. In the event of rejection or failure  
6 to receive any acceptable bid, the issuing officials, at any time within  
7 60 days from the date of the advertised sale, may sell the bonds at a  
8 private sale at such price or prices and under the terms and conditions  
9 as the issuing officials may prescribe. The issuing officials may sell all  
10 or part of the bonds of any series as issued to any State fund or to the  
11 federal government or any agency thereof, at a private sale, without  
12 advertisement.

13

14 12. Until permanent bonds are prepared, the issuing officials may  
15 issue temporary bonds in a form and with those privileges as to their  
16 registration and exchange for permanent bonds as may be determined  
17 by the issuing officials.

18

19 13. Each separate issuance of bonds may be issued on terms that  
20 render the interest taxable or exempt from taxation under federal law,  
21 as may be determined by the issuing officials consistent with the  
22 purposes of this act.

23

24 14. The proceeds derived from the sale of bonds shall be paid to  
25 the State Treasurer to be held by the State Treasurer in a separate  
26 fund, which shall be known as the "Jobs from Housing and Economic  
27 Development Fund." The proceeds of this fund shall be deposited in  
28 those depositories as may be selected by the State Treasurer to the  
29 credit of the fund.

30

31 15. a. The moneys in the "Jobs from Housing and Economic  
32 Development Fund" are specifically dedicated and shall be applied to  
33 the cost of the purposes set forth in section 4 of this act. However, no  
34 moneys in the fund shall be expended for those purposes, except as  
35 otherwise authorized by this act, without the specific appropriations  
36 thereof by the Legislature, but bonds may be issued as herein provided,  
37 notwithstanding that the Legislature shall not have then adopted an act  
38 making a specific appropriation of any of the moneys.

39 b. At any time prior to the issuance and sale of bonds under this  
40 act, the State Treasurer is authorized to transfer from any available  
41 moneys in any fund of the treasury of the State to the credit of the  
42 "Jobs from Housing and Economic Development Fund" those sums as  
43 the State Treasurer may deem necessary. The sums so transferred  
44 shall be returned to the same fund of the treasury of the State by the

1 State Treasurer from the proceeds of the sale of the first issue  
2 of bonds.

3 c. Pending their application to the purposes provided in this act,  
4 the moneys in the "Jobs from Housing and Economic Development  
5 Fund" may be invested and reinvested as are other trust funds in the  
6 custody of the State Treasurer, in the manner provided by law. Net  
7 earnings received from the investment or deposit of moneys in the  
8 "Jobs from Housing and Economic Development Fund" shall be paid  
9 into the General Fund.

10

11 16. If any coupon bond, coupon or registered bond is lost,  
12 mutilated or destroyed, a new bond or coupon shall be executed and  
13 delivered of like tenor, in substitution for the lost, mutilated or  
14 destroyed bond or coupon, upon the owner furnishing to the issuing  
15 officials evidence satisfactory to them of the loss, mutilation or  
16 destruction of the bond or coupon, the ownership thereof, and  
17 security, indemnity and reimbursement for expenses connected  
18 therewith, as the issuing officials may require.

19

20 17. The accrued interest, if any, received upon the sale of the  
21 bonds shall be applied to the discharge of a like amount of interest  
22 upon the bonds when due. Any expense incurred by the issuing  
23 officials for advertising, engraving, printing, clerical, authenticating,  
24 registering, legal or other services necessary to carry out the duties  
25 imposed upon them by the provisions of this act shall be paid from the  
26 proceeds of the sale of the bonds by the State Treasurer, upon the  
27 warrant of the Director of the Division of Budget and Accounting in  
28 the Department of the Treasury, in the same manner as other  
29 obligations of the State are paid.

30

31 18. Bonds of each series issued hereunder shall mature, including  
32 any sinking fund redemptions, not later than the 30th year from the  
33 date of issue of that series, and in amounts as shall be determined by  
34 the issuing officials. The issuing officials may reserve to the State by  
35 appropriate provision in the bonds of any series the power to redeem  
36 any of the bonds prior to maturity at such price or prices and upon  
37 such terms and conditions as may be provided in the bonds.

38

39 19. Any bond or bonds issued hereunder, which are subject to the  
40 "Refunding Bond Act of 1985," P.L.1985, c.74 as amended by  
41 P.L.1992, c.182 (C.49:2B-1 et seq.), shall no longer be deemed to be  
42 outstanding, shall no longer constitute a direct obligation of the State  
43 of New Jersey, and the faith and credit of the State shall no longer be  
44 pledged to the payment of the principal of, redemption premium, if  
45 any, and interest on the bonds, and the bonds shall be secured solely

1 by and payable solely from moneys and government securities  
2 deposited in trust with one or more trustees or escrow agents, which  
3 trustees and escrow agents shall be trust companies or national or state  
4 banks having powers of a trust company, located either within or  
5 without the State, as provided herein, whenever there shall be  
6 deposited in trust with the trustees or escrow agents, as provided  
7 herein, either moneys or government securities, including government  
8 securities issued or held in book-entry form on the books of the  
9 Department of Treasury of the United States, the principal of and  
10 interest on which when due will provide money which, together with  
11 the moneys, if any, deposited with the trustees or escrow agents at the  
12 same time, shall be sufficient to pay when due the principal of,  
13 redemption premium, if any, and interest due and to become due on  
14 the bonds on or prior to the redemption date or maturity date thereof,  
15 as the case may be; provided the government securities shall not be  
16 subject to redemption prior to their maturity other than at the option  
17 of the holder thereof. The State of New Jersey hereby covenants with  
18 the holders of any bonds for which government securities or moneys  
19 shall have been deposited in trust with the trustees or escrow agents  
20 as provided in this section that, except as otherwise provided in this  
21 section, neither the government securities nor moneys so deposited  
22 with the trustees or escrow agents shall be withdrawn or used by the  
23 State for any purpose other than, and shall be held in trust for, the  
24 payment of the principal of, redemption premium, if any, and interest  
25 to become due on the bonds; provided that any cash received from the  
26 principal or interest payments on the government securities deposited  
27 with the trustees or escrow agents, to the extent the cash will not be  
28 required at any time for that purpose, shall be paid over to the State,  
29 as received by the trustees or escrow agents, free and clear of any  
30 trust, lien, pledge or assignment securing the bonds; and to the extent  
31 the cash will be required for that purpose at a later date, shall, to the  
32 extent practicable and legally permissible, be reinvested in government  
33 securities maturing at times and in amounts sufficient to pay when due  
34 the principal of, redemption premium, if any, and interest to become  
35 due on the bonds on and prior to the redemption date or maturity date  
36 thereof, as the case may be, and interest earned from the reinvestment  
37 shall be paid over to the State, as received by the trustees or escrow  
38 agents, free and clear of any trust, lien or pledge securing the bonds.

39 Notwithstanding anything to the contrary contained herein:

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

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

11 b. in the event that on any date, as a result of any purchases and  
12 cancellations of bonds or any purchases of different government  
13 securities, as provided in this sentence, the total amount of moneys  
14 and government securities remaining on deposit with the trustees or  
15 escrow agents is in excess of the total amount which would have been  
16 required to be deposited with the trustees or escrow agents on that  
17 date in respect of the remaining bonds for which the deposit was made  
18 in order to pay when due the principal of, redemption premium, if any,  
19 and interest on the remaining bonds, the trustees or escrow agents  
20 shall, if so directed by the issuing officials, pay the amount of the  
21 excess to the State, free and clear of any trust, lien, pledge or  
22 assignment securing the refunding bonds.

23

24 20. Refunding bonds issued pursuant to P.L.1985, c.74 as  
25 amended by P.L.1992, c.182 (C.49:2B-1 et seq.), may be consolidated  
26 with bonds issued pursuant to this act or with bonds issued pursuant  
27 to any other act for purposes of sale.

28

29 21. To provide funds to meet the interest and principal payment  
30 requirements for the bonds issued under this act and outstanding, there  
31 is appropriated in the order following:

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

35 b. If, at any time, funds necessary to meet the interest, redemption  
36 premium, if any, and principal payments on outstanding bonds issued  
37 under this act are insufficient or not available, there shall be assessed,  
38 levied and collected annually in each of the municipalities of the  
39 counties of this State, a tax on the real and personal property upon  
40 which municipal taxes are or shall be assessed, levied and collected,  
41 sufficient to meet the interest on all outstanding bonds issued  
42 hereunder and on the bonds proposed to be issued under this act in the  
43 calendar year in which the tax is to be raised and for the payment of  
44 bonds falling due in the year following the year for which the tax is  
45 levied. The tax shall be assessed, levied and collected in the same

1 manner and at the same time as other taxes upon real and personal  
2 property. The governing body of each municipality shall pay to the  
3 county treasurer of the county in which the municipality is located, on  
4 or before December 15 in each year, the amount of tax herein directed  
5 to be assessed and levied, and the county treasurer shall pay the  
6 amount of the tax to the State Treasurer on or before December 20 in  
7 each year.

8 If on or before December 31 in any year, the issuing officials, by  
9 resolution, determine that there are moneys in the General Fund  
10 beyond the needs of the State, sufficient to pay the principal of bonds  
11 falling due and all interest and redemption premium, if any, payable in  
12 the ensuing calendar year, the issuing officials shall file the resolution  
13 in the office of the State Treasurer, whereupon the State Treasurer  
14 shall transfer the moneys to a separate fund to be designated by the  
15 State Treasurer, and shall pay the principal, redemption premium, if  
16 any, and interest out of that fund as the same shall become due and  
17 payable, and the other sources of payment of the principal, redemption  
18 premium, if any, and interest provided for in this section shall not then  
19 be available, and the receipts for the year from the tax specified in  
20 subsection a. of this section shall be considered and treated as part of  
21 the General Fund, available for general purposes.

22

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

42

43 23. For the purpose of complying with the provisions of the State  
44 Constitution, this act shall be submitted to the people at the general  
45 election to be held in the month of November, 1996. To inform the

1 people of the contents of this act, it shall be the duty of the Secretary  
2 of State, after this section takes effect and at least 60 days prior to the  
3 election, to cause this act to be published at least once in one or more  
4 newspapers of each county, if any newspapers be published therein and  
5 to notify the clerk of each county of this State of the passage of this  
6 act; and the clerks respectively, in accordance with the instructions of  
7 the Secretary of State, shall have printed on each of the ballots the  
8 following:

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

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

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

1		<b>JOB'S FROM HOUSING AND ECONOMIC DEVELOPMENT FUND BOND ISSUE</b>
2		
3		
4		Shall the "Jobs from Housing and Economic
5		Development Bond Act," which authorizes the
6		State of New Jersey to issue general
7		obligation bonds in the amount of
8		\$200,000,000 for the purposes of funding
9		grants, loans, and other forms of assistance to
10		foster the development and growth of small
11		businesses in urban and low income areas, to
12		facilitate the construction and rehabilitation of
13	YES	safe, decent rental and owner-occupied
14		housing for low and moderate income
15		households, to facilitate the purchase of safe,
16		decent housing by low, moderate, and middle
17		income households, to assist nonprofit entities
18		to construct or rehabilitate safe, decent
19		housing affordable to low and moderate
20		income households and to foster the creation
21		of small businesses and employment in urban
22		and low income areas, be approved?
23		<b>INTERPRETIVE STATEMENT</b>
24		If this act is approved, the State would sell
25		\$200 million of general obligation bonds. The
26		proceeds from the sale of these bonds will be
27		used for the purpose of providing loans, loan
28		guarantees, equity investments, grants and
29		other forms of assistance 1) to help small
30	NO	businesses in urban and low income areas to
31		develop and grow, 2) for construction and
32		rehabilitation of safe, decent housing for low
33		and moderate income households, and 3) to
34		help low, moderate, and middle income
35		households purchase safe and decent housing.
36		

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

41 The votes cast for and against the approval of this act, by ballot or  
42 voting machine, shall be counted and the result thereof returned by the  
43 election officer, and a canvass of the election had in the same manner  
44 as is provided for by law in the case of the election of a Governor, and

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

6

7 24. There is appropriated the sum of \$5,000 to the Department of  
8 State for expenses in connection with the publication of notice  
9 pursuant to section 23 of this act.

10

11 25. This section and sections 23 and 24 of this act shall take effect  
12 immediately and the remainder of this act shall take effect as and when  
13 provided in section 23.

14

15

16

17

18 \_\_\_\_\_  
19 Authorizes creation of \$200 million in debt to foster development of  
affordable housing and growth of small businesses.