

CHAPTER 25

AN ACT concerning the purchase of certain properties owned by the New Jersey Transmit Corporation, amending P.L.1992, c.16, supplementing Title 34 of the Revised Statutes, and making an appropriation.

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

1. Section 4 of P.L.1992, c.16 (C.34:1B-7.13) is amended to read as follows:

C.34:1B-7.13 Use of moneys in fund.

4. The authority may use the moneys in the fund to pay principal of, premium, if any, and interest on bonds or notes, which shall be entitled "Economic Recovery Fund Bonds or Notes," as appropriate, the proceeds, or net proceeds, of which shall be deposited into the fund, or used for purposes of the fund, and moneys in the fund, including money received from the sale of bonds shall, in such manner as is determined by the authority, and pursuant to subsections d., e., and f. of this section, be used for the financing of projects as set forth in section 3 of P.L.1974, c.80 (C.34:1B-3) and to establish:

a. an economic growth account for programs and initiatives, which will support and invest in small and medium-size businesses and other entities engaged in economic, community, and workforce development that have the greatest potential for creating jobs and stimulating economic growth through such elements including, but not limited to:

(1) a Statewide lending pool and guarantee pool for small business, whether directly or through a community development financial institution;

(2) a business composite bond guarantee;

(3) a fund to further supplement the export finance program of the authority to provide direct loans and working capital necessary for New Jersey businesses to compete in the global market, real estate partnerships;

(4) a Statewide composite bond pool to assist municipalities in acquiring needed financing for capital expenditures;

(5) financial assistance to assist municipalities, municipal entities, counties, county entities, regional entities, State instrumentalities, and not-for-profit local economic and community development entities to execute programs and initiatives to stimulate community and economic development;

(6) a venture, seed, or angel capital fund for start-up costs for businesses developing new concepts and inventions;

(7) a fund to assist businesses, either directly or through a not-for-profit or for-profit entity with expansion or transition to a new business model in such areas including, but not limited to, manufacturing retooling to improve quality, to reduce production costs and to train employees to apply the latest technology;

(8) a "Main Street Business Assistance Program" to provide guarantees and loans to small and mid-size businesses and not-for-profit entities to stimulate the economy;

(9) in consultation with the Department of Labor and Workforce Development and the Office of the Secretary of Higher Education, a fund to support and invest in innovative workforce development approaches and programs, including those that could benefit individuals directly, either undertaken directly by the authority or through a governmental, not-for-profit, or for-profit entity, that align with targeted industries as defined by the authority's board or support a high-demand occupation;

(10) a fund to provide grants, financing, or equity to collaborations between large corporations, small-to-medium sized businesses, academic institutions, government entities,

or not-for-profit entities, where one of the purposes of the collaboration is to stimulate community or economic development;

(11) a fund to provide grants, financing, or equity in innovation centers, research centers, incubators, and accelerators, and other similar innovation-oriented entities, which are focused on the targeted industries as defined by the authority's board or support increasing diversity and inclusion within the State's entrepreneurial economy; the fund may also be used to pay for membership fees, or other similar arrangements, for the authority to join or participate in such innovation-oriented entities;

(12) a fund to provide grants or competition prizes to fund initiative-based activities which stimulate growth in targeted industries as defined by the authority's board or supports increasing diversity and inclusion within the State's entrepreneurial economy; this fund may also support not-for-profit industry, trade, and labor organization initiatives;

(13) a fund to provide grants or competition prizes, either directly or through a not-for-profit entity, that is consistent with economic development priorities as defined by the authority's board, where funds have been specifically allocated to the economic recovery fund for this purpose, including but not limited to an appropriation or transfer from another government entity;

(14) a fund for real estate partnerships to construct, reconstruct, rehabilitate, improve, alter, equip, maintain, repair, or provide for the construction, reconstruction, improvement, alteration, equipping, maintenance, or repair of any property, and to award and enter into construction contracts, purchase orders, and other contracts with respect thereto, upon such terms and conditions as the authority shall determine to be reasonable. The authority shall use no less than \$35,000,000 from the economic growth account to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a); and

(15) a fund for the planning, designing, acquiring, constructing, reconstructing, improving, equipping, and furnishing by small and medium-size businesses and not-for-profit corporations of a project as defined by section 3 of P.L.1974, c.80 (C.34:1B-3), including, but not limited to, grants for working capital and meeting payroll requirements, upon such terms and conditions as the authority shall deem reasonable.

The authority may promulgate rules and regulations for the effective implementation of the "Main Street Business Assistance Program." Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the authority may adopt, immediately upon filing with the Office of Administrative Law, such regulations as are necessary to implement the provisions of this act, which shall be effective for a period not to exceed 12 months following enactment, and may thereafter be amended, adopted, or readopted by the authority in accordance with the requirements of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);

b. an economic development infrastructure program account, which shall provide for the financing and development of infrastructure and transportation projects, including but not limited to ports, terminal and transit facilities, roads and airports, parking facilities used in connection with transit facilities, and related facilities, including public-private partnerships, that are integral to economic growth;

c. an account for a cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation project and tourism facilities and improvements program, which shall provide for the financing and development of cultural, recreational, fine and performing arts, military and veterans memorial, historic preservation and tourism projects, including partnerships with public, private and nonprofit entities;

d. an account, into which shall be deposited an amount not less than \$45,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of capital facilities for primary and secondary schools in the State for the purpose of the renovation, repair or alteration of existing school buildings, the construction of new school buildings or the conversion of existing school buildings to other instructional purposes.

(1) Of the amount deposited in the account, not less than \$25,000,000 shall be deposited in the "Public School Facilities Code Compliance Loan Fund" established pursuant to section 4 of P.L.1993, c.102 (C.34:1B-7.23).

(2) Of the amount deposited in the account, not less than \$20,000,000 shall be deposited in the "Public School Facilities Loan Assistance Fund" established pursuant to section 5 of P.L.1993, c.102 (C.34:1B-7.24);

e. an environmental cleanup assistance account, into which shall be deposited an amount not less than \$10,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, to provide financial assistance to the persons and other entities entitled to apply for financial assistance pursuant to P.L.1993, c.139; and

f. an account, into which shall be deposited an amount not less than \$15,000,000, out of the total amounts deposited or credited to the fund from the proceeds of the sale of Economic Recovery Fund Bonds or Notes, for the financing of shore restoration, maintenance, monitoring, protection and preservation projects pursuant to the shore protection master plan prepared by the Department of Environmental Protection pursuant to P.L.1978, c.157.

C.34:1B-7.13a Purchasing properties, certain, maximize development potential.

2. a. The money made available to the authority by section 4 of P.L.1992, c.16 (C.34:1B-7.13) as amended by section 1 of P.L.2024, c.25 and appropriated pursuant to section 3 of P.L.2024, c.25 shall be used by the New Jersey Economic Development Authority for the purpose of purchasing certain properties from the New Jersey Transit Corporation identified by the New Jersey Economic Development Authority to maximize the development potential of such properties, including, but not limited to, performing site preparation for, developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment to a public or private entity such property, and which development may include a project consisting solely of residential units.

b. (1) In accordance with the process set forth in this subsection, the New Jersey Economic Development Authority shall purchase the properties identified pursuant to subsection a. of this section from the New Jersey Transit Corporation for a purchase price based on appraisals obtained by the New Jersey Economic Development Authority of the highest and best use value of the properties.

(2) Prior to the purchase of New Jersey Transit Corporation properties by the New Jersey Economic Development Authority using the funds made available for such purpose pursuant to the provisions of P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority has identified properties owned by the New Jersey Transit Corporation for purchase. Following notification made by the authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a joint presentation from the New Jersey Transit Corporation and the New Jersey Economic Development Authority at which the corporation and the authority shall describe the terms and conditions for the conveyance of the identified properties. In the event that the Joint Budget Oversight Committee fails to meet

within the time prescribed by this paragraph, the conveyance shall proceed in accordance with the terms and conditions agreed to by the corporation and the authority.

(3) The process set forth in this subsection shall apply only to the conveyance of properties from the New Jersey Transit Corporation to the New Jersey Economic Development Authority using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25 (C.34:1B-7.13).

c. The New Jersey Transit Corporation shall maintain a participation interest in the properties sold to the authority, which participation interest shall be determined through an agreement entered into between the New Jersey Transit Corporation and the New Jersey Economic Development Authority. An agreement entered into pursuant to this subsection shall be subject to the following conditions: (1) if a property is sold by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such sale above the appraised value of the property at the time of its purchase from the New Jersey Transit Corporation by the New Jersey Economic Development Authority; and (2) if a property is leased by the New Jersey Economic Development Authority to a public or private entity, the New Jersey Transit Corporation shall receive no less than 33 percent of the proceeds from such lease.

d. Prior to the New Jersey Economic Development Authority developing, redeveloping, constructing, reconstructing, rehabilitating, renovating, selling, leasing, subleasing, or contributing as an investment the properties acquired from the New Jersey Transit Corporation pursuant to P.L.2024, c.25 (C.34:1B-7.13a et al.), the authority shall notify the Joint Budget Oversight Committee that the authority intends to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. Following notification made by the New Jersey Economic Development Authority, the Joint Budget Oversight Committee shall hold a meeting within 10 State working days from the date of notification for the purpose of receiving a presentation from the New Jersey Economic Development Authority at which the authority shall describe the intended actions to be taken with respect to the properties. In the event that the Joint Budget Oversight Committee fails to meet within the time prescribed by this subsection, the authority may proceed with its plans to develop, redevelop, construct, reconstruct, rehabilitate, renovate, sell, lease, sublease, or contribute as an investment such properties. The process set forth in this subsection shall apply only to the properties acquired by the New Jersey Economic Development Authority from the New Jersey Transit Corporation using the funds appropriated for such purpose pursuant to section 3 of P.L.2024, c.25 and the funds required from the economic growth account for such purpose pursuant to section 4 of P.L.1992, c.16 (C.34:1B-7.13), as amended by section 1 of P.L.2024, c.25.

3. There is appropriated from the General Fund to the New Jersey Economic Development Authority an amount not to exceed \$65,000,000 to effectuate the provisions of section 2 of P.L.2024, c.25 (C.34:1B-7.13a), subject to the approval of the Director of the Division of Budget and Accounting.

4. This act shall take effect immediately.

Approved June 28, 2024.