

[Third Reprint]

ASSEMBLY, No. 2828

STATE OF NEW JERSEY

212th LEGISLATURE

INTRODUCED MARCH 9, 2006

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblyman ALBIO SIRES

District 33 (Hudson)

Assemblyman LOUIS M. MANZO

District 31 (Hudson)

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Co-Sponsored by:

**Assemblymen Vas, Scalera, Assemblywomen Vainieri Huttie, Voss,
Stender, Assemblymen Hackett, Gordon, Payne, Panter and
Assemblywoman Greenstein**

SYNOPSIS

Authorizes the issuance of bonds by the NJEDA to fund State capital construction projects of \$270 million for facilities for stem cell research, biomedical research, blood collection and cancer research.

CURRENT VERSION OF TEXT

As amended by the General Assembly on December 11, 2006.

(Sponsorship Updated As Of: 12/15/2006)

1 AN ACT authorizing the financing of the cost of State capital
 2 construction projects ¹, including stem cell research facilities ²,
 3 life sciences research facilities² and biomedical research
 4 facilities,¹ with the proceeds of ³**[cigarette tax securitization]**³
 5 bonds to be issued by the New Jersey Economic Development
 6 Authority, ³**[amending P.L.2004, c.68 (C.34:1B-21.16 et seq.)]**
 7 supplementing P.L.1974, c.80 (C.34:1B-1 et seq.)³ .

8
 9 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 10 *of New Jersey:*

11
 12 ³**[1. The Title of P.L.2004, c.68 is amended to read as follows:**
 13 **An Act** authorizing the issuance of cigarette tax securitization
 14 bonds, notes or other obligations by the New Jersey Economic
 15 Development Authority for the purposes of providing revenue to
 16 meet appropriations in **[any]** State **[fiscal year]** Fiscal Year
 17 2005 commencing on **[or after]** July 1, 2004, thereafter
 18 providing funding for State capital construction projects,
 19 ¹including stem cell research facilities ², life sciences research
 20 facilities² and biomedical research facilities,¹ and providing a
 21 source of payment and security for such bonds, notes or other
 22 obligations, supplementing P.L.1974, c.80 (C.34:1B-1 et seq.)
 23 and amending P.L.1997, c.264.
 24 (cf: P.L.2004, c.68, Title)]³

25
 26 ³**[2. Section 2 of P.L.2004, c.68 (C.34:1B-21.17) is amended to**
 27 **read as follows:**

28 2. The following words or terms as used in this act shall have
 29 the following meanings unless a different meaning clearly appears
 30 from the context:

31 "Authority" means the New Jersey Economic Development
 32 Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

33 "Biomedical research facilities" means one or more facilities
 34 ²**[¹at the Coriell Institute for Medical Research¹] owned by**
 35 Rutgers, the State University,² located in Camden, New Jersey,
 36 ²and operated by a consortium of Rutgers, The State University,
 37 The Coriell Institute for Medical Research, the Robert Wood
 38 Johnson Medical School at Camden, and the Cancer Institute of
 39 New Jersey, South Jersey,² ¹**[that] which¹ will be utilized for**
 40 biomedical research and related activities, including all facilities
 41 ancillary thereto;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AHE committee amendments adopted March 13, 2006.

²Assembly AAP committee amendments adopted October 19, 2006.

³Assembly floor amendments adopted December 11, 2006.

1 ²"Blood collection facilities" means one or more facilities
2 located in the State that will be utilized by Elie Katz Umbilical
3 Cord Blood Program at Community Blood Services located in
4 Allendale, New Jersey, for cord blood collection to support stem
5 cell research and related activities, including all facilities ancillary
6 thereto;²

7 "Bonds" means any bonds, notes or other obligations issued or
8 entered into by the authority pursuant to this act;

9 ²"Cancer research facilities" means one or more facilities located
10 in Belleville, New Jersey that will be utilized by the Garden State
11 Cancer Center for cancer research and related activities, including
12 all facilities ancillary thereto;²

13 "Capital cost" means the expenses incurred in connection with:
14 the planning, construction, reconstruction, development, erection,
15 acquisition, extension, improvement, rehabilitation and equipping
16 of State capital construction projects authorized by this act; the
17 acquisition by purchase, lease, or otherwise, and the development of
18 any real or personal property ¹, and the acquisition and construction
19 of new structures and equipment¹ for use in connection with a State
20 capital construction project authorized by this act, including any
21 rights or interests therein, the execution of any agreements and
22 franchises deemed to be necessary or useful and convenient in
23 connection with any State capital construction project authorized by
24 this act; the procurement of engineering, inspection, planning, legal,
25 financial, or other professional services; the administrative,
26 organizational, operating or other expenses incident to the
27 financing, completing, and placing into service of any State capital
28 construction project authorized by this act;

29 "Cigarette Tax" means the tax imposed by the State pursuant to
30 the "Cigarette Tax Act," P.L.1948, c.65 (C.54:40A-1 et seq.), as
31 amended and supplemented, on the sale, use or possession for sale
32 or use within the State of each cigarette;

33 "Cigarette Tax Securitization Fund" means the fund by that name
34 created and established pursuant to section 7 of this act;

35 "Cigarette Tax Securitization Proceeds Fund" means the fund by
36 that name created and established pursuant to section 3 of this act;

37 "Dedicated Cigarette Tax Revenue Fund" means the fund by that
38 name created and established pursuant to section 5 of this act;

39 "Dedicated Cigarette Tax Revenues" means an amount equal to
40 the revenue collected by the State during each State fiscal year
41 beginning on and after July 1, 2006 from \$0.0325 of the cigarette
42 tax; [and]

43 ¹"Refunding bonds" means any bonds, notes or other obligations
44 issued by the authority to refinance bonds, notes or other
45 obligations previously issued or entered into by the authority
46 pursuant to this act;¹

1 "State capital construction project" means a project that includes
 2 the acquisition of land, and the acquisition and construction of new
 3 structures and equipment for major capital facilities ²by grant of
 4 the authority² for State use and use by other units of government,
 5 ²which use shall include the occupancy by the State and other units
 6 of government, and the leasing and licensing of facilities to other
 7 entities by the State or other units of government,² including stem
 8 cell research facilities ¹– New Brunswick and stem cell research
 9 facilities – Newark,¹ ²[and]² biomedical research facilities,² blood
 10 collection facilities and cancer research facilities,² whose estimated
 11 cost of land, planning, acquisition, construction, furnishing and
 12 equipping is estimated to be \$50,000 or more ¹[and other capital
 13 projects authorized by section 3 of P.L.2004, c.68 (C.34:1B-
 14 21.18)]¹ ;

15 ¹["Stem cell research facilities" means facilities located in New
 16 Brunswick, New Jersey, that shall be primarily utilized for stem cell
 17 research, including all facilities ancillary thereto; and

18 "Refunding Bonds" means any bonds, notes or other obligations
 19 issued by the authority to refinance bonds, notes or other
 20 obligations previously issued or entered into by the authority
 21 pursuant to this act]

22 "Stem cell research facilities - New Brunswick" means facilities
 23 ²[owned by the authority and]² located in New Brunswick, New
 24 Jersey, which shall be only utilized for stem cell research, including
 25 all facilities ancillary thereto; and

26 "Stem cell research facilities - Newark" means facilities ²[owned
 27 by the authority,]² operated by the New Jersey Institute of
 28 Technology and located in Newark, New Jersey, which shall be
 29 only utilized for stem cell research, including all facilities ancillary
 30 thereto¹.

31 (cf: P.L.2004, c.68, s.2)]³

32
 33 ³[3. Section 3 of P.L.2004, c.68 (C.34:1B-21.18) is amended to
 34 read as follows:

35 3. a. The authority shall establish and maintain a special
 36 nonlapsing fund to be known as the "Cigarette Tax Securitization
 37 Proceeds Fund" into which shall be deposited the following
 38 moneys:

39 (1) the proceeds from the sale of all bonds (other than refunding
 40 bonds) issued by the authority pursuant to [this act] P.L.2004, c.68
 41 (C.34:1B-21.16 et seq.) which are remaining after any required
 42 deposit to any reserve or other fund established for such bonds or
 43 any refunding bonds in accordance with subsection a. of section 4
 44 of [this act] P.L.2004, c.68 (C.34:1B-21.19) and after the payment
 45 of all costs, fees and other expenses related to, or incurred by the

1 authority or the State in connection with, the issuance of such bonds
2 or any refunding bonds;

3 (2) any amounts which shall be appropriated by the Legislature
4 for the purposes of such fund; and

5 (3) any other amounts or funds which the authority shall
6 determine to deposit into such fund.

7 Moneys on deposit in the Cigarette Tax Securitization Proceeds
8 Fund shall be invested in such obligations as the authority may
9 determine or as shall otherwise be provided in any contract between
10 the authority and the State Treasurer authorized and entered into
11 pursuant to section 6 of [this act] P.L.2004, c.68 (C.34:1B-21.21),
12 and interest or other earnings on any such investments shall be
13 credited to such fund.

14 b. (1) Amounts on deposit in the Cigarette Tax Securitization
15 Proceeds Fund [shall be] from the proceeds of bonds issued on or
16 before January 1, 2005, having been withdrawn by the authority
17 from time to time during State Fiscal Year 2005, upon written
18 request of the State Treasurer or as otherwise provided in any
19 contract between the authority and the State Treasurer authorized
20 and entered into pursuant to section 6 of [this act] P.L.2004, c.68
21 (C.34:1B-21.21), and having been paid to the State Treasurer for
22 deposit into either the General Fund of the State or the Cigarette
23 Tax Securitization Fund, as determined by the State Treasurer,
24 [and] have been used for [any] lawful [purpose] purposes of the
25 State for which moneys on deposit in the General Fund [may] might
26 be used. All amounts withdrawn from the Cigarette Tax
27 Securitization Proceeds Fund and deposited into the General Fund
28 of the State as provided in this subsection [shall represent] have
29 represented financial resources and revenues of the State from that
30 fund as certified by the Governor pursuant to Article VIII, Section
31 II, paragraph 2 of the State Constitution for the State annual
32 appropriation act for [such] State [fiscal year , and as may be
33 applicable for such annual appropriation act as may be amended and
34 supplemented from time to time] Fiscal Year 2005.
35 [Notwithstanding any provision of this subsection to the contrary,]
36 No request by the State Treasurer [shall not request] has been made
37 of the authority to pay [, and the authority shall not pay,] to the
38 State Treasurer during [any] State [fiscal year] Fiscal Year 2005
39 amounts then on deposit in the Cigarette Tax Securitization
40 Proceeds Fund which are in excess of the amounts anticipated as
41 revenues from such fund during State Fiscal Year 2005.

42 (2) (a) The Legislature finds and declares that:

43 (i) Millions of people suffer from currently incurable diseases
44 and injuries, and recent medical science, including the use of new
45 regenerative medical therapies such as the use of a special type of
46 human cells called "stem cells," provides indications that cures and
47 treatments for certain of these diseases and injuries can be
48 developed;

1 (ii) The development of such cures and treatments will improve
2 New Jersey's health care system, can reduce long-term health care
3 costs, and can benefit the New Jersey economy by creating projects,
4 jobs and therapies;

5 (iii) The State of New Jersey is home to many of the leading life
6 sciences, biotechnology and pharmaceutical companies and the
7 State seeks to preserve its leading role, attract investment, attract
8 scientists, enhance research and, toward that end, seeks to finance
9 facilities for entities involved in stem cell research ², life sciences²
10 and biomedical research;

11 (iv) Financing stem cell research facilities and ²life sciences and²
12 biomedical research ²facilities² will substantially further the public
13 interest and can most economically be financed through a bond
14 issue; and

15 (v) The State of New Jersey has previously authorized the
16 "Cigarette Tax Securitization Act of 2004," P.L.2004, c.68
17 (C.34:1B-21.16 et seq.), and has determined that bonds issued by
18 the New Jersey Economic Development Authority under such act
19 are the most desirable means to provide funding for such facilities
20 and projects.

21 (b) '[An amount not to exceed the first \$150,000,000 in the
22 aggregate from the proceeds of bonds issued after March 1, 2006,
23 authorized under P.L.2004, c.68 (C.34:1B-21.16 et seq.), on deposit
24 in the Cigarette Tax Securitization Proceeds Fund shall be
25 withdrawn by the authority from time to time, and shall be utilized
26 by the authority, pursuant to a State capital construction project
27 agreement between the State Treasurer and the authority, to fund
28 the capital costs of stem cell research facilities. Any agreement
29 entered into pursuant to this subparagraph shall specify the scope of
30 the project, the use of the proceeds of the bonds, the permitted uses
31 of the project, the use of any rental income from the project, and
32 such other matters as the State Treasurer shall determine.

33 (c) An amount not to exceed the subsequent \$50,000,000 in the
34 aggregate from the proceeds of bonds issued after March 1, 2006,
35 authorized under P.L.2004, c.68 (C.34:1B-21.16 et seq.), on deposit
36 in the Cigarette Tax Securitization Proceeds Fund shall be
37 withdrawn by the authority from time to time, and shall be utilized
38 by the authority, pursuant to a State capital construction project
39 agreement between the State Treasurer and the authority, to fund
40 the capital costs of biomedical research facilities that will be
41 utilized for biomedical research and related activities, including all
42 facilities ancillary thereto. Any agreement entered into pursuant
43 to this subparagraph shall specify the scope of the project, the use
44 of the proceeds of the bonds, the permitted uses of the project, the
45 use of any rental income from the project, and such other matters as
46 the State Treasurer shall determine.

(d) Amounts on deposit in the Cigarette Tax Securitization Proceeds Fund shall be withdrawn by the authority from time to time, and applied as set forth in this subsection upon written request of the State Treasurer or as otherwise provided in any contract between the authority and the State Treasurer authorized and entered into pursuant to P.L. , c. (C.) (pending before the Legislature as this bill):

(1) from the first ²[\$150,000,000] \$270,000,000² in the aggregate from the proceeds of bonds issued after March 1, 2006, authorized under P.L.2004, c.68 (C.34:1B-21.16 et seq.):

(i) an amount not to exceed ²[\$100,000,000] \$150,000,000² shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of stem cell research facilities - New Brunswick; ²[and];

(ii) ²an amount not to exceed \$50,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of biomedical research facilities;

(iii)² an amount not to exceed \$50,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of stem cell research facilities - Newark ²;

(iv) an amount not to exceed \$10,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of blood collection facilities; and

(v) an amount not to exceed \$10,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of cancer research facilities².

Any agreement entered into pursuant to this subparagraph shall specify the scope of the State capital construction project, the use of the proceeds of the bonds, the permitted uses of the State capital construction project, the use of any rental income from the project, and such other matters as the State Treasurer shall determine; and

(2) ²[from the next \$50,000,000 in the aggregate from the proceeds of bonds issued after March 1, 2006, authorized under P.L.2004, c.68 (C.34:1B-21.16 et seq.), an amount not to exceed \$50,000,000 shall be utilized by the authority, pursuant to an agreement between the State Treasurer and the authority, to fund the capital costs of biomedical research facilities. Any agreement entered into pursuant to this subparagraph shall specify the scope of the State capital construction project, the use of the proceeds of the bonds, the permitted uses of the State capital construction project, the use of any rental income from the project, and such other matters as the State Treasurer shall determine.

(3)¹² Except as specifically provided ²[pursuant to subparagraphs ¹[(b) and (c)] (1) and (2)¹ of this paragraph

1 '[(2)]¹] hereinabove² , amounts on deposit in the Cigarette Tax
2 Securitization Proceeds Fund from the proceeds of bonds issued on
3 or after March 1, 2006, shall be withdrawn by the authority from
4 time to time, upon written request of the State Treasurer or as
5 otherwise provided in any contract between the authority and the
6 State Treasurer authorized and entered into pursuant to
7 P.L. , c. (C.) (pending before the Legislature as this bill),
8 and shall be appropriated by law exclusively to fund the capital
9 costs of State capital construction projects.
10 (cf: P.L.2004, c.68 , s.3)]³
11

12 ³1. (New section) As used in this act, the following words or
13 terms shall have the following meanings unless a different meaning
14 clearly appears from the context:

15 "Authority" means the New Jersey Economic Development
16 Authority created pursuant to P.L.1974, c.80 (C.34:1B-1 et seq.);

17 "Biomedical research facilities" means one or more facilities
18 owned by Rutgers, the State University, located in Camden, New
19 Jersey, and operated by a consortium of Rutgers, The State
20 University, The Coriell Institute for Medical Research, the Robert
21 Wood Johnson Medical School at Camden, and the Cancer Institute
22 of New Jersey, South Jersey, which will be utilized for biomedical
23 research and related activities, including all facilities ancillary
24 thereto;

25 "Blood collection facilities" means one or more facilities located
26 in the State that will be utilized by Elie Katz Umbilical Cord Blood
27 Program at Community Blood Services located in Allendale, New
28 Jersey, for cord blood collection to support stem cell research and
29 related activities, including all facilities ancillary thereto;

30 "Bonds" means any bonds, notes or other obligations issued or
31 entered into by the authority pursuant to this act;

32 "Cancer research facilities" means one or more facilities located
33 in Belleville, New Jersey, that will be utilized by the Garden State
34 Cancer Center for cancer research and related activities, including
35 all facilities ancillary thereto;

36 "Capital cost" means the expenses incurred in connection with:
37 the planning, construction, reconstruction, development, erection,
38 acquisition, extension, improvement, rehabilitation and equipping
39 of State capital construction projects authorized by this act; the
40 acquisition by purchase, lease, or otherwise, and the development of
41 any real or personal property, and the acquisition and construction
42 of new structures and equipment for use in connection with a State
43 capital construction project authorized by this act, including any
44 rights or interests therein, the execution of any agreements and
45 franchises deemed to be necessary or useful and convenient in
46 connection with any State capital construction project authorized by
47 this act; the procurement of engineering, inspection, planning, legal,
48 financial, or other professional services; the administrative,

1 organizational, operating or other expenses incident to the
2 financing, completing, and placing into service of any State capital
3 construction project authorized by this act;

4 "Refunding bonds" means any bonds, notes or other obligations
5 issued by the authority to refinance bonds, notes or other
6 obligations previously issued or entered into by the authority
7 pursuant to this act;

8 "State capital construction project" means a project that includes
9 the acquisition of land, and the acquisition and construction of new
10 structures and equipment for capital facilities by grant of the
11 authority for State use and use by other units of government, which
12 use shall include the occupancy by the State and other units of
13 government, and the leasing and licensing of facilities to other
14 entities by the State or other units of government, including stem
15 cell research facilities – New Brunswick and stem cell research
16 facilities – Newark, biomedical research facilities, blood collection
17 facilities and cancer research facilities, whose estimated cost of
18 land, planning, acquisition, construction, furnishing and equipping
19 is estimated to be \$50,000 or more;

20 "Stem cell research facilities - New Brunswick" means facilities
21 located in New Brunswick, New Jersey, which shall be only utilized
22 for stem cell research, including all facilities ancillary thereto; and

23 "Stem cell research facilities - Newark" means facilities operated
24 by the New Jersey Institute of Technology and located in Newark,
25 New Jersey, which shall be only utilized for stem cell research,
26 including all facilities ancillary thereto.³

27
28 ³2. (New section) The Legislature finds and declares that:

29 Millions of people suffer from currently incurable diseases and
30 injuries, and recent medical science, including the use of new
31 regenerative medical therapies such as the use of a special type of
32 human cells called "stem cells," provides indications that cures and
33 treatments for certain of these diseases and injuries can be
34 developed;

35 The development of such cures and treatments will improve New
36 Jersey's health care system, can reduce long-term health care costs,
37 and can benefit the New Jersey economy by creating projects, jobs
38 and therapies;

39 The State of New Jersey is home to many of the leading life
40 sciences, biotechnology and pharmaceutical companies and the
41 State seeks to preserve its leading role, attract investment, attract
42 scientists, enhance research and, toward that end, seeks to finance
43 facilities for entities involved in stem cell research, life sciences
44 and biomedical research;

45 Financing stem cell research facilities and life sciences and
46 biomedical research facilities will substantially further the public
47 interest and can most economically be financed through a bond
48 issue; and

1 The State of New Jersey has determined that bonds issued by the
2 New Jersey Economic Development Authority are the most
3 desirable means to provide funding for such facilities and projects.³
4

5 ³3. Notwithstanding the provisions of any law, rule, regulation
6 or order to the contrary:

7 a. The authority shall have the power, pursuant to the
8 provisions of this act and P.L.1974, c.80 (C.34:1B-1 et seq.), to
9 issue bonds and refunding bonds, incur indebtedness and borrow
10 money secured, in whole or in part, by money received pursuant to
11 this act for the purpose of providing funds for State capital
12 construction projects and any costs related to the issuance of such
13 bonds. The authority may establish reserve or other funds to further
14 secure bonds and refunding bonds. The bonds shall be in the
15 amount to yield proceeds to fund, all or in part, the payment of
16 State capital construction projects plus additional bonds to pay for
17 the costs of issuance.

18 b. The authority may, in any resolution authorizing the
19 issuance of bonds or refunding bonds, pledge the contract with the
20 State Treasurer, provided for in section 4 of P.L. , c. (C.),
21 (pending before the Legislature as this bill) or any part thereof, to
22 secure the payment, purchase or redemption of the bonds or
23 refunding bonds or any obligations of the authority under any
24 contract or agreement entered into by the authority pursuant to
25 subsection c. of this section, and covenant as to the use and
26 disposition of money available to the authority for the payment,
27 purchase or redemption of bonds and refunding bonds and the
28 payment of any obligations of the authority under any contract or
29 agreement entered into by the authority pursuant to subsection c. of
30 this section. All costs, fees and other expenses related to, or
31 incurred by the authority or the State in connection with, the
32 issuance of bonds and refunding bonds by the authority for the
33 purposes set forth in this act may be paid by the authority from
34 amounts it receives from the proceeds of the bonds or refunding
35 bonds and from amounts it receives pursuant to section 4 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill), which
37 costs, fees and other expenses may include, but are not limited to,
38 any initial or annual administrative costs and fees of the authority
39 attributable to any bonds or refunding bonds issued pursuant to this
40 act, all legal, accounting, trustee or other professional fees, costs or
41 expenses, any costs and fees relating to the issuance of the bonds or
42 refunding bonds, the fees and costs of bond counsel and any other
43 professional fees and costs attributable to the agreements described
44 in subsection c. of this section. The bonds or refunding bonds shall
45 be authorized by resolution, which shall stipulate the manner of
46 execution and form of the bonds, whether the bonds are in one or
47 more series, the date or dates of issue, time or times of maturity,
48 which shall not exceed 20 years, the rate or rates of interest payable

1 on the bonds, which may be at fixed rates or variable rates, and
2 which interest may be current interest or may accrue, the
3 denomination or denominations in which the bonds are issued,
4 conversion or registration privileges, the sources and medium of
5 payment and place or places of payment, terms of redemption,
6 privileges of exchangeability or interchangeability, and entitlement
7 to priorities of payment or security in the amounts to be received by
8 the authority pursuant to section 4 of P.L. , c. (C.). The
9 bonds may be sold at a public or private sale at a price or prices
10 determined by the authority. The authority is authorized to enter
11 into any agreements necessary or desirable to effectuate the
12 purposes of this section, including agreements to sell bonds or
13 refunding bonds to any person and to comply with the laws of any
14 jurisdiction relating thereto.

15 c. In connection with any bonds or refunding bonds issued
16 pursuant to this act, the authority may also enter into any revolving
17 credit agreement, agreement establishing a line of credit or letter of
18 credit, reimbursement agreement, interest rate exchange agreement,
19 currency exchange agreement, interest rate floor or cap, options,
20 puts or calls to hedge payment, currency, rate, spread or similar
21 exposure, or similar agreements, float agreements, forward
22 agreements, insurance contract, surety bond, commitment to
23 purchase or sell bonds, purchase or sale agreement, or commitments
24 or other contracts or agreements and other security agreements
25 approved by the authority.

26 d. No resolution adopted by the authority authorizing the
27 issuance of bonds or refunding bonds pursuant to this act shall be
28 adopted or otherwise made effective without the approval in writing
29 of the State Treasurer and the Joint Budget Oversight Committee.
30 Except as provided by subsection i. of section 4 of P.L.1974, c.80
31 (C.34:1B-4), bonds or refunding bonds may be issued without
32 obtaining the consent of any department, division, commission,
33 board, bureau or agency of the State, other than the approval as
34 required by this subsection, and without any other proceedings or
35 the occurrence of any other conditions or other things other than
36 those proceedings, conditions or things which are specifically
37 required by this act.

38 e. Bonds and refunding bonds issued by the authority pursuant
39 to this act shall be special and limited obligations of the authority
40 payable from, and secured by, such funds and moneys determined
41 by the authority in accordance with this section. Neither the
42 members of the authority nor any other person executing the bonds
43 or refunding bonds shall be personally liable with respect to
44 payment of interest and principal on these bonds or refunding
45 bonds. Bonds or refunding bonds issued pursuant to the provisions
46 of this act shall not be a debt or liability of the State or any agency
47 or instrumentality thereof, except as otherwise provided by this
48 subsection, either legal, moral or otherwise, and nothing contained

1 in this act shall be construed to authorize the authority to incur any
2 indebtedness on behalf of or in any way to obligate the State or any
3 political subdivision thereof, and all bonds and refunding bonds
4 issued by the authority shall contain a statement to that effect on
5 their face.

6 f. The authority is authorized to engage, subject to the
7 approval of the State Treasurer and in such manner as the State
8 Treasurer shall determine, the services of bond counsel, financial
9 advisors and experts, placement agents, underwriters, trustees,
10 verification agents, remarketing agents, broker-dealers, appraisers,
11 and such other advisors, consultants and agents as may be necessary
12 to effectuate the purposes of this act.

13 g. The proceeds from the sale of the bonds, other than
14 refunding bonds, issued pursuant to this act, after payment of any
15 costs related to the issuance of such bonds, shall be paid by the
16 authority to be applied to the payment, in full or in part, for the
17 purposes set forth in subsection a. of this section as directed by the
18 State Treasurer.

19 h. All bonds or refunding bonds issued by the authority are
20 deemed to be issued by a body corporate and politic of the State for
21 an essential governmental purpose, and the interest thereon and the
22 income derived from all funds, revenues, incomes and other moneys
23 received for or to be received by the authority and pledged and
24 available to pay or secure the payment on bonds or refunding bonds
25 and the interest thereon, shall be exempt from all taxes levied
26 pursuant to the provisions of Title 54 of the Revised Statutes or
27 Title 54A of the New Jersey Statutes, except for transfer inheritance
28 and estate taxes levied pursuant to Subtitle 5 of Title 54 of the
29 Revised Statutes.

30 i. The State hereby pledges and covenants with the holders of
31 any bonds or refunding bonds issued pursuant to the provisions of
32 this act, that it will not limit or alter the rights or powers vested in
33 the authority by this act, nor limit or alter the rights or powers of
34 the State Treasurer in any manner which would jeopardize the
35 interest of the holders or any trustee of such holders, or inhibit or
36 prevent performance or fulfillment by the authority or the State
37 Treasurer with respect to the terms of any agreement made with the
38 holders of these bonds or refunding bonds or agreements made
39 pursuant to subsection c. of this section except that the failure of the
40 Legislature to appropriate moneys for any purpose of this act shall
41 not be deemed a violation of this section.

42 j. Notwithstanding any restriction contained in any other law,
43 rule, regulation or order to the contrary, the State and all political
44 subdivisions of this State, their officers, boards, commissioners,
45 departments or other agencies, all banks, bankers, trust companies,
46 savings banks and institutions, building and loan associations,
47 saving and loan associations, investment companies and other
48 persons carrying on a banking or investment business, all insurance

1 companies, insurance associations and other persons carrying on an
2 insurance business, and all executors, administrators, guardians,
3 trustees and other fiduciaries, and all other persons whatsoever who
4 now are or may hereafter be authorized to invest in bonds or other
5 obligations of the State, may properly and legally invest any sinking
6 funds, moneys or other funds, including capital, belonging to them
7 or within their control, in any bonds or refunding bonds issued by
8 the authority under the provisions of this act; and said bonds and
9 refunding bonds are hereby made securities which may properly and
10 legally be deposited with, and received by any State or municipal
11 officers or agency of the State, for any purpose for which the
12 deposit of bonds or other obligations of the State is now, or may
13 hereafter be, authorized by law.³

14
15 ³4. In each State fiscal year during which the authority has
16 outstanding bonds or refunding bonds which have been issued
17 pursuant to this act, or is obligated to make any payments under any
18 contract or agreement entered into by the authority pursuant to
19 subsection c. of section 3 of P.L. _____, c. _____ (C. _____)
20 (pending before the Legislature as this bill), the State Treasurer
21 shall pay from the General Fund to the authority, in accordance
22 with a contract or contracts between the State Treasurer and the
23 authority, authorized pursuant to section 5 of P.L. _____, c. _____ (C. _____)
24 (pending before the Legislature as this bill), an amount equivalent
25 to the debt service payable on the authority's then outstanding
26 bonds or refunding bonds issued pursuant to this act during such
27 fiscal year and any amounts required to be paid by the authority
28 during such fiscal year under any contract or agreement entered into
29 by the authority pursuant to subsection c. of section 3 of P.L. _____,
30 c. _____ (C. _____) (pending before the Legislature as this bill).
31 Notwithstanding any other provision of any law, rule, regulation or
32 order to the contrary, the authority shall be paid only such funds as
33 shall be required by the provisions of any contract between the
34 State Treasurer authorized and entered into pursuant to section 5 of
35 P.L. _____, c. _____ (C. _____) (pending before the Legislature as
36 this bill) and further provided that the incurrence of any obligation
37 of the State under any such contract, including any payments to be
38 made thereunder from the General Fund, shall be subject to and
39 dependent upon appropriations being made from time to time by the
40 Legislature for the purposes of this act.³

41
42 ³5. (New section) The State Treasurer and the authority are
43 authorized to enter into one or more contracts to implement the
44 payment arrangement that is provided for in section 4 of P.L. _____, c. _____
45 (C. _____) (pending before the Legislature as this bill). The
46 contract or contracts shall provide for payment by the State
47 Treasurer of the amounts required to be paid pursuant to section 4
48 of P.L. _____, c. _____ (C. _____) and shall set forth the procedure for the

1 transfer of moneys for the purpose of paying such amounts. The
2 contract or contracts shall contain such terms and conditions as are
3 determined by the authority and the State Treasurer, and shall
4 include, but not be limited to, terms and conditions necessary and
5 desirable to secure any bonds or refunding bonds of the authority
6 issued pursuant to this act or any obligations of the authority under
7 any contract or agreement entered into by the authority pursuant to
8 subsection c. of section 4 of P.L. , c. (C.) (pending before
9 the Legislature as this bill); provided however, that notwithstanding
10 any other provision of any law, rule, regulation or order to the
11 contrary, the authority shall be paid only such amounts as shall be
12 required by the provisions of any contract or contracts and further
13 provided that the incurrence of any obligation of the State under
14 any such contract or contracts, including any payments to be made
15 thereunder from the General Fund, shall be subject to and
16 dependent upon appropriations being made from time to time by the
17 Legislature for the purposes of this act.³

18
19 ³6. (New section) From the proceeds of the bonds issued
20 pursuant to section 3 of P.L. , c. (C.) (pending
21 before the Legislature as this bill) for State capital construction
22 projects, the following amounts shall be provided by the authority
23 from time to time, and applied as set forth in this section upon
24 written request of the State Treasurer pursuant to an agreement
25 between the authority and the State Treasurer authorized and
26 entered into pursuant to this section:

27 a. From \$270,000,000 in the aggregate from the proceeds of
28 bonds issued after enactment of this act:

29 (1) an amount not to exceed \$150,000,000 shall be utilized by
30 the authority, pursuant to an agreement between the State Treasurer
31 and the authority, to fund the capital costs of stem cell research
32 facilities - New Brunswick;

33 (2) an amount not to exceed \$50,000,000 shall be utilized by the
34 authority, pursuant to an agreement between the State Treasurer and
35 the authority, to fund the capital costs of biomedical research
36 facilities;

37 (3) an amount not to exceed \$50,000,000 shall be utilized by the
38 authority, pursuant to an agreement between the State Treasurer and
39 the authority, to fund the capital costs of stem cell research facilities
40 - Newark;

41 (4) an amount not to exceed \$10,000,000 shall be utilized by the
42 authority, pursuant to an agreement between the State Treasurer and
43 the authority, to fund the capital costs of blood collection facilities;
44 and

45 (5) an amount not to exceed \$10,000,000 shall be utilized by the
46 authority, pursuant to an agreement between the State Treasurer and
47 the authority, to fund the capital costs of cancer research facilities.

1 b. Any agreement entered into pursuant to this section shall
2 specify the scope of the State capital construction project, the use of
3 the proceeds of the bonds, the acquisition plan for the State capital
4 construction project site, the proposed occupants and permitted uses
5 of the State capital construction project, the proposed operational
6 plan and operating budget for the project including any rental
7 income from the project, and such other matters as the State
8 Treasurer shall determine.³
9
10 ³[4.] 7.³ This act shall take effect immediately.