

ASSEMBLY, No. 2287

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

Sponsored by:

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman RALPH R. CAPUTO

District 28 (Essex)

SYNOPSIS

Permits county improvement authorities to establish student loan refinancing loan programs.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/27/2020)

1 AN ACT concerning county improvement authorities and amending
2 P.L.1960, c.183.

3

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

6

7 1. Section 2 of P.L.1960, c.183 (C.40:37A-45) is amended to
8 read as follows:

9 2. As used in this act, unless a different meaning clearly
10 appears from the context:

11 (a) "Authority" shall mean a public body created pursuant to
12 this act;

13 (b) "Bond resolution" shall have the meaning ascribed thereto in
14 section 17 of P.L.1960, c.183 (C.40:37A-60);

15 (c) "Bonds" shall mean bonds, notes or other obligations issued
16 pursuant to this act;

17 (d) "Construct" and "construction" shall connote and include
18 acts of clearance, demolition, construction, development or
19 redevelopment, reconstruction, replacement, extension,
20 improvement and betterment;

21 (e) "Cost" shall mean, in addition to the usual connotations
22 thereof, the cost of planning, acquisition or construction of all or
23 any part of any public facility or facilities of an authority and of all
24 or any property, rights, easements, privileges, agreements and
25 franchises deemed by the authority to be necessary or useful and
26 convenient therefor or in connection therewith and the cost of
27 retiring the present value of the unfunded accrued liability due and
28 owing by the authority, as calculated by the system actuary for a
29 date certain upon the request of the authority, for early retirement
30 incentive benefits granted by the authority pursuant to
31 P.L.1991, c.230 and P.L.1993, c.181, including interest or discount
32 on bonds, cost of issuance of bonds, architectural, engineering and
33 inspection costs and legal expenses, cost of financial, professional
34 and other estimates and advice, organization, administrative,
35 operating and other expenses of the authority prior to and during
36 such acquisition or construction, and all such other expenses as may
37 be necessary or incident to the financing, acquisition, construction
38 and completion of such public facility or facilities or part thereof
39 and the placing of the same fully in operation or the disposition of
40 the same, and also such provision or reserves for working capital,
41 operating, maintenance or replacement expenses or for payment or
42 security of principal of or interest on bonds during or after such
43 acquisition or construction as the authority may determine, and also
44 reimbursements to the authority or any governmental unit or person
45 of any moneys theretofore expended for the purposes of the
46 authority;

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.

- 1 (f) The term "county" shall mean any county of any class of the
2 State and shall include, without limitation, the terms "the county"
3 and "beneficiary county" defined in this act, and the term "the
4 county" shall mean the county which created an authority pursuant
5 to this act;
- 6 (g) "Development project" shall mean any lands, structures, or
7 property or facilities acquired or constructed or to be acquired or
8 constructed by an authority for the purposes of the authority
9 described in subsection (e) of section 11 of P.L.1960, c.183
10 (C.40:37A-54);
- 11 (h) "Facility charges" shall have the meaning ascribed to said
12 term in section 14 of P.L.1960, c.183 (C.40:37A-57);
- 13 (i) "Facility revenues" shall have the meaning ascribed to said
14 term in subsection (e) of section 20 of P.L.1960, c.183 (C.40:37A-
15 63);
- 16 (j) "Governing body" shall mean, in the case of a county, the
17 board of chosen freeholders, or in the case of a county operating
18 under article 3 or 5 of the "Optional County Charter Law,"
19 P.L.1972, c.154 (C.40:41A-1 et seq.) as defined thereunder, and, in
20 the case of a municipality, the commission, council, board or body,
21 by whatever name it may be known, having charge of the finances
22 of the municipality;
- 23 (k) "Governmental unit" shall mean the United States of
24 America or the State or any county or municipality or any
25 subdivision, department, agency, or instrumentality heretofore or
26 hereafter created, designated or established by or for the United
27 States of America or the State or any county or municipality;
- 28 (l) "Local bond law" shall mean chapter 2 of Title 40A,
29 Municipalities and Counties, of the New Jersey Statutes (N.J.S.) as
30 amended and supplemented;
- 31 (m) "Municipality" shall mean any city, borough, village, town,
32 or township of the State but not a county or a school district;
- 33 (n) "Person" shall mean any person, partnership, association,
34 corporation or entity other than a nation, state, county or
35 municipality or any subdivision, department, agency or
36 instrumentality thereof;
- 37 (o) "Project" shall have the meaning ascribed to said term in
38 section 17 of P.L.1960, c.183 (C.40:37A-60);
- 39 (p) "Public facility" shall mean any lands, structures, franchises,
40 equipment, or other property or facilities acquired, constructed,
41 owned, financed, or leased by the authority or any other
42 governmental unit or person to accomplish any of the purposes of
43 an authority authorized by section 11 of P.L.1960, c.183
44 (C.40:37A-54);
- 45 (q) "Real property" shall mean lands within or without the State,
46 above or below water, and improvements thereof or thereon, or any
47 riparian or other rights or interests therein;

1 (r) "Garbage and solid waste disposal system" shall mean the
2 plants, structures and other real and personal property acquired,
3 constructed or operated or to be acquired, constructed or operated
4 by a county improvement authority, including incinerators, sanitary
5 landfill facilities or other plants for the treatment and disposal of
6 garbage, solid waste and refuse matter and all other real and
7 personal property and rights therein and appurtenances necessary or
8 useful and convenient for the collection and treatment or disposal in
9 a sanitary manner of garbage, solid waste and refuse matter (but not
10 including sewage);

11 (s) "Garbage, solid waste or refuse matter" shall mean garbage,
12 refuse and other discarded materials resulting from industrial,
13 commercial and agricultural operations, and from domestic and
14 community activities, and shall include all other waste materials
15 including sludge, chemical waste, hazardous wastes and liquids,
16 except for liquids which are treated in public sewage treatment
17 plants and except for solid animal and vegetable wastes collected by
18 swine producers licensed by the State Department of Agriculture to
19 collect, prepare and feed such wastes to swine on their own farms;

20 (t) "Blighted, deteriorated or deteriorating area" may include an
21 area determined heretofore by the municipality to be blighted in
22 accordance with the provisions of P.L.1949, c.187, repealed by
23 P.L.1992, c.79 (C.40:55-21.1 et seq.) and, in addition, areas which
24 are determined by the municipality, pursuant to the same procedures
25 as provided in said law, to be blighted, deteriorated or deteriorating
26 because of structures or improvements which are dilapidated or
27 characterized by disrepair, lack of ventilation or light or sanitary
28 facilities, faulty arrangement, location, or design, or other
29 unhealthful or unsafe conditions;

30 (u) "Redevelopment" may include planning, replanning,
31 conservation, rehabilitation, clearance, development and
32 redevelopment; and the construction and rehabilitation and
33 provision for construction and rehabilitation of residential,
34 commercial, industrial, public or other structures and the grant or
35 dedication or rededication of spaces as may be appropriate or
36 necessary in the interest of the general welfare for streets, parks,
37 playgrounds, or other public purposes including recreational and
38 other facilities incidental or appurtenant thereto, in accordance with
39 a redevelopment plan approved by the governing body of a
40 municipality;

41 (v) "Redevelopment plan" shall mean a plan as it exists from
42 time to time for the redevelopment of all or any part of a
43 redevelopment area, which plan shall be sufficiently complete to
44 indicate such land acquisition, demolition and removal of
45 structures, redevelopment, improvements, conservation or
46 rehabilitation as may be proposed to be carried out in the area of the
47 project, zoning and planning changes, if any, land uses, maximum
48 densities, building requirements, the plan's relationship to definite

1 local objectives respecting appropriate land uses, improved traffic,
2 public transportation, public utilities, recreational and community
3 facilities, and other public improvements and provision for
4 relocation of any residents and occupants to be displaced in a
5 manner which has been or is likely to be approved by the
6 Department of Community Affairs pursuant to the "Relocation
7 Assistance Law of 1967," P.L.1967, c.79 (C.52:31B-1 et seq.) and
8 the "Relocation Assistance Act," P.L.1971, c.362 (C.20:4-1 et seq.)
9 and rules and regulations pursuant thereto;

10 (w) "Redevelopment project" shall mean any undertakings and
11 activities for the elimination, and for the prevention of the
12 development or spread, of blighted, deteriorated, or deteriorating
13 areas and may involve any work or undertaking pursuant to a
14 redevelopment plan; such undertaking may include: (1) acquisition
15 of real property and demolition, removal or rehabilitation of
16 buildings and improvements thereon; (2) carrying out plans for a
17 program of voluntary repair and rehabilitation of buildings or other
18 improvements; and (3) installation, construction or reconstruction
19 of streets, utilities, parks, playgrounds or other improvements
20 necessary for carrying out the objectives of the redevelopment
21 project;

22 (x) "Redeveloper" shall mean any person or governmental unit
23 that shall enter into or propose to enter into a contract with an
24 authority for the redevelopment of an area or any part thereof under
25 the provisions of this act;

26 (y) "Redevelopment area" shall mean an area of a municipality
27 which the governing body thereof finds is a blighted area or an area
28 in need of rehabilitation whose redevelopment is necessary to
29 effectuate the public purposes declared in this act. A
30 redevelopment area may include lands, buildings, or improvements
31 which of themselves are not detrimental to the public health, safety
32 or welfare, but whose inclusion is found necessary, with or without
33 change in their condition, for the effective redevelopment of the
34 area of which they are a part;

35 (z) "Sludge" shall mean any solid, semisolid, or liquid waste
36 generated from a municipal, industrial or other sewage treatment
37 plant, water supply treatment plant, or air pollution control facility,
38 or any other such waste having similar characteristics and effects,
39 but shall not include effluent; and

40 (aa) "Beneficiary county" shall mean any county that has not
41 created an authority pursuant to this act; except that with respect to
42 a program to refinance student loans, it shall include any county
43 that has not established its own program to refinance student loans,
44 whether or not that county has created an authority pursuant to
45 P.L.1960, c.183 (C.40:37A-44 et seq.).

46 (cf: P.L.2002, c.42, s.6)

1 2. Section 11 of P.L.1960, c.183 (C.40:37A-54) is amended to
2 read as follows:

3 11. The purposes of every authority shall be (a) provision within
4 the county or any beneficiary county of public facilities for use by
5 the State, the county or any beneficiary county, or any municipality
6 in any such county, or any two or more or any subdivisions,
7 departments, agencies or instrumentalities of any of the foregoing
8 for any of their respective governmental purposes, (b) provision
9 within the county or any beneficiary county of public facilities for
10 use as convention halls, or the rehabilitation, improvement or
11 enlargement of any convention hall, including appropriate and
12 desirable appurtenances located within the convention hall or near,
13 adjacent to or over it within boundaries determined at the discretion
14 of the authority, including but not limited to office facilities,
15 commercial facilities, community service facilities, parking
16 facilities, hotel facilities and other facilities for the accommodation
17 and entertainment of tourists and visitors, (c) provision within the
18 county or any beneficiary county of structures, franchises,
19 equipment and facilities for operation of public transportation or for
20 terminal purposes, including development and improvement of port
21 terminal structures, facilities and equipment for public use in
22 counties in, along or through which a navigable river flows, (d)
23 provision within the county or any beneficiary county of structures
24 or other facilities used or operated by the authority or any
25 governmental unit in connection with, or relative to development
26 and improvement of, aviation for military or civilian purposes,
27 including research in connection therewith, and including structures
28 or other facilities for the accommodation of passengers, (e)
29 provision within the county or any beneficiary county of a public
30 facility for a combination of governmental and nongovernmental
31 uses; provided that not more than **【50%】** 50 percent of the usable
32 space in any such facility shall be made available for
33 nongovernmental use under a lease or other agreement by or with
34 the authority, (f) acquisition of any real property within the county
35 or any beneficiary county, with or without the improvements
36 thereof or thereon or personal property appurtenant or incidental
37 thereto, from the United States of America or any department,
38 agency or instrumentality heretofore or hereafter created,
39 designated or established by or for it, and the clearance,
40 development or redevelopment, improvement, use or disposition of
41 the acquired lands and premises in accordance with the provisions
42 and for the purposes stated in this act, including the construction,
43 reconstruction, demolition, rehabilitation, conversion, repair or
44 alteration of improvements on or to said lands and premises, and
45 structures and facilities incidental to the foregoing as may be
46 necessary, convenient or desirable, (g) acquisition, construction,
47 maintenance and operation of garbage and solid waste disposal
48 systems for the purpose of collecting and disposing of garbage,

1 solid waste or refuse matter, whether owned or operated by any
2 person, the authority or any other governmental unit, within or
3 without the county or any beneficiary county, (h) the improvement,
4 furtherance and promotion of the tourist industries and recreational
5 attractiveness of the county or any beneficiary county through the
6 planning, acquisition, construction, improvement, maintenance and
7 operation of facilities for the recreation and entertainment of the
8 public, which facilities may include, without being limited to, a
9 center for the performing and visual arts, (i) provision of loans and
10 other financial assistance and technical assistance for the
11 construction, reconstruction, demolition, rehabilitation, conversion,
12 repair or alteration of buildings or facilities designed to provide
13 decent, safe and sanitary dwelling units for persons of low and
14 moderate income in need of housing, including the acquisition of
15 land, equipment or other real or personal properties which the
16 authority determines to be necessary, convenient or desirable
17 appurtenances, all in accordance with the provisions of this act, as
18 amended and supplemented, (j) planning, initiating and carrying out
19 redevelopment projects for the elimination, and for the prevention
20 of the development or spread of blighted, deteriorated or
21 deteriorating areas and the disposition, for uses in accordance with
22 the objectives of the redevelopment project, of any property or part
23 thereof acquired in the area of such project, (k) any combination or
24 combinations of the foregoing or following, and (l) subject to the
25 prior approval of the Local Finance Board, the planning, design,
26 acquisition, construction, improvement, renovation, installation,
27 maintenance and operation of facilities or any other type of real or
28 personal property within the county for a corporation or other
29 person organized for any one or more of the purposes described in
30 subsection a. of N.J.S.15A:2-1 except those facilities or any other
31 type of real or personal property which can be financed pursuant to
32 the provisions of P.L.1972, c.29 (C.26:2I-1 et seq.) as amended. A
33 county improvement authority shall also have as its **[purpose]**
34 purposes the pooling of loans for any local governmental units
35 within the county or any beneficiary county that are refunding
36 bonds in order to achieve more favorable interest rates and terms
37 for those local governmental units, and the refinancing of student
38 loans, whether in the name of a student or parent borrower, for
39 students or parent borrowers who are residents of the county or a
40 beneficiary county.

41 (cf: P.L.2002, c.42, s.8)

42

43 3. Section 12 of P.L.1960, c.183 (C.40:37A-55) is amended to
44 read as follows:

45 12. Every authority shall be a public body politic and corporate
46 constituting a political subdivision of the State established as an
47 instrumentality exercising public and essential governmental
48 functions to provide for the public convenience, benefit and welfare

1 and shall have perpetual succession and, for the effectuation of its
2 purposes, have the following additional powers:

3 (a) To adopt and have a common seal and to alter the same at
4 pleasure;

5 (b) To sue and be sued;

6 (c) To acquire, hold, use and dispose of its facility charges and
7 other revenues and other moneys;

8 (d) To acquire, rent, hold, use and dispose of other personal
9 property for the purposes of the authority;

10 (e) Subject to the provisions of section 26 of this act, to acquire
11 by purchase, gift, condemnation or otherwise, or lease as lessee,
12 real property and easements or interests therein necessary or useful
13 and convenient for the purposes of the authority, whether subject to
14 mortgages, deeds of trust or other liens or otherwise, and to hold
15 and to use the same, and to dispose of property so acquired no
16 longer necessary for the purposes of the authority; provided that the
17 authority may dispose of such property at any time to any
18 governmental unit or person if the authority shall receive a
19 leasehold interest in the property for such term as the authority
20 deems appropriate to fulfill its purposes;

21 (f) Subject to the provisions of section 13 of this act, to lease to
22 any governmental unit or person, all or any part of any public
23 facility for such consideration and for such period or periods of
24 time and upon such other terms and conditions as it may fix and
25 agree upon;

26 (g) To enter into agreements to lease, as lessee, public facilities
27 for such term and under such conditions as the authority may deem
28 necessary and desirable to fulfill its purposes, and to agree,
29 pursuant thereto, to be unconditionally obligated to make payments
30 for the term of the lease, without set-off or counterclaim, whether or
31 not the public facility is completed, operating or operable, and
32 notwithstanding the destruction of, damage to, or suspension,
33 interruption, interference, reduction or curtailment of the
34 availability or output of the public facility to which the agreement
35 applies;

36 (h) To extend credit or make loans to any governmental unit or
37 person for the planning, design, acquisition, construction, equipping
38 and furnishing of a public facility, upon the terms and conditions
39 that the loans be secured by loan and security agreements,
40 mortgages, leases and other instruments, the payments on which
41 shall be sufficient to pay the principal of and interest on any bonds
42 issued for the purpose by the authority, and upon such other terms
43 and conditions as the authority shall deem reasonable;

44 (i) Subject to the provisions of section 13 of this act, to make
45 agreements of any kind with any governmental unit or person for
46 the use or operation of all or any part of any public facility for such
47 consideration and for such period or periods of time and upon such
48 other terms and conditions as it may fix and agree upon;

- 1 (j) (1) To borrow money and issue negotiable bonds or notes
2 or other obligations and provide for and secure the payment of any
3 bonds and the rights of the holders thereof, and to purchase, hold
4 and dispose of any bonds;
- 5 (2) To issue bonds, notes or other obligations to provide funding
6 to a municipality that finances the purchase and installation of
7 renewable energy systems and energy efficiency improvements by
8 property owners as provided in section 2 of P.L.2011, c.187
9 (C.40:56-13.1);
- 10 (k) To apply for and to accept gifts or grants of real or personal
11 property, money, material, labor or supplies for the purposes of the
12 authority from any governmental unit or person, and to make and
13 perform agreements and contracts and to do any and all things
14 necessary or useful and convenient in connection with the
15 procuring, acceptance or disposition of such gifts or grants;
- 16 (l) To determine the location, type and character of any public
17 facility and all other matters in connection with all or any part of
18 any public facility which it is authorized to own, construct,
19 establish, effectuate or control;
- 20 (m) To make and enforce bylaws or rules and regulations for the
21 management and regulation of its business and affairs and for the
22 use, maintenance and operation of any public facility, and to amend
23 the same;
- 24 (n) To do and perform any acts and things authorized by this act
25 under, through or by means of its own officers, agents and
26 employees, or by contract with any governmental unit or person;
- 27 (o) To acquire, purchase, construct, lease, operate, maintain and
28 undertake any project and to fix and collect facility charges for the
29 use thereof;
- 30 (p) To mortgage, pledge or assign or otherwise encumber all or
31 any portion of its revenues and other income, real and personal
32 property, projects and facilities for the purpose of securing its
33 bonds, notes and other obligations or otherwise in furtherance of the
34 purpose of this act;
- 35 (q) To extend credit or make loans to redevelopers for the
36 planning, designing, acquiring, constructing, reconstructing,
37 improving, equipping and furnishing any redevelopment project or
38 redevelopment work;
- 39 (r) To conduct examinations and investigations, hear testimony
40 and take proof, under oath at public or private hearings of any
41 material matter, require the attendance of witnesses and the
42 production of books and papers and issue commissions for the
43 examination of witnesses who are out of the State, unable to attend,
44 or excused from attendance;
- 45 (s) To authorize a committee designated by it consisting of one
46 or more members, or counsel, or any officer or employee to conduct
47 any such investigation or examination, in which case such
48 committee, counsel, officer or employee shall have power to

1 administer oaths, take affidavits and issue **【subpenas】** subpoenas or
2 commissions;

3 (t) To enter into any and all agreements or contracts, execute
4 any and all instruments, and do and perform any and all acts or
5 things necessary, convenient or desirable for the purposes of the
6 authority or to carry out any power expressly given in this act
7 subject to the "Local Public Contracts Law," P.L.1971, c.198
8 (C.40A:11-1 et seq.);

9 (u) To pool loans for any local governmental units within the
10 county or any beneficiary county that are refunding bonds and do
11 and perform any and all acts or things necessary, convenient or
12 desirable for the purpose of the authority to achieve more favorable
13 interest rates and terms for those local governmental units; **【and】**

14 (v) To act as and exercise the powers of a land bank entity
15 pursuant to P.L.2019, c.159 (C.40A:12A-74 et al.) for any
16 municipality situated within the county pursuant to a land banking
17 agreement approved by an ordinance adopted by the municipal
18 governing body; and

19 (w) Upon the direction of the county governing body, to make
20 loans, and advertise the availability of such loans, to any student
21 borrower or parent borrower who is a resident of the county or a
22 beneficiary county, and to any parent borrower who is a resident of
23 the State or has their primary employment within the State and who
24 is the obligor on a student loan for a student who is a resident of the
25 county or a beneficiary county, for the purpose of refinancing that
26 student loan at a lower interest rate. For the purposes of this
27 subsection, "student loan" means any amount borrowed, whether
28 through a public or private lender, for the purpose of attending an
29 institution of higher education or a proprietary institution licensed
30 in New Jersey to offer academic degrees.

31 (1) A student loan refinancing loan shall be made upon terms
32 and conditions as determined by the authority, and shall include but
33 not be limited to at least two different types of repayment plans, one
34 of which shall provide a percentage-of-discretionary income
35 repayment plan. Any repayment plan, to the extent practicable,
36 shall include deferment or forbearance options. All repayment
37 plans shall include provisions regarding cancellation of an
38 outstanding student loan reimbursement loan balance upon
39 certification of the death, total and permanent disability, or
40 temporary disability of a student borrower, that are consistent with
41 the terms of New Jersey College Loans to Assist State Students
42 (NJCLASS) loans following the enactment of P.L.2016, c.71
43 (C.18A:71C-31.1 et seq.).

44 (2) The interest rate and payments on student loan refinancing
45 loans shall be set by the authority at levels sufficient to pay the
46 principal of, and interest on, any bonds issued by the authority for
47 this purpose, and upon such other terms and conditions as the
48 authority shall deem reasonable; provided, however, that the

1 authority shall not refinance a student loan when the proposed
2 monthly payments would result in an undue hardship for the
3 borrower, taking into consideration their current sources of income
4 and other expenses. Any collections from student loan refinancing
5 loan payments in excess of the amount necessary to pay the
6 principal of, and interest on, any bonds issued by the authority for
7 this purpose shall be used solely to cover the reasonable costs of
8 administering the student loan refinancing program and losses from
9 defaults and other risks.

10 (3) It is intended that any student loan refinanced pursuant to
11 this subsection shall not be dischargeable in bankruptcy.

12 (4) The authority shall ensure that a borrower may contact and
13 speak with a live representative of the authority who can access the
14 borrower's loan information and who has knowledge of the student
15 loan refinancing program.

16 (cf: P.L.2019, c.159, s.17)

17
18 4. This act shall take effect immediately.
19
20

21 STATEMENT

22
23 This bill permits county improvement authorities to establish
24 student loan refinancing programs for certain borrowers. Under the
25 bill, a student-borrower who is a resident of the county, or a parent-
26 borrower who is a New Jersey resident or has his primary
27 employment in the State and who is the obligor on a student loan
28 for a student who is a resident of the county, may apply to refinance
29 that student loan at a lower interest rate.

30 The county improvement authority will set the interest rate and
31 other terms of the student loan refinancing loan, provided that the
32 interest rates charged are sufficient to pay the principal and interest
33 on any bonds issued by the authority to fund its program. The
34 authority is required to provide at least two different types of
35 repayment plans, one of which must provide, to the extent
36 practicable, deferment or forbearance options.

37 The bill stipulates that the authority is not permitted to refinance
38 a student loan if the payments would result in an undue hardship on
39 the borrower, taking into consideration the borrower's current
40 income and expenses. The bill provides that any student loan
41 refinancing loan may not be dischargeable in bankruptcy.

42 The bill also provides that the authority must ensure that a
43 borrower may contact and speak with a live representative of the
44 authority who can access the borrower's loan information and who
45 has knowledge of the student loan refinancing program.