

ASSEMBLY, No. 3652

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JANUARY 8, 2013

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

SYNOPSIS

“The Hurricane Sandy Relief and Recovery Bond Act;” authorizes bonds for \$1 billion to support State’s ongoing relief and recovery efforts and makes an appropriation to cover issuing costs.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** authorizing the creation of a debt of the State of New
2 Jersey by the issuance of bonds of the State in the aggregate
3 principal amount of \$1,000,000,000 for the purpose of funding
4 the State's ongoing relief and recovery efforts to meet the
5 emergency caused by Hurricane Sandy; providing the ways and
6 means to pay and discharge the principal of and interest on the
7 bonds; and making an appropriation for issuing costs.

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

11
12 1. This act shall be known and may be cited as "The Hurricane
13 Sandy Relief and Recovery Bond Act."

14
15 2. The Legislature finds and declares that:

16 a. A State of Emergency exists in New Jersey as a result of
17 Hurricane Sandy.

18 b. The Governor of the State of New Jersey declared a State of
19 Emergency in Executive Order 104, dated October 27, 2012.

20 c. The President of the United States of America declared New
21 Jersey to be in a State of emergency on October 28, 2012,
22 retroactive to October 26, 2012.

23 d. The damage caused to State and private property is without a
24 contemporary equal.

25 e. The State's extraordinary and exigent relief and recovery
26 efforts require financial support in excess of an amount that the
27 State's annual budget process can bear.

28 f. Pursuant to the authority granted to the Legislature in Article
29 VIII, Section II, Paragraph 3 of the New Jersey Constitution, this
30 act is enacted to meet the emergency caused by Hurricane Sandy.

31

32 3. As used in this act:

33 "Attorney General" means the Attorney General of the State of
34 New Jersey.

35 "Bonds" mean the bonds authorized to be issued, or issued,
36 under this act.

37 "Commissioner" means the Commissioner of Community
38 Affairs.

39 "Commissioner of Transportation" means the Commissioner of
40 Transportation pursuant to section 4 of P.L.1966, c.301 (C.27:1A-
41 4).

42 "Executive Director" means the Executive Director of the New
43 Jersey Economic Development Authority.

44 "Government securities" means any bonds or other obligations
45 which as to principal and interest constitute direct obligations of, or
46 are unconditionally guaranteed by, the United States of America,
47 including obligations of any federal agency, to the extent those
48 obligations are unconditionally guaranteed by the United States of

1 America, and any certificates or any other evidences of an
2 ownership interest in those obligations of, or unconditionally
3 guaranteed by, the United States of America or in specified portions
4 which may consist of the principal of, or the interest on, those
5 obligations.

6 “Hurricane Sandy Relief and Recovery Fund” means the fund
7 created pursuant to section 14 of this act.

8 “Issuing costs” mean costs incurred in the issuance of bonds, or
9 any interest or discount thereon; establishment of a reserve fund or
10 funds for working capital, operating, maintenance, or replacement
11 expenses and for the payment or security of principal or interest on
12 bonds, as the Director of the Division of Budget and Accounting in
13 the Department of the Treasury may determine; reimbursement to
14 any fund of the State of moneys which may have been transferred or
15 advanced therefrom to any fund created by this act, or of any
16 moneys which may have been expended therefrom for, or in
17 connection with, any project authorized by this act; and the use of
18 services of a bond registrar or an authenticating agent.

19 “Issuing officials” mean the Governor, the State Treasurer and
20 the Director of the Division of Budget and Accounting in the
21 Department of the Treasury.

22 “Local government entity” means an entity operating pursuant to
23 the authority of a city, borough, town, township, village,
24 municipality, county, school district, or other political subdivision
25 of the State deemed to be a local entity by the State Treasurer.

26 “Private entity” means an individual or a business entity acting
27 in a nongovernmental capacity.

28 “Qualified residential property acquisition costs” mean costs
29 incurred by the State pursuant to section 19 of this act in acquiring
30 residential property, including, but not limited to, the purchase price
31 and administrative expenses associated with completing a purchase
32 of residential property that as of October 26, 2012: (i) was used as
33 the seller’s principal residence for five consecutive years; and (ii)
34 sustained significant weather inflicted damage from Hurricane
35 Sandy and at least one other incident of significant weather inflicted
36 damage in the five years immediately preceding October 26, 2012.

37 “Recovery effort costs” mean costs, not otherwise reimbursed,
38 that are incurred directly in meeting the emergency caused by
39 Hurricane Sandy for capital facility restoration, capital facility
40 preservation, capital facility improvements, new capital facilities,
41 acquisition of land, capital equipment restoration, capital equipment
42 preservation, capital equipment acquisitions, planning, feasibility
43 studies, necessary furnishing, environmental remediation, the
44 execution of any agreements and franchises deemed by the State
45 Treasurer, Commissioner, Attorney General, or Executive Director,
46 as applicable pursuant to sections 15, 16, 17, or 18 of this act, to be
47 necessary or useful and convenient in connection with any
48 expenditures authorized by this act, the procurement or provision of

1 engineering, inspection, planning, legal, financial, or other
2 professional services, estimates, studies, reports, or advice, and the
3 administrative, organizational, operating, other expenses incident to
4 the financing and completing of any expenditure authorized by this
5 act, and reimbursing damage or loss resulting from Hurricane
6 Sandy.

7 “Relief effort costs” mean costs, not otherwise reimbursed, that
8 are incurred directly in meeting the emergency caused by Hurricane
9 Sandy for materials, supplies, salaries, wages, personal services,
10 facility maintenance, operational costs, services other than personal,
11 rent, feasibility studies, compliance auditing associated with the
12 distribution of funds raised pursuant to this act, the execution of any
13 agreements and franchises deemed by the State Treasurer,
14 Commissioner, Attorney General, or Executive Director, as
15 applicable pursuant to sections 15, 16, or 17 of this act, to be
16 necessary or useful and convenient in connection with any
17 expenditures authorized by this act, the procurement or provision of
18 engineering, inspection, planning, legal, financial, or other
19 professional services, estimates, studies, reports, or advice, and the
20 administrative, organizational, operating, or other expenses incident
21 to the financing and completing of any expenditure authorized by
22 this act.

23 “Repair costs” mean unreimbursed costs incurred in restoring a
24 residential property for use as a principal residence, but do not
25 include costs arising from an expansion of residential capacity as
26 measured from the date preceding the date of weather inflicted
27 damage.

28 “Significant weather inflicted damage” means damage caused by
29 severe weather conditions, including, but not limited to, flooding
30 and strong winds, that gave rise to repair costs that exceeded ten
31 percent of the residential property’s appraised value.

32 “State Comptroller” means the administrator of the Office of the
33 State Comptroller.

34 “State entity” means an entity operating in the form of a State
35 department, agency, board, commission, corporation, authority,
36 university or college, or an entity created by the State that the State
37 Treasurer deems to be a State entity.

38 “State Treasurer” means the Treasurer of the State of New
39 Jersey.

40 “Transportation infrastructure” means a transportation facility,
41 capital equipment associated with a transportation facility, real
42 property associated with a transportation facility, other capital
43 components associated with the State’s integrated public
44 transportation system, as determined by the Commissioner of
45 Transportation, and administrative costs associated with the
46 implementation of a transportation infrastructure project undertaken
47 pursuant to this act.

1 4. a. Notwithstanding any provision of the “Administrative
2 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the
3 contrary, the State Treasurer may adopt immediately upon filing
4 with the Office of Administrative Law such regulations as the State
5 Treasurer deems necessary to implement the provisions of this act,
6 which regulations shall be effective for a period not to exceed 180
7 days following the date of enactment of P.L. , c. (C.)
8 (pending before the Legislature as this bill) and may thereafter be
9 amended, adopted, or readopted by the State Treasurer in
10 accordance with the “Administrative Procedure Act,” P.L.1968,
11 c.410 (C.52:14B-1 et seq.).

12 The State Treasurer shall review and consider the findings and
13 recommendations of the Attorney General, Commissioner,
14 Executive Director, Commissioner of Transportation, and State
15 Comptroller in the promulgation of regulations and administration
16 of this act.

17 b. In carrying out the compliance evaluations required pursuant
18 to paragraph (5) of subsection b. of section 15 of this act, the State
19 Comptroller shall report findings of the compliance evaluations to
20 the State Treasurer, Commissioner, Attorney General, Executive
21 Director, and Commissioner of Transportation, as the State
22 Comptroller deems necessary to ensure that expenditures are made
23 in compliance with this act, regulations thereto, and executive
24 branch guidance. The State Comptroller shall report findings of
25 compliance evaluations to the Legislature pursuant to section 2 of
26 P.L.1991, c.164 (C.52:14-19.1), on the first business day of April
27 commencing no less than twelve months after the date of enactment
28 of this act, which report shall cover all previously unreported
29 activity occurring prior to the immediately preceding January 1.
30 The State Comptroller’s duty to report to the Legislature pursuant to
31 this subsection shall not apply to reporting periods for which no
32 compliance evaluations were undertaken.

33

34 5. a. Bonds of the State of New Jersey are authorized to be
35 issued in the aggregate principal amount of \$1,000,000,000 for the
36 purpose of meeting the emergency caused by Hurricane Sandy by
37 financing the State’s relief and recovery efforts and issuing costs.

38 b. Of the aggregate principal amount authorized pursuant to
39 subsection a. of this section, the State Treasurer shall allocate an
40 amount to provide direct State spending for relief and recovery
41 effort costs as provided and administered by the State Treasurer
42 pursuant to section 15 of this act, subject to the approval of the
43 Joint Budget Oversight Committee.

44 c. Of the aggregate principal amount authorized pursuant to
45 subsection a. of this section, the State Treasurer shall allocate an
46 amount to provide grants to local government entities for relief and
47 recovery effort costs as provided and administered by the

1 Commissioner pursuant to section 16 of this act, subject to the
2 approval of the Joint Budget Oversight Committee.

3 d. Of the aggregate principal amount authorized pursuant to
4 subsection a. of this section, the State Treasurer shall allocate an
5 amount to provide grants to private entities for relief and recovery
6 effort costs as provided and administered by the Attorney General
7 pursuant to section 17 of this act, subject to the approval of the
8 Joint Budget Oversight Committee.

9 e. Of the aggregate principal amount authorized pursuant to
10 subsection a. of this section, the State Treasurer shall allocate an
11 amount to provide low-interest loans to private entities for recovery
12 effort costs as provided and administered by the Executive Director
13 pursuant to section 18 of this act, subject to the approval of the
14 Joint Budget Oversight Committee.

15 f. Of the aggregate principal amount authorized pursuant to
16 subsection a. of this section, the State Treasurer shall allocate an
17 amount to provide capital purpose spending for qualified residential
18 property acquisition costs as provided and administered by the
19 Commissioner pursuant to section 19 of this act, subject to the
20 approval of the Joint Budget Oversight Committee.

21 g. Of the aggregate principal amount authorized pursuant to
22 subsection a. of this section, the State Treasurer shall allocate an
23 amount to provide grants to local government entities for
24 transportation infrastructure costs as provided and administered by
25 the Commissioner of Transportation pursuant to section 20 of this
26 act, subject to the approval of the Joint Budget Oversight
27 Committee.

28 h. For purposes of this section, allocations subject to the
29 approval of the Joint Budget Oversight Committee shall be deemed
30 approved, unless a resolution of disapproval is adopted within five
31 working days of receipt of the proposed allocation. No allocation
32 may be approved, deemed or otherwise, until the Joint Budget
33 Oversight Committee approves each plan required for submission
34 pursuant section 28 of this act.

35
36 6. The bonds authorized under this act shall be serial bonds,
37 term bonds, or a combination thereof, and shall be known as
38 "Hurricane Sandy Relief and Recovery Bonds." They shall be
39 issued from time to time as the issuing officials herein named shall
40 determine and may be issued in coupon form, fully-registered form
41 or book-entry form. The bonds may be subject to redemption prior
42 to maturity and shall mature and be paid not later than 35 years
43 from the respective dates of their issuance.

44
45 7. The Governor, the State Treasurer and the Director of the
46 Division of Budget and Accounting in the Department of the
47 Treasury, or any two of these officials, herein referred to as "the
48 issuing officials," are authorized to carry out the provisions of this

1 act relating to the issuance of bonds, and shall determine all matters
2 in connection therewith, subject to the provisions of this act. If an
3 issuing official is absent from the State or incapable of acting for
4 any reason, the powers and duties of that issuing official shall be
5 exercised and performed by the person authorized by law to act in
6 an official capacity in the place of that issuing official.

7
8 8. Bonds issued in accordance with the provisions of this act
9 shall be a direct obligation of the State of New Jersey, and the faith
10 and credit of the State are pledged for the payment of the interest
11 and redemption premium thereon, if any, when due, and for the
12 payment of the principal thereof at maturity or earlier redemption
13 date. The principal of and interest on the bonds shall be exempt
14 from taxation by the State or by any county, municipality or other
15 taxing district of the State.

16
17 9. The bonds shall be signed in the name of the State by means
18 of the manual or facsimile signature of the Governor under the
19 Great Seal of the State, which seal may be by facsimile or by way
20 of any other form of reproduction on the bonds, and attested by the
21 manual or facsimile signature of the Secretary of State, or an
22 Assistant Secretary of State, and shall be countersigned by the
23 facsimile signature of the Director of the Division of Budget and
24 Accounting in the Department of the Treasury and may be manually
25 authenticated by an authenticating agent or bond registrar, as the
26 issuing official shall determine. Interest coupons, if any, attached
27 to the bonds shall be signed by the facsimile signature of the
28 Director of the Division of Budget and Accounting in the
29 Department of the Treasury. The bonds may be issued
30 notwithstanding that an official signing them or whose manual or
31 facsimile signature appears on the bonds or coupons has ceased to
32 hold office at the time of issuance, or at the time of the delivery of
33 the bonds to the purchaser thereof.

34
35 10. a. The bonds shall recite that they are issued for the
36 purposes set forth in section 5 of this act, that they are issued
37 pursuant to this act, that this act is enacted by the Legislature of the
38 State of New Jersey to meet an emergency pursuant to Article VIII,
39 Section II, Paragraph 3 of the Constitution of the State of New
40 Jersey. This recital shall be conclusive evidence of the authority of
41 the State to issue the bonds and their validity. Any bonds
42 containing this recital shall, in any suit, action or proceeding
43 involving their validity, be conclusively deemed to be fully
44 authorized by this act and to have been issued, sold, executed and
45 delivered in conformity herewith and with all other provisions of
46 laws applicable hereto, and shall be incontestable for any cause.

47 b. The bonds shall be issued in those denominations and in the
48 form or forms, whether coupon, fully-registered or book-entry, and

1 with or without provisions for interchangeability thereof, as may be
2 determined by the issuing officials.

3
4 11. When the bonds are issued from time to time, the bonds of
5 each issue shall constitute a separate series to be designated by the
6 issuing officials. Each series of bonds shall bear such rate or rates
7 of interest as may be determined by the issuing officials, which
8 interest shall be payable semiannually; except that the first and last
9 interest periods may be longer or shorter, in order that intervening
10 semiannual payments may be at convenient dates.

11
12 12. The bonds shall be issued and sold at the price or prices and
13 under the terms, conditions and regulations as the issuing officials
14 may prescribe, after notice of the sale, published at least once in at
15 least three newspapers published in this State, and at least once in a
16 publication carrying municipal bond notices and devoted primarily
17 to financial news, published in this State or in the city of New York,
18 the first notice to appear at least five days prior to the day of
19 bidding. The notice of sale may contain a provision to the effect
20 that any bid in pursuance thereof may be rejected. In the event of
21 rejection or failure to receive any acceptable bid, the issuing
22 officials, at any time within 60 days from the date of the advertised
23 sale, may sell the bonds at a private sale at such price or prices
24 under the terms and conditions as the issuing officials may
25 prescribe. The issuing officials may sell all or part of the bonds of
26 any series as issued to any State fund or to the federal government
27 or any agency thereof, at a private sale, without advertisement.

28
29 13. Until permanent bonds are prepared, the issuing officials
30 may issue temporary bonds in the form and with those privileges as
31 to their registration and exchange for permanent bonds as may be
32 determined by the issuing officials.

33
34 14. a. The proceeds from the sale of bonds used to provide
35 funding for the issuing, relief effort, recovery effort, and qualified
36 residential property acquisition costs to meet the emergency caused
37 by Hurricane Sandy as set forth in sections 5, 15, 16, 17, 18, 19, 20
38 and 28 of this act shall be paid to the State Treasurer, shall be held
39 by the State Treasurer in a separate fund, and shall be deposited in
40 such depositories as may be selected by the State Treasurer to the
41 credit of the fund, which fund shall be known as the "Hurricane
42 Sandy Relief and Recovery Fund." The moneys in the "Hurricane
43 Sandy Relief and Recovery Fund" are dedicated to meet the
44 emergency caused by Hurricane Sandy by financing the State's
45 issuing, relief effort, recovery effort, and qualified residential
46 property acquisition costs. No moneys in the "Hurricane Sandy
47 Relief and Recovery Fund" shall be expended for those purposes,
48 except as otherwise authorized by this act, without the specific

1 appropriation thereof by the Legislature, but bonds may be issued as
2 herein provided, notwithstanding that the Legislature shall not have
3 then adopted an act making a specific appropriation of any of the
4 moneys. Any act appropriating moneys from the “Hurricane Sandy
5 Relief and Recovery Fund” shall identify the program to be funded
6 by the moneys as authorized pursuant to sections 5, 15, 16, 17, 18,
7 19, 20, and 28.

8 b. At any time prior to the issuance and sale of bonds under
9 this act, the State Treasurer is authorized to transfer from any
10 available moneys in any fund of the treasury of the State to the
11 credit of the “Hurricane Sandy Relief and Recovery Fund.” those
12 sums as the State Treasurer may deem necessary. The sums so
13 transferred shall be returned to the same fund of the Treasury of the
14 State by the State Treasurer from the proceeds of the sale of the first
15 issue of bonds.

16 c. Pending their application to the purposes provided in this
17 act, the moneys in the “Hurricane Sandy Relief and Recovery Fund”
18 may be invested and reinvested as are other trust funds in the
19 custody of the State Treasurer, in the manner provided by law. Net
20 earnings received from the investment, reinvestment, or deposit of
21 moneys in the “Hurricane Sandy Relief and Recovery Fund” shall
22 be deposited into the “Hurricane Sandy Relief and Recovery Fund”
23 and become part of the fund.
24

25 15. a. The moneys in the “Hurricane Sandy Relief and Recovery
26 Fund” that are allocated to direct State spending relief and recovery
27 effort costs expenditures pursuant to subsection b. of section 5 of
28 this act shall be deposited into a subaccount dedicated thereto.

29 The moneys deposited into the dedicated subaccount for direct
30 State spending relief and recovery effort costs expenditures shall be
31 applied to the cost of direct State spending for relief and recovery
32 effort costs to meet the emergency caused by Hurricane Sandy by
33 financing the State’s relief and recovery efforts as set forth in
34 subsection b. of section 5 of this act. No moneys in the subaccount
35 shall be expended for those purposes, except as otherwise
36 authorized by this act.

37 b. Any expenditures made from the dedicated subaccount for
38 direct State spending relief and recovery effort costs shall be based
39 upon criteria and procedures established by the State Treasurer.
40 The criteria and procedures established by the State Treasurer shall:

41 (1) Prioritize direct State spending priorities based on potential
42 to expedite the State’s relief and recovery efforts to meet the
43 emergency caused by Hurricane Sandy;

44 (2) In descending order of priority, consider inhabitant safety,
45 property preservation, and economic revitalization interests in
46 formulating direct State spending priorities relative to the impact of
47 the Hurricane Sandy emergency;

1 (3) Promote the rebuilding and installation of mechanisms
2 designed to protect the State from further emergency;

3 (4) Include a need based analysis for recipients that considers
4 financial capacity, severity of uncompensated loss relative to
5 financial capacity, and general capacity to fulfill basic needs; and

6 (5) Include an allocation of direct State spending for an
7 evaluation by the State Comptroller, which evaluation shall cover
8 no less than two percent of all expenditures authorized pursuant to
9 this act for compliance with this act, regulations thereto, and
10 executive branch guidance.

11
12 16. a. The moneys in the “Hurricane Sandy Relief and Recovery
13 Fund” that are allocated to provide grants to local government
14 entities for relief and recovery effort costs pursuant to subsection c.
15 of section 5 of this act shall be deposited into a subaccount
16 dedicated thereto.

17 The moneys deposited into the dedicated subaccount for grants
18 to local government entities for relief and recovery effort costs shall
19 be applied to the cost of grants to local government entities for
20 relief and recovery effort costs to meet the emergency caused by
21 Hurricane Sandy by financing the State’s relief and recovery efforts
22 as set forth in subsection c. of section 5 of this act. No moneys in
23 the subaccount shall be expended for those purposes, except as
24 otherwise authorized by this act.

25 b. Any expenditures made from the dedicated subaccount for
26 grants to local government entities for relief and recovery effort
27 costs shall be based upon criteria and procedures established by the
28 Commissioner. The criteria and procedures established by the
29 Commissioner shall:

30 (1) Prioritize grant award priorities based on potential to
31 expedite the State’s relief and recovery efforts to meet the
32 emergency caused by Hurricane Sandy;

33 (2) In descending order of priority, consider inhabitant safety,
34 property preservation, and economic revitalization interests in
35 formulating grant award priorities relative to the impact of the
36 Hurricane Sandy emergency;

37 (3) Promote the rebuilding and installation of mechanisms
38 designed to protect the State from further emergency; and

39 (4) Include a need based analysis for recipients that considers
40 financial capacity, severity of uncompensated loss relative to
41 financial capacity, and general capacity to fulfill basic needs.

42
43 17. a. The moneys in the “Hurricane Sandy Relief and Recovery
44 Fund” that are allocated to provide grants to private entities for
45 relief and recovery effort costs pursuant to subsection d. of section
46 5 of this act shall be deposited into a subaccount dedicated thereto.

47 The moneys deposited into the dedicated subaccount for grants
48 to private entities for relief and recovery effort costs shall be

1 applied to the cost of grants to private entities for relief and
2 recovery effort costs to meet the emergency caused by Hurricane
3 Sandy by financing the State's relief and recovery efforts as set
4 forth in subsection d. of section 5 of this act. No moneys in the
5 subaccount shall be expended for those purposes, except as
6 otherwise authorized by this act.

7 b. Any expenditures made from the dedicated subaccount for
8 grants to private entities for relief and recovery effort costs shall be
9 based upon criteria and procedures established by the Attorney
10 General. The criteria and procedures established by the Attorney
11 General shall:

12 (1) Prioritize grant award priorities based on potential to
13 expedite the State's relief and recovery efforts to meet the
14 emergency caused by Hurricane Sandy;

15 (2) In descending order of priority, consider inhabitant safety,
16 property preservation, and economic revitalization interests in
17 formulating grant award priorities relative to the impact of the
18 Hurricane Sandy emergency;

19 (3) Promote the rebuilding and installation of mechanisms
20 designed to protect the State from further emergency;

21 (4) Include a need based analysis for recipients that considers
22 financial capacity, severity of uncompensated loss relative to
23 financial capacity, and general capacity to fulfill basic needs; and

24 (5) Restrict the receipt of grants to private entities for recovery
25 effort costs to those recipients demonstrating that the receipt of a
26 low-interest loan pursuant to section 18 of this act is insufficient
27 relative to the need based analysis required pursuant to paragraph
28 (4) of this subsection.

29

30 18. a. The moneys in the "Hurricane Sandy Relief and Recovery
31 Fund" that are allocated to provide low-interest loans to private
32 entities for recovery effort costs pursuant to subsection e. of section
33 5 of this act shall be deposited into a subaccount dedicated thereto.

34 The moneys deposited into the dedicated subaccount for low-
35 interest loans to private entities for recovery effort costs shall be
36 applied to the cost of low-interest loans to private entities for
37 recovery effort costs to meet the emergency caused by Hurricane
38 Sandy by financing the State's low-interest loans to private entities
39 for recovery effort costs as set forth in subsection e. of section 5 of
40 this act. No moneys in the subaccount shall be expended for those
41 purposes, except as otherwise authorized by this act.

42 b. Loans issued from "New Jersey's Hurricane Sandy Relief
43 and Recovery Fund" shall be for a term as determined by the
44 Executive Director not to exceed 20 years and at an interest rate
45 determined by the Executive Director not to exceed 4 percent per
46 year. The terms of any loan agreement shall be approved by the
47 State Treasurer. Any loan made from "New Jersey's Hurricane
48 Sandy Relief and Recovery Fund" shall be awarded based upon

1 criteria and procedures established by the Executive Director. The
2 criteria and procedures established by the Executive Director shall:

3 (1) Prioritize loan applications based on potential to expedite the
4 State's recovery efforts to meet the emergency caused by Hurricane
5 Sandy;

6 (2) In descending order of priority, consider inhabitant safety,
7 property preservation, and economic revitalization interests in
8 formulating loan application priorities relative to the impact of the
9 Hurricane Sandy emergency;

10 (3) Promote the rebuilding and installation of mechanisms
11 designed to protect the State from further emergency; and

12 (4) Include a need based analysis for recipients that considers
13 financial capacity, severity of uncompensated loss relative to
14 financial capacity, and general capacity to fulfill basic needs.

15
16 19. a. The moneys in the "Hurricane Sandy Relief and Recovery
17 Fund" that are allocated to provide capital purpose spending for
18 qualified residential property acquisition costs pursuant to
19 subsection f. of section 5 of this act shall be deposited into a
20 subaccount dedicated thereto.

21 The moneys deposited into the dedicated subaccount for capital
22 purpose spending for qualified residential property acquisition costs
23 shall be applied to the qualified residential property acquisition
24 costs as set forth in subsection f. of section 5 of this act. No
25 moneys in the subaccount shall be expended for those purposes,
26 except as otherwise authorized by this act.

27 b. Any expenditures made from the dedicated subaccount for
28 qualified residential property acquisition costs shall be based upon
29 criteria and procedures established by the Commissioner. The
30 criteria and procedures established by the Commissioner shall:

31 (1) Plan qualified residential property acquisition costs in a
32 manner so as to expedite the State's effort to provide relief and
33 recovery in meeting the emergency caused by Hurricane Sandy;

34 (2) Prioritize qualified residential property acquisition costs in a
35 manner so as to maximize the State's economic revitalization
36 interests in meeting the emergency caused by Hurricane Sandy;

37 (3) Include a need based analysis of sellers that considers
38 financial capacity, severity of significant weather inflicted damage
39 relative to financial capacity to absorb repair costs, and general
40 capacity to fulfill basic needs; and

41 (4) Require that each residential property acquisition be
42 conducted using a purchase price equal to the appraised value of the
43 residential property, except that no purchase price may exceed
44 \$500,000.

45
46 20. a. The moneys in the "Hurricane Sandy Relief and Recovery
47 Fund" that are allocated to provide grants to local government
48 entities for transportation infrastructure costs pursuant to subsection

1 g. of section 5 of this act shall be deposited into a subaccount
2 dedicated thereto.

3 The moneys deposited into the dedicated subaccount for grants
4 to local government entities for transportation infrastructure costs
5 shall be applied to the cost of grants to local government entities for
6 transportation infrastructure costs incurred to meet the emergency
7 caused by Hurricane Sandy by financing the State's relief and
8 recovery efforts as set forth in subsection g. of section 5 of this act.
9 No moneys in the subaccount shall be expended for those purposes,
10 except as otherwise authorized by this act.

11 b. Any expenditures made from the dedicated subaccount for
12 grants to local government entities for transportation infrastructure
13 costs shall be based upon criteria and procedures established by the
14 Commissioner of Transportation. The criteria and procedures
15 established by the Commissioner of Transportation shall:

16 (1) Prioritize grant award priorities based on potential to
17 expedite the State's relief and recovery efforts to meet the
18 emergency caused by Hurricane Sandy;

19 (2) In descending order of priority, consider inhabitant safety,
20 property preservation, and economic revitalization interests in
21 formulating grant award priorities relative to the impact of the
22 Hurricane Sandy emergency;

23 (3) Promote the rebuilding and installation of transportation
24 infrastructure designed to protect the State from further emergency;
25 and

26 (4) Include a need based analysis for recipients that considers
27 financial capacity, severity of uncompensated loss relative to
28 financial capacity, and general capacity to fulfill transportation
29 infrastructure needs.

30

31 21. If any coupon bond, coupon or registered bond is lost,
32 mutilated or destroyed, a new bond or coupon shall be executed and
33 delivered of like tenor, in substitution for the lost, mutilated or
34 destroyed bond or coupon, upon the owner furnishing to the issuing
35 officials evidence satisfactory to them of the loss, mutilation or
36 destruction of the bond or coupon, the ownership thereof, and
37 security, indemnity and reimbursement for expenses connected
38 therewith, as the issuing officials may require.

39

40 22. The accrued interest, if any, received upon the sale of the
41 bonds shall be applied to the discharge of a like amount of interest
42 upon the bonds when due. Any expense incurred by the issuing
43 officials for advertising, engraving, printing, clerical,
44 authenticating, registering, legal or other services necessary to carry
45 out the duties imposed upon them by the provisions of this act shall
46 be paid from the proceeds of the sale of the bonds by the State
47 Treasurer, upon the warrant of the Director of the Division of

1 Budget and Accounting in the Department of the Treasury, in the
2 same manner as other obligations of the State are paid.

3
4 23. Bonds of each series issued hereunder shall mature,
5 including any sinking fund redemptions, not later than the 35th year
6 from the date of issue of that series, and in amounts as shall be
7 determined by the issuing officials. The issuing officials may
8 reserve to the State by appropriate provision in the bonds of any
9 series the power to redeem any of the bonds prior to maturity at the
10 price or prices and upon the terms and conditions as may be
11 provided in the bonds.

12
13 24. Any bond or bonds issued hereunder which are subject to
14 refinancing pursuant to the "Refunding Bond Act of 1985,"
15 P.L.1985, c.74 as amended by P.L.1992, c.182 (C.49:2B-1 et seq.),
16 shall no longer be deemed to be outstanding, shall no longer
17 constitute a direct obligation of the State of New Jersey, and the
18 faith and credit of the State shall no longer be pledged to the
19 payment of the principal of, redemption premium, if any, and
20 interest on the bonds, and the bonds shall be secured solely by and
21 payable solely from moneys and government securities deposited in
22 trust with one or more trustees or escrow agents, which trustees and
23 escrow agents shall be trust companies or national or state banks
24 having powers of a trust company, located either within or without
25 the State, as provided herein, whenever there shall be deposited in
26 trust with the trustees or escrow agents, as provided herein, either
27 moneys or government securities, including government securities
28 issued or held in book-entry form on the books of the Department of
29 Treasury of the United States, the principal of and interest on which
30 when due will provide money which, together with the moneys, if
31 any, deposited with the trustees or escrow agents at the same time,
32 shall be sufficient to pay when due the principal of, redemption
33 premium, if any, and interest due and to become due on the bonds
34 on or prior to the redemption date or maturity date thereof, as the
35 case may be; provided the government securities shall not be
36 subject to redemption prior to their maturity other than at the option
37 of the holder thereof. The State of New Jersey hereby covenants
38 with the holders of any bonds for which government securities or
39 moneys shall have been deposited in trust with the trustees or
40 escrow agents as provided in this section that, except as otherwise
41 provided in this section, neither the government securities nor
42 moneys so deposited with the trustees or escrow agents shall be
43 withdrawn or used by the State for any purpose other than, and shall
44 be held in trust for, the payment of the principal of, redemption
45 premium, if any, and interest to become due on the bonds; provided
46 that any cash received from the principal or interest payments on
47 the government securities deposited with the trustees or escrow
48 agents, to the extent the cash will not be required at any time for

1 that purpose, shall be paid over to the State, as received by the
2 trustees or escrow agents, free and clear of any trust, lien, pledge or
3 assignment securing the bonds; and to the extent the cash will be
4 required for that purpose at a later date, shall, to the extent
5 practicable and legally permissible, be reinvested in government
6 securities maturing at times and in amounts sufficient to pay when
7 due the principal of, redemption premium, if any, and interest to
8 become due on the bonds on and prior to the redemption date or
9 maturity date thereof, as the case may be, and interest earned from
10 the reinvestments shall be paid over to the State, as received by the
11 trustees or escrow agents, free and clear of any trust, lien or pledge
12 securing the bonds.

13 Notwithstanding anything to the contrary contained herein:

14 a. the trustees or escrow agents shall, if so directed by the
15 issuing officials, apply moneys on deposit with the trustees or
16 escrow agents pursuant to the provisions of this section, and redeem
17 or sell government securities so deposited with the trustees or
18 escrow agents, and apply the proceeds thereof to

19 (1) the purchase of the bonds which were refinanced by the
20 deposit with the trustees or escrow agents of the moneys and
21 government securities and immediately thereafter cancel all bonds
22 so purchased, or

23 (2) the purchase of different government securities; provided
24 however, that the moneys and government securities on deposit
25 with the trustees or escrow agents after the purchase and
26 cancellation of the bonds or the purchase of different government
27 securities shall be sufficient to pay when due the principal of,
28 redemption premium, if any, and interest on all other bonds in
29 respect of which the moneys and government securities were
30 deposited with the trustees or escrow agents on or prior to the
31 redemption date or maturity date thereof, as the case may be; and

32 b. in the event that on any date, as a result of any purchases and
33 cancellations of bonds or any purchases of different government
34 securities, as provided in this sentence, the total amount of moneys
35 and government securities remaining on deposit with the trustees or
36 escrow agents is in excess of the total amount which would have
37 been required to be deposited with the trustees or escrow agents on
38 that date in respect of the remaining bonds for which the deposit
39 was made in order to pay when due the principal of, redemption
40 premium, if any, and interest on the remaining bonds, the trustees or
41 escrow agents shall, if so directed by the issuing officials, pay the
42 amount of the excess to the State, free and clear of any trust, lien,
43 pledge or assignment securing the refunding bonds.

44

45 25. Refunding bonds issued pursuant to P.L.1985, c.74 as
46 amended by P.L.1992, c.182 (C.49:2B-1 et seq.) may be
47 consolidated with bonds issued pursuant to section 5 of this act or
48 with bonds issued pursuant to any other act for purposes of sale.

1 26. To provide funds to meet the interest and principal payment
2 requirements for the bonds and refunding bonds issued under this
3 act and outstanding, there is appropriated in the order following:

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

7 b. If, at any time, funds necessary to meet the interest,
8 redemption premium, if any, and principal payments on outstanding
9 bonds issued under this act are insufficient or not available, there
10 shall be assessed, levied and collected annually in each of the
11 municipalities of the counties of this State, a tax on the real and
12 personal property upon which municipal taxes are or shall be
13 assessed, levied and collected, sufficient to meet the interest on all
14 outstanding bonds issued hereunder and on the bonds proposed to
15 be issued under this act in the calendar year in which the tax is to be
16 raised and for the payment of bonds falling due in the year
17 following the year for which the tax is levied. The tax shall be
18 assessed, levied and collected in the same manner and at the same
19 time as are other taxes upon real and personal property. The
20 governing body of each municipality shall cause to be paid to the
21 county treasurer of the county in which the municipality is located,
22 on or before December 15 in each year, the amount of tax herein
23 directed to be assessed and levied, and the county treasurer shall
24 pay the amount of the tax to the State Treasurer on or before
25 December 20 in each year.

26 If on or before December 31 in any year, the issuing officials, by
27 resolution, determine that there are moneys in the General Fund
28 beyond the needs of the State, sufficient to pay the principal of
29 bonds falling due and all interest and redemption premium, if any,
30 payable in the ensuing calendar year, the issuing officials shall file
31 the resolution in the office of the State Treasurer, whereupon the
32 State Treasurer shall transfer the moneys to a separate fund to be
33 designated by the State Treasurer, and shall pay the principal,
34 redemption premium, if any, and interest out of that fund as the
35 same shall become due and payable, and the other sources of
36 payment of the principal, redemption premium, if any, and interest
37 provided for in this section shall not then be available, and the
38 receipts for the year from the tax specified in subsection a. of this
39 section shall be considered and treated as part of the General Fund,
40 available for general purposes.

41

42 27. Should the State Treasurer, by December 31 of any year,
43 deem it necessary, because of the insufficiency of funds collected
44 from the sources of revenues as provided in this act, to meet the
45 interest and principal payments for the year after the ensuing year,
46 then the State Treasurer shall certify to the Director of the Division
47 of Budget and Accounting in the Department of the Treasury the
48 amount necessary to be raised by taxation for those purposes, the

1 same to be assessed, levied and collected for and in the ensuing
2 calendar year. The director shall, on or before March 1 following,
3 calculate the amount in dollars to be assessed, levied and collected
4 in each county as herein set forth. This calculation shall be based
5 upon the corrected assessed valuation of each county for the year
6 preceding the year in which the tax is to be assessed, but the tax
7 shall be assessed, levied and collected upon the assessed valuation
8 of the year in which the tax is assessed and levied. The director
9 shall certify the amount to the county board of taxation and the
10 treasurer of each county. The county board of taxation shall include
11 the proper amount in the current tax levy of the several taxing
12 districts of the county in proportion to the ratables as ascertained for
13 the current year.

14

15 28. a. The programs designed to meet the State emergency
16 cause by Hurricane Sandy pursuant to sections 15, 16, 17, 18, 19,
17 and 20 of this act shall be governed by plans submitted by the State
18 Treasurer, Commissioner, Attorney General, Executive Director,
19 and Commissioner of Transportation, as provided pursuant to this
20 section. Each plan shall be subject to the approval of the Joint
21 Budget Oversight Committee. A plan subject to the approval of the
22 Joint Budget Oversight Committee shall be deemed approved,
23 unless the Joint Budget Oversight Committee adopts a resolution of
24 disapproval within five working days of receipt of a proposed plan.

25 b. (1) Within 30 days of the date of enactment of this act, the
26 State Treasurer shall submit to the Joint Budget Oversight
27 Committee, or its successor, a plan for the direct State spending
28 program for relief and recovery effort costs authorized pursuant to
29 section 15 of this act. The plan shall include the following
30 information: a description of direct State spending initiatives
31 planned to meet the emergency caused by Hurricane Sandy; a copy
32 of the regulations to govern the operation of the direct State
33 spending initiatives planned to meet the emergency caused by
34 Hurricane Sandy; a copy of the criteria and procedures established
35 for direct State spending priorities to meet the emergency caused by
36 Hurricane Sandy pursuant to subsection b. of section 15; and an
37 estimate of impending direct State spending expenditures to meet
38 the emergency caused by Hurricane Sandy.

39 (2) Within 30 days of the date of enactment of this act, the
40 Commissioner shall submit to the Joint Budget Oversight
41 Committee, or its successor, a plan for the grant program for local
42 government relief and recovery effort costs authorized pursuant to
43 section 16 of this act. The plan shall include the following
44 information: a description of the grant program initiatives planned
45 to meet the emergency caused by Hurricane Sandy; a copy of the
46 regulations to govern the operation of the grant program initiatives
47 planned to meet the emergency caused by Hurricane Sandy; a copy
48 of the criteria and procedures established for the grant program

1 spending priorities to meet the emergency caused by Hurricane
2 Sandy pursuant to subsection b. of section 16; and an estimate of
3 impending grants to meet the emergency caused by Hurricane
4 Sandy.

5 (3) Within 30 days of the date of enactment of this act, the
6 Attorney General shall submit to the Joint Budget Oversight
7 Committee, or its successor, a plan for the grant program for private
8 entity relief and recovery effort costs authorized pursuant to section
9 17 of this act. The plan shall include the following information: a
10 description of the grant program initiatives planned to meet the
11 emergency caused by Hurricane Sandy; a copy of the regulations to
12 govern the operation of the grant program initiatives planned to
13 meet the emergency caused by Hurricane Sandy; a copy of the
14 criteria and procedures established for the grant program spending
15 priorities to meet the emergency caused by Hurricane Sandy
16 pursuant to subsection b. of section 17; and an estimate of
17 impending grants to meet the emergency caused by Hurricane
18 Sandy.

19 (4) Within 30 days of the date of enactment of this act, the
20 Executive Director shall submit to the Joint Budget Oversight
21 Committee, or its successor, a plan for the low-interest loan
22 program for private entity recovery effort costs authorized pursuant
23 to section 18 of this act. The plan shall include the following
24 information: a description of the loan program initiatives planned to
25 meet the emergency caused by Hurricane Sandy; a copy of the
26 regulations to govern the operation of the loan program initiatives
27 planned to meet the emergency caused by Hurricane Sandy; a copy
28 of the criteria and procedures established for the loan program
29 priorities to meet the emergency caused by Hurricane Sandy
30 pursuant to subsection b. of section 18; and an estimate of
31 impending loans to meet the emergency caused by Hurricane
32 Sandy.

33 (5) Within 30 days of the date of enactment of this act, the
34 Commissioner shall submit to the Joint Budget Oversight
35 Committee, or its successor, a plan for the residential property
36 acquisition program for qualified residential property acquisition
37 costs authorized pursuant to section 19 of this act. The plan shall
38 include the following information: a description of the qualified
39 residential property acquisition cost incurring initiatives planned to
40 meet the emergency caused by Hurricane Sandy; a copy of the
41 regulations to govern the operation of the residential property
42 acquisition program initiatives planned to meet the emergency
43 caused by Hurricane Sandy; a copy of the criteria and procedures
44 established for the residential property acquisition program
45 spending priorities to meet the emergency caused by Hurricane
46 Sandy pursuant to subsection b. of section 19; and an estimate of
47 impending qualified residential property acquisition costs to be
48 incurred to meet the emergency caused by Hurricane Sandy.

1 (6) Within 30 days of the date of enactment of this act, the
2 Commissioner of Transportation shall submit to the Joint Budget
3 Oversight Committee, or its successor, a plan for the grant program
4 for local government relief and recovery effort costs authorized
5 pursuant to section 20 of this act. The plan shall include the
6 following information: a description of the grant program initiatives
7 planned to meet the emergency caused by Hurricane Sandy; a copy
8 of the regulations to govern the operation of the grant program
9 initiatives planned to meet the emergency caused by Hurricane
10 Sandy; a copy of the criteria and procedures established for the
11 grant program spending priorities to meet the emergency caused by
12 Hurricane Sandy pursuant to subsection b. of section 20; and an
13 estimate of impending grants to meet the emergency caused by
14 Hurricane Sandy.

15
16 29. Of the amount hereinabove collected as bond proceeds
17 pursuant to section 5 of this act, such sums as may be necessary for
18 issuing costs are appropriated, as determined by the issuing
19 officials.

20
21 30. This act shall take effect immediately.

22
23
24 STATEMENT

25
26 This bill is entitled as “The Hurricane Sandy Relief and
27 Recovery Bond Act.” The bill authorizes the issuance of \$1 billion
28 in State general obligation bonds to be used to meet the Hurricane
29 Sandy emergency.

30 The bill establishes six emergency spending programs from
31 which to provide relief and recovery efforts:

32 (1) a direct State spending program for relief and recovery
33 efforts to be administered by the State Treasurer;

34 (2) a grants-in-aid spending program for relief and recovery
35 efforts by local governments to be administered by the
36 Commissioner of the Department of Community Affairs;

37 (3) a grants-in-aid spending program for relief and recovery
38 efforts by private entities to be administered by the Attorney
39 General;

40 (4) a low-interest loan program for private entity recovery
41 efforts to be administered by the Executive Director of the
42 Economic Development Authority;

43 (5) a qualified residential property acquisition program for
44 homeowners having experienced certain significant storm damage
45 to be administered by the Commissioner of the Department of
46 Community Affairs. Generally, this program empowers the State to
47 purchase residential property: (i) that has been used as a principal
48 residence for at least five years; (ii) that has sustained significant

1 weather inflicted damage in Hurricane Sandy and at least one other
2 storm in the five years preceding Hurricane Sandy; and (iii) that
3 may be acquired for a purchase price not to exceed the appraised
4 value or \$500,000, whichever is less; and

5 (6) a grants-in-aid spending program for transportation
6 infrastructure costs incurred by local governments to be
7 administered by the Commissioner of Transportation;

8 The bill empowers the pertinent administrator of each program to
9 establish criteria and procedures for expenditures undertaken to
10 meet the emergency. Though the spending priorities for each
11 program vary based on the relief and recovery emphasis of each
12 program, generally priority will be determined according to the
13 following framework:

- 14 -potential to expedite emergency relief and recovery efforts;
- 15 -providing for inhabitant safety, property preservation, and
16 economic revitalization interests relative to the ongoing
17 emergency's impact;
- 18 -promoting rebuilding and installation of mechanisms to protect
19 the State from further emergency; and
- 20 -include a need based analysis of recipients that considers
21 financial capacity, severity of uncompensated loss relative to
22 financial capacity, and general capacity to fulfill basic needs.

23 The bill requires each program administrator to submit a
24 program plan within 30 days of the date of enactment to the Joint
25 Budget Oversight Committee (JBOC) for approval. The bill also
26 requires the State Treasurer to submit program spending allocations
27 to JBOC for approval. The JBOC may not approve any program
28 allocations until all the programs plans have been approved.

29 In addition to making programmatic spending allocations subject
30 to JBOC approval, the bill reserves the Legislature's authority to
31 appropriate the bond proceeds for program activities. The bill does
32 make an appropriation for issuing costs.

33 The bill provides for the State Comptroller to undertake a
34 compliance evaluation of no less than two percent of all
35 expenditures under the bill for adherence to the bill, related
36 regulations, and executive branch guidance.

37 The bill provides the State Treasurer emergency regulatory
38 authority to implement the bill with the assistance of the Attorney
39 General, Commissioner of the Department of Community Affairs,
40 Executive Director of the Economic Development Authority,
41 Commissioner of Transportation, and State Comptroller.

42 Pursuant to the authority granted to the Legislature under
43 Paragraph 3 of Section II of Article VIII of the State Constitution
44 for expediting debt issuance for the support of expenditures to meet
45 an emergency, this bill is exempted from receipt of voter approval
46 via general election protocols.