

CHAPTER 56

AN ACT concerning installation of fire suppression systems in student dormitories and supplementing Chapter 72A of Title 18A of the New Jersey Statutes and P.L.1983, c.383 (C.52:27D-192 et seq.) and amending various parts of the statutory law.

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

C.52:27D-198.7 Short title.

1. This act shall be known and may be cited as the "Dormitory Safety Trust Fund Act."

C.52:27D-198.8 Findings, declarations relative to installation of fire suppression systems in student dormitories.

2. The Legislature finds and declares that:

- a. Education plays a vital role in the economic development of the nation and the State, by providing the education and training of the work force of the future.

- b. The safety of students housed in dormitories at secondary schools, military schools, boarding schools, or at institutions of higher education is a vital concern. These students represent New Jersey's future.

- c. Automatic fire suppression systems installed in buildings have been proven to be a very effective method of preventing injury, death and widespread property damage. The construction, reconstruction, development, extension and improvement of dormitory safety facilities, including fire prevention and sprinkler systems, shall therefore be deemed in the public interest and a public purpose.

C.52:27D-198.9 Definitions relative to installation of fire suppression systems in student dormitories; requirements.

3. a. Notwithstanding any law, rule or regulation to the contrary, all buildings used as dormitories, in whole or in part, or similar accommodations to house students at a public or private school or at a public or private institution of higher education, shall be equipped throughout with an automatic fire suppression system in accordance with the provisions of this section. For the purpose of this act:

- (1) "Dormitories" means buildings, or portions thereof, containing rooms which are provided as residences or for overnight sleeping for individuals or groups, and includes those residences utilized by fraternities or sororities which are recognized by or owned by a school or institution of higher education, but does not include those residences or multiple dwellings which are not recognized by or owned by a school or institution of higher education.

- (2) "Equipped throughout" means installed in the common areas as well as in the areas utilized for sleeping within a dormitory.

- (3) "Common areas" means those areas within a building which are normally accessible to all residents, including the corridors, lounge or lobby areas, and areas which contain elements of fire hazards, such as boiler rooms.

- (4) "School" means a secondary school, military school, or a boarding school.

- b. Within 120 days of the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.), each entity responsible for a building subject to the requirements of this section shall file with the Division of Fire Safety in the Department of Community Affairs a plan outlining the installation of automatic fire suppression systems in those buildings as required pursuant to subsection a. of this section. A plan may cover installation projects which were begun within a 12 month period prior to the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.). Each plan shall provide that:

- (1) at least 25 percent of the required installation will be completed no later than the last day of the 12th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.);

- (2) at least 50 percent of the required installation will be completed no later than the last day of the 24th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.);

- (3) at least 75 percent of the required installation will be completed no later than the last day of the 36th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.); and

(4) all required installation shall be completed no later than the last day of the 48th month next following the effective date of P.L.2000, c.56 (C.52:27D-198.7 et al.).

Upon application by an entity, the Commissioner of Community Affairs may, at the commissioner's discretion, extend the time frames set forth in this section, upon a showing that the time frame would pose an unreasonable hardship for the entity, or that performance of the installation is impossible for reasons outside the control of the entity by the date set forth under this section. When the request for an extension concerns a building containing asbestos or an historic building, there shall be a presumption in favor of granting the extension.

C.52:27D-198.10 Rules; exemptions.

4. The Commissioner of Community Affairs shall, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52: 14B-1 et seq.), adopt such rules as may be necessary to implement P.L.2000, c.56 (C.52:27D-198.7 et al.). Such rules may include exemption from the requirements of section 3 of P.L.2000, c.56 (C.52:27D-198.9) for any types of buildings that may be determined to not warrant the level of protection provided in section 3 of P.L.2000, c.56 (C.52:27D-198.9) based on the fire hazard risk.

C.52:27D-198.11 Application of funds to secure compliance.

5. The State Treasurer, after consultation with the Commissioner of Community Affairs, shall have the authority to apply State funds otherwise available to State departments, agencies or instrumentalities for the purpose of securing compliance with the requirements established pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.). The State Treasurer shall also determine the allocation of moneys to be deposited into the "Dormitory Safety Trust Fund" established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6) resulting from the retirement of bonds previously issued for deposit to the "Dormitory Safety Trust Fund" by the New Jersey educational facilities authority.

C.18A:72A-12.6 "Dormitory Safety Trust Fund."

6. a. There is created within the New Jersey educational facilities authority established pursuant to N.J.S.18A:72A-4, the "Dormitory Safety Trust Fund," hereinafter referred to as the "trust fund." The trust fund shall be maintained as a separate account and administered by the authority to carry out the provisions of P.L.2000, c.56 (C.52:27D-198.7 et al.). There shall be paid into this fund:

- (1) moneys received from the sale of bonds or notes issued pursuant to section 8 of P.L.2000, c.56 (C.18A:72A-12.8);
- (2) moneys appropriated by the Legislature, including moneys as may be appropriated annually in an amount sufficient to pay the principal and interest on the bonds or notes;
- (3) all interest and investment earnings received on the moneys in the trust fund; and
- (4) all repayments of loans authorized pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.).

b. The trust fund shall be used to provide loans to the schools and institutions of higher education which are required pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) to install automatic fire suppression systems, for the cost, or a portion of the cost, of the construction, reconstruction, development, extension or improvement of dormitory safety facilities, including fire prevention and sprinkler systems.

C.18A:72A-12.7 Establishment of program to provide loans.

7. a. The State Treasurer shall establish a program to provide the loans authorized pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.). The governing board of a public or private institution of higher education as defined pursuant to N.J.S.18A:72A-3 or of a public or private secondary school shall be eligible for and may determine by resolution to apply for a loan from the trust fund established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6). The resolutions shall be transmitted to and in a manner to be determined by the State Treasurer. Owners of residences being utilized by fraternities or sororities, other than those owned by public or private institutions of education, who are responsible for the installation of an automatic fire suppression

system pursuant to section 3 of P.L.2000, c.56 (C.52:27D-198.9) shall not be eligible for a loan from the trust fund established pursuant to section 6 of P.L.2000, c.56 (C.18A:72A-12.6), but shall be eligible and may apply for a life safety improvement loan pursuant to section 13 of P.L.1983, c.530 (C.55:14K-13) as amended by section 13 of P.L.2000, c.56.

b. Individual loan amounts from the trust fund shall be limited to no more than the projected costs as stated in the plan required to be filed with the Director of the Division of Fire Safety in the Department of Community Affairs pursuant to section 3 of P.L.2000, c.56 (C.52:27D-198.9), and loan amounts shall be disbursed in accordance with the need and the time frame established under the installation plan. If sufficient funds are not available to fully fund each request, the State Treasurer may limit the amounts loaned on a basis which shall provide the maximum amount of funding to the greatest number of buildings.

c. The loans issued pursuant to this subsection shall bear interest of not more than:

(1) zero percent per year for loans made to public or private institutions of higher education as defined pursuant to N.J.S.18A:72A-3; or

(2) two percent per year for loans made to secondary schools, military schools, boarding schools, or similar occupancies.

d. The term of a loan shall be for a period of not more than 15 years. Any loan approved pursuant to this subsection shall be contingent upon the applicant entering into a contract or contracts for the construction, reconstruction, development, extension or improvement required in the installation plan in accordance with section 3 of P.L.2000, c.56 (C.52:27D-198.9).

e. The State Treasurer shall:

(1) review each application and approve, disapprove, amend or modify the loan request;

(2) establish any other terms or conditions of each loan which are not otherwise provided under this section; and

(3) forward to the New Jersey educational facilities authority and the Department of Community Affairs a copy of any loan approval granted pursuant to this section, including information concerning the amount and terms of the loan.

f. All repayments of loans awarded pursuant to this section shall be made to the authority and deposited by the authority into the trust fund.

g. The State Treasurer shall promulgate the rules necessary to effectuate this section in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

C.18A:72A-12.8 Issuance of bonds, notes.

8. a. The authority shall from time to time issue bonds or notes, in accordance with the provisions of the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq., and in an amount sufficient to finance the loans provided under P.L.2000, c.56 (C.52:27D-198.7 et al.) and to finance the administrative costs associated with the approval process and the issuance of the bonds or notes, up to a total amount not to exceed \$90,000,000; except that all administrative costs associated with the approval process and the issuance of bonds, notes or other obligations shall not be included within the total aggregate principal amount of the bonds, notes or other obligations issued; the term of any bond so issued shall not exceed 15 years. In computing the foregoing limitation as to amount, there shall be excluded all bonds which shall be issued for refunding purposes, provided that the refunding shall be determined by the authority to result in a debt service savings. The authority shall issue the bonds or notes in such manner as it shall determine in accordance with the provisions of P.L.1993, c.375, (C.18A:72A-49 et al.) and the "New Jersey educational facilities authority law," N.J.S.18A:72A-1 et seq., provided that no bonds or notes shall be issued pursuant to this section without the prior written consent of the State Treasurer.

b. Bonds or notes issued pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the authority and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof, but all bonds or notes, unless funded or refunded by the bonds or notes of the authority, shall be payable solely from revenues of funds pledged

or available for their payment as authorized by P.L.2000, c.56 (C.52:27D-198.7 et al.). Each bond shall contain on its face a statement to the effect that the authority is obligated to pay the principal thereof, redemption premium, if any, or the interest thereon only from revenue or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay the principal thereof, redemption premium, if any, or interest thereon and that neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of, redemption premium, if any, or the interest on the bonds.

c. The State of New Jersey does hereby pledge to and covenant and agree with the holders of any bonds or notes issued pursuant to the authorization hereunder that the State shall not limit or alter the rights or powers hereby vested in the authority to perform and fulfill the terms of any agreement made with the holders of the bonds or notes, or to fix, establish, charge and collect such rents, fees, rates, payments, or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and to fulfill the terms of any agreement made with the holders of the bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the holders, until the bonds and notes, together with interest thereon, are fully met and discharged or provided for.

d. The State Treasurer is hereby authorized to enter into a contract with the authority pursuant to which the State Treasurer, subject to available appropriations, shall pay the amount necessary to pay the principal and interest on bonds, notes and other obligations of the authority issued pursuant to P.L.2000, c.56 (C.52:27D-198.7 et al.) plus any amounts payable in connection with an agreement authorized under subsection (g) of N.J.S.18A:72A-8.

e. To assure the continued operation and solvency of the dormitory safety trust fund program, the authority shall require that if a school or institution of higher education fails or is unable to pay to the authority in full, when due, any obligation of the institution to the authority, an amount sufficient to satisfy the deficiency shall be retained by the State Treasurer from State aid or an appropriation payable to the institution. As used in this section, "obligation of the school or institution" means any amount payable by the school or institution for dormitory safety facilities pursuant to an agreement with the authority.

The amount retained by the State Treasurer shall be deducted from the corresponding appropriation or apportionment of State aid payable to the school or institution of higher education and shall not obligate the State to make, or entitle the school or institution to receive, any additional appropriation or apportionment.

C.52:27D-198.12 Standby fees waived.

9. A municipal authority or water utility shall not impose standby fees for any new fire protection system required to be installed pursuant to the provisions of section 3 of P.L.2000, c.56 (C.52:27D-198.9).

10. N.J.S.18A:72A-3 is amended to read as follows:

Definitions.

18A:72A-3. As used in this act, the following words and terms shall have the following meanings, unless the context indicates or requires another or different meaning or intent:

"Authority" means the New Jersey Educational Facilities Authority created by this chapter or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the authority by this chapter shall be given by law;

"Bond" means bonds or notes of the authority issued pursuant to this chapter;

"County college capital project" means any capital project of a county college certified pursuant to section 2 of P.L.1971, c.12 (C.18A:64A-22.2) and approved by the State Treasurer for funding pursuant to the "County College Capital Projects Fund Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

"Dormitory" means a housing unit with necessary and usual attendant and related facilities and equipment, and shall include a dormitory of a public or private school, or of a public or

private institution of higher education;

"Educational facility" means a structure suitable for use as a dormitory, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, teaching hospital, and parking maintenance storage or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education, and public libraries, and the necessary and usual attendant and related facilities and equipment, but shall not include any facility used or to be used for sectarian instruction or as a place for religious worship;

"Emerging needs program" means a program at one or more public or private institutions of higher education directed to meeting new and advanced technology needs or to supporting new academic programs in science and technology;

"Higher education equipment" means any property consisting of, or relating to, scientific, engineering, technical, computer, communications or instructional equipment;

"Participating college" means a public institution of higher education or private college which, pursuant to the provisions of this chapter, participates with the authority in undertaking the financing and construction or acquisition of a project;

"Project" means a dormitory or an educational facility or any combination thereof, or a county college capital project;

"Private college" means an institution for higher education other than a public college, situated within the State and which, by virtue of law or charter, is a nonprofit educational institution empowered to provide a program of education beyond the high school level;

"Private institution of higher education" means independent colleges or universities incorporated and located in New Jersey, which by virtue of law or character or license, are nonprofit educational institutions authorized to grant academic degrees and which provide a level of education which is equivalent to the education provided by the State's public institutions of higher education as attested by the receipt of and continuation of regional accreditation by the Middle States Association of Colleges and Schools, and which are eligible to receive State aid;

"Public institution of higher education" means Rutgers, The State University, the State colleges, the New Jersey Institute of Technology, the University of Medicine and Dentistry of New Jersey, the county colleges and any other public university or college now or hereafter established or authorized by law;

"School" means a secondary school, military school, or boarding school;

"University" means Rutgers, The State University.

11. N.J.S.18A:72A-5 is amended to read as follows:

Authority's powers.

18A:72A-5. The authority shall have power:

- (a) To adopt bylaws for the regulation of its affairs and the conduct of its business;
- (b) To adopt and have an official common seal and alter the same at pleasure;
- (c) To maintain an office at such place or places within the State as it may designate;
- (d) To sue and be sued in its own name, and plead and be impleaded;
- (e) To borrow money and to issue bonds and notes and other obligations of the authority and to provide for the rights of the holders thereof as provided in this chapter;
- (f) To acquire, lease as lessee, hold and dispose of real and personal property or any interest therein, in the exercise of its powers and the performance of its duties under this chapter;
- (g) To acquire in the name of the authority by purchase or otherwise, on such terms and conditions and in such manner as it may deem proper, or by the exercise of the power of eminent domain, any land or interest therein and other property which it may determine is reasonably necessary for any project, including any lands held by any county, municipality or other governmental subdivision of the State; and to hold and use the same and to sell, convey, lease or otherwise dispose of property so acquired, no longer necessary for the authority's purposes;
- (h) To receive and accept, from any federal or other public agency or governmental entity,

grants or loans for or in aid of the acquisition or construction of any project, and to receive and accept aid or contributions from any other source, of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants, loans and contributions may be made;

(i) To prepare or cause to be prepared plans, specifications, designs and estimates of costs for the construction and equipment of projects for participating colleges under the provisions of this chapter, and from time to time to modify such plans, specifications, designs or estimates;

(j) By contract or contracts or by its own employees to construct, acquire, reconstruct, rehabilitate and improve, and furnish and equip, projects for participating colleges; however, in any contract or contracts undertaken by the authority for the construction, reconstruction, rehabilitation or improvement of any public college project where the cost of such work will exceed \$25,000, the contracting agent shall advertise for and receive in the manner provided by law:

(1) separate bids for the following categories of work;

(a) the plumbing and gas fitting work;

(b) the heating and ventilating systems and equipment;

(c) the electrical work, including any electrical power plants;

(d) the structural steel and ornamental iron work;

(e) all other work and materials required for the completion of the project, or

(2) bids for all work and materials required to complete the entire project if awarded as a single contract; or

(3) both (1) and (2) above.

All bids submitted shall set forth the names and license numbers of, and evidence of performance security from, all subcontractors to whom the bidder will subcontract the work described in the foregoing categories (1)(a) through (1)(e).

Contracts shall be awarded to the lowest responsible bidder whose bid, conforming to the invitation for bids, will be the most advantageous to the authority;

(k) To determine the location and character of any project to be undertaken pursuant to the provisions of this chapter, and to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same; to enter into contracts for any or all such purposes; to enter into contracts for the management and operation of a project, and to designate a participating college as its agent to determine the location and character of a project undertaken by such participating college under the provisions of this chapter and, as the agent of the authority, to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same, and, as agent of the authority, to enter into contracts for any and all such purposes including contracts for the management and operation of such project;

(l) To establish rules and regulations for the use of a project or any portion thereof and to designate a participating college as its agent to establish rules and regulations for the use of a project undertaken by such participating college;

(m) Generally to fix and revise from time to time and to charge and collect rates, rents, fees and other charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with holders of its bonds and with any other person, party, association, corporation or other body, public or private, in respect thereof;

(n) To enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient or desirable for the purposes of the authority or to carry out any power expressly given in this chapter;

(o) To invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, at the discretion of the authority, in such obligations as are authorized by law for the investment of trust funds in the custody of the State Treasurer;

(p) To enter into any lease relating to higher education equipment with a public or private institution of higher education pursuant to the provisions of P.L.1993, c.136 (C.18A:72A-40 et al.);

(q) To enter into loan agreements with any county, to hold bonds or notes of the county evidencing those loans, and to issue bonds or notes of the authority to finance county college capital projects pursuant to the provisions of the "County College Capital Projects Fund

Act," P.L.1997, c.360 (C.18A:72A-12.2 et seq.);

(r) To issue bonds and notes and other obligations of the authority under the direction of law for the purpose of providing financial assistance for the installation of fire prevention and safety systems in dormitories.

12. Section 22 of PL. 1983, c. 383 (C.52:27D-213) is amended to read as follows:

C.52:27D-213 Applicability of act; inspection of government owned buildings.

22. a. This act shall not be construed as authorizing the adoption of a regulation or the enactment of an ordinance requiring that a building conforming in all respects to the requirements of the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) be made to conform to more restrictive standards.

b. Buildings, structures and premises owned or operated by the State, its agencies, departments, or instrumentalities or an interstate agency shall be inspected exclusively by the Department of Community Affairs, and shall conform to this act in the same manner as all other buildings, structures and premises of similar construction and use classification. The department may establish fees and issue penalties against the State, its agency, department or instrumentality, or an interstate agency to obtain compliance with P.L.1983, c.383 (C.52:27D-192 et seq.). For purposes of this section, a unit of local government, whether county, inter-local or municipal, or a local, county, regional or consolidated school district, shall not be deemed to be an instrumentality of the State.

c. Buildings, structures and premises subject to inspection for fire safety by an agency of the State shall be inspected by the agency in accordance with the standards established pursuant to this act. Any State fire safety standard for buildings, structures or premises established by or pursuant to any statute other than this act shall continue in effect until such time as that standard is superseded by appropriate regulations promulgated under this act. An agency of the State that enforced fire standards prior to the effective date of this act shall be entitled to petition the commissioner to establish a regulation establishing the standards it considers to be necessary and appropriate for buildings, structures and premises subject to its inspection.

13. Section 13 of P.L.1983, c.530 (C.55:14K-13) is amended to read as follows:

C.55:14K-13 Life safety improvement loans.

13. a. In order to encourage the construction, acquisition and rendering of life safety improvements at or to boarding houses, the agency is hereby authorized to finance by life safety improvement loans the construction, acquisition and rendering of life safety improvements at or to boarding houses and residences utilized by fraternities or sororities which are recognized by a public or private institution of higher education. For the purposes of this section, "boarding house" shall include reference to residences utilized by fraternities or sororities which are recognized by a public or private institution of higher education.

b. To carry out the purposes of this section, the agency may accept from boarding house owners applications for life safety improvement loans and enter into agreements with boarding house owners with respect thereto. In considering applications for life safety improvement loans, the agency shall give consideration to:

(1) the degree of need for the life safety improvement at the boarding house with respect to which the application is made;

(2) factors affecting the tax-exempt status of interest on the bonds issued by the agency to raise the money necessary to make the life safety improvement loan, including the location and ownership of boarding houses with respect to which applications have been and are being made;

(3) the extent of the benefit which, in the agency's opinion, can be expected to be achieved from the life safety improvement intended to be financed with the life safety improvement loan for which the application is made, giving effect to, among other things, the cost of such life safety improvement;

(4) the applicant's ability to obtain alternate financing; and

(5) the extent of the applicant's compliance with the "Rooming and Boarding House Act of 1979," P.L.1979, c.496 (C.55:13B-1 et seq.), if that act is applicable. This determination shall be accomplished through an inspection of the boarding house by either the New Jersey Department of Community Affairs or the New Jersey Department of Health and Senior Services. Deficiencies which are to be corrected through life safety improvement loans are not to be used as a basis for disapproving a loan under this section.

c. Life safety improvement loans made by the agency shall not be subject to the terms and conditions set forth in sections 6 through 10 of this act but shall be subject to the following terms and conditions:

(1) the amount of the loan shall not exceed 100% of the cost of the life safety improvement to be constructed, acquired or rendered, as determined by the agency.

(2) the interest rate on the loan shall be established by the agency at the lowest level consistent with the agency's cost of operation but not lower than the effective cost of the agency of the obligations of the agency sold to raise the money used to make the loan.

(3) the loan shall be evidenced by a promissory note which shall contain terms and provisions and be in a form approved by the agency . Except for loans made to owners of residences that are utilized as fraternities or sororities, but are not otherwise rooming and boarding houses, the terms and provisions shall include, but not be limited to, agency requirements that: (a) the boarding house owner remit to the agency the entire unpaid balance of all life safety improvement loans made by the agency to the boarding house owner as of the time when the facility ceases to be a boarding house, and the money shall be used for making new boarding house life safety improvement loans or any other lawful purpose; (b) the boarding house owner remit to the agency, for payment to the Department of Community Affairs for deposit in the "Boarding House Rental Assistance Fund," established under section 14 of this act, an amount equal to the rental assistance payments made to or on behalf of the residents of a boarding house, pursuant to this section, prior to the point in time when the facility ceases to be a boarding house, but the inclusion of this second requirement in the promissory note and the remittance of that amount shall be required if and to the extent that the agency determines it to be feasible and practicable; and (c) in the event of any sale which occurs during the period when the life safety improvement loan is being repaid to a purchaser who will maintain the facility as a boarding house, the boarding house owner shall either remit the entire unpaid balance of all life safety improvement loans made by the agency to the boarding house owner or require the purchaser to assume the loan.

(4) as a condition of the loan, the agency shall have the power at all times during the construction, acquisition or rendering of a life safety improvement at or to a boarding house and for a reasonable period of time subsequent thereto to enter without prior notice the boarding house with respect to which the loan is made in order to inspect the construction, acquisition or rendering of the life safety improvement being financed with the loan.

14. This act shall take effect immediately.

Approved July 5, 2000.