

## CHAPTER 166

AN ACT concerning the Business Employment Incentive Program and amending and supplementing P.L.1996, c.26.

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

1. Section 2 of P.L.1996, c.26 (C.34:1B-125) is amended to read as follows:

C.34:1B-125 Definitions relative to business employment incentives.

2. As used in sections 1 through 17 of P.L.1996, c.26 (C.34:1B-124 et seq.) and in sections 9 through 11 of P.L.2003, c.166 (C.34:1B-139.1 through C.34:1B-139.3), unless a different meaning clearly appears from the context:

"Advanced computing" means a technology used in the designing and developing of computing hardware and software, including innovations in designing the full spectrum of hardware from hand-held calculators to super computers, and peripheral equipment;

"Advanced computing company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of advanced computing for the purpose of developing or providing products or processes for specific commercial or public purposes;

"Advanced materials" means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronic materials, composites, polymers, and biomaterials;

"Advanced materials company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of advanced materials for the purpose of developing or providing products or processes for specific commercial or public purposes;

"Application year" means the grant year for which an eligible partnership submits the information required under section 8 of P.L.1996, c.26 (C.34:1B-131);

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

"Base years" means the first two complete calendar years following the effective date of an agreement;

"Biotechnology" means the continually expanding body of fundamental knowledge about the functioning of biological systems from the macro level to the molecular and sub-atomic levels, as well as novel products, services, technologies and sub-technologies developed as a result of insights gained from research advances which add to that body of fundamental knowledge;

"Biotechnology company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of biotechnology for the purpose of developing or providing products or processes for specific commercial or public purposes, including but not limited to, medical, pharmaceutical, nutritional, and other health-related purposes, agricultural purposes, and environmental purposes, or a person, whose headquarters or base of operations is located in New Jersey, engaged in providing services or products necessary for such research, development, production, or provision;

"Bonds" means bonds, notes or other obligations issued by the authority pursuant to this act;

"Business" means a corporation; sole proprietorship; partnership; corporation that has made an election under Subchapter S of Chapter One of Subtitle A of the Internal Revenue Code of 1986, or any other business entity through which income flows as a distributive share to its owners; limited liability company; nonprofit corporation; or any other form of business organization located either within or outside this State. A grant received under this act by a partnership, Subchapter S-Corporation, or other such business entity shall be apportioned among the persons to whom the income or profit of the partnership, Subchapter S-Corporation, or other entity is distributed, in the same proportions as those in which the income or profit is distributed;

"Business employment incentive agreement" or "agreement" means the written agreement between the authority and a business proposing a project in this State in accordance with the provisions of this act which establishes the terms and conditions of a grant to be awarded pursuant to this act;

"Department" means the New Jersey Commerce and Economic Growth Commission;

"Designated industry" means a business engaged in the field of biotechnology,

pharmaceuticals, financial services or transportation and logistics, advanced computing, advanced materials, electronic device technology, environmental technology or medical device technology;

"Director" means the Director of the Division of Taxation;

"Division" means the Division of Taxation in the Department of the Treasury;

"Electronic device technology" means a technology involving microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices;

"Electronic device technology company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of electronic device technology for the purpose of developing or providing products or processes for specific commercial or public purposes;

"Eligible partnership" means a partnership or limited liability company that is qualified to receive a grant as established in this act;

"Eligible position" is a new full-time position created by a business in New Jersey or transferred from another state by the business under the terms and conditions set forth in this act during the base years or in subsequent years of a grant. In determining if positions are eligible positions, the authority shall give greater consideration to positions that average at least 1.5 times the minimum hourly wage during the term of an agreement authorized pursuant to this act. For grants awarded on or after July 1, 2003, eligible position includes only a position for which a business provides employee health benefits under a group health plan as defined under section 14 of P.L.1997, c.146 (C.17B:27-54), a health benefits plan as defined under section 1 of P.L.1992, c.162 (C.17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of Title 17B of the New Jersey Statutes. "Eligible position" also includes all current and future partners or members of a partnership or limited liability company created by a business in New Jersey or transferred from another state by the business pursuant to the conditions set forth in this act during the base years or in subsequent years of a grant. An "eligible position" shall also include a position occupied by a resident of this State whose position is relocated to this State from another state but who does not qualify as a "new employee" because prior to relocation his wages or his distributive share of income from a gain, from a loss or deduction, or his guaranteed payments or any combination thereof, prior to the relocation, were not subject to income taxes imposed by the state or municipality in which the position was previously located. An "eligible position" shall also include a position occupied by a resident of another State whose position is relocated to this State but whose income is not subject to the New Jersey gross income tax pursuant to N.J.S.54A:1-1 et seq. An "eligible position" shall not include any position located within New Jersey, which, within a period either three months prior to the business' application for a grant under this act or six months after the date of application, ceases to exist or be located within New Jersey;

"Employment incentive" means the amount of a grant determined pursuant to subsection a. of section 6 of this act;

"Environmental technology" means assessment and prevention of threats or damage to human health or the environment, environmental cleanup, or the development of alternative energy sources;

"Environmental technology company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of environmental technology for the purpose of developing or providing products or processes for specific commercial or public purposes;

"Estimated tax" means an amount calculated for a partner in an eligible position equal to 6.37% of the lesser of (i) the amount of the partner's net income from the eligible partnership that is sourced to New Jersey as reflected in Column B of the partner's Schedule NJK-1 of the application year less the amount of the partner's net income from the eligible partnership that is sourced to New Jersey as reflected in column B of the partner's Schedule NJK-1 in the foundation year, or (ii) the net of all items of partnership income upon which tax has been paid as reflected on the partner's New Jersey Gross Income Tax return in the application year;

"Foundation year" means the year immediately prior to the creation of the eligible position;

"Full-time employee" means a person who is employed for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, whose wages are subject to withholding as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and who is determined by the authority to be employed in a permanent position according to criteria it develops, or who is a partner of an eligible partnership, who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose distributive share of income, gain, loss or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq. "Full-time employee" shall not include any person who works as an independent contractor or on a consulting basis for the business;

"Grant" means a business employment incentive grant as established in this act;

"Medical device technology" means a technology involving any medical equipment or product (other than a pharmaceutical product) that has therapeutic value, diagnostic value, or both, and is regulated by the federal Food and Drug Administration;

"Medical device technology company" means a person, whose headquarters or base of operations is located in New Jersey, engaged in the research, development, production, or provision of medical device technology for the purpose of developing or providing products or processes for specific commercial or public purposes;

"Net income from the eligible partnership" means the net combination of a partner's distributive share of the eligible partnership's income, gain, loss, deduction, or guaranteed payments;

"New employee" means a full-time employee first employed in an eligible position on the project which is the subject of an agreement or who is a partner of an eligible partnership, who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose distributive share of income, gain, loss or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.; except that such a New Jersey resident whose position is relocated to this State shall not be classified as a "new employee" unless his wages, or his distributive share of income from a gain, from a loss or deduction, or his guaranteed payments or any combination thereof, prior to the relocation, were subject to income taxes imposed by the state or municipality in which the position was previously located. "New employee" may also include an employee rehired or called back from a layoff during or following the base years to a vacant position previously held by that employee or to a new position established during or following the base years. "New employee" shall not include any employee who was previously employed in New Jersey by the business or by a related person as defined in section 2 of P.L.1993, c.170 (C.54:10A-5.5) if the employee is transferred to the business which is the subject of an agreement unless the employee's position at his previous employer is filled by a new employee. "New employee" also shall not include a child, grandchild, parent or spouse of an individual associated with the business who has direct or indirect ownership of at least 15% of the profits, capital, or value of the business. New employee shall also include an employee whose position is relocated to this State but whose income is not subject to the New Jersey gross income tax pursuant to N.J.S.54A:1-1 et seq.;

"Partner" means a person who is entitled to either a distributive share of a partnership's income, gain, loss or deduction, or guaranteed payments, or any combination thereof, by virtue of holding an interest in the partnership. "Partner" also includes a person who is a member of a limited liability company which is treated as a partnership, as provided in the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq.;

"Refunding Bonds" means bonds, notes or other obligations issued to refinance bonds, notes or other obligations previously issued by the authority pursuant to the provision of this act;

"Residual withholdings" means for any period of time, the excess of the estimated cumulative withholdings for all executed agreements eligible for payments under this act over the cumulative

anticipated grant amounts;

"Schedule NJK-1" means Schedule NJK-1 as the form existed for taxable year 1997;

"Withholdings" means the amount withheld by a business from the wages of new employees or estimated taxes paid by, or on behalf of, partners that are new employees, or any combination thereof, pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., and, if the new employee is an employee whose position has moved to New Jersey but whose income is not subject to the New Jersey gross income tax pursuant to N.J.S.54A:1-1 et seq., the amount of withholding that would occur if the employee were to move to New Jersey.

2. Section 4 of P.L.1996, c.26 (C.34:1B-127) is amended to read as follows:

C.34:1B-127 Project requirements.

4. a. A business may apply to the authority for a grant for any project which:

(1) Will create at least 25 eligible positions in the base years; or

(2) Will create at least 10 eligible positions in the base years if the business is an advanced computing company, an advanced materials company, a biotechnology company, an electronic device technology company, an environmental technology company, or a medical device technology company.

b. In the case of a business which is a landlord, the business may apply to the authority for a grant for any project in which at least 25 eligible positions are created in the base years.

c. A project which consists solely of point-of-final-purchase retail facilities shall not be eligible for a grant under this act. If a project consists of both point-of-final-purchase retail facilities and non-retail facilities, only the portion of the project consisting of non-retail facilities shall be eligible for a grant, and only the withholdings from new employees which are employed in the portion of the project which represents non-retail facilities shall be used to determine the amount of the grant. If a warehouse facility is part of a point-of-final-purchase retail facility and supplies only that facility, the warehouse facility shall not be eligible for a grant. For the purposes of this act, catalog distribution centers shall not be considered point-of-final-purchase retail facilities.

3. Section 5 of P.L.1996, c.26 (C.34:1B-128) is amended to read as follows:

C.34:1B-128 Grant application.

5. A business shall apply to the authority for a grant on a form prescribed by the authority which shall include:

a. The name of the business, the proposed location of the project, and the type of activity which will be engaged in at the project site;

b. The names and addresses of the principals or management of the business, and the nature of the form of business organization under which it is operated;

c. The most recent financial statement of the business;

d. The number of eligible positions proposed to be created during the base years and thereafter; and

e. An estimate of the total withholdings.

4. Section 6 of P.L.1996, c.26 (C.34:1B-129) is amended to read as follows:

C.34:1B-129 Employment incentive grant criteria.

6. a. The amount of the employment incentive awarded as a grant in each case shall be not less than 10% and not more than 50% of the withholdings of the business, or not less than 10% and not more than 30% of the estimated tax of partners of an eligible partnership whether paid directly by the partner or by the eligible partnership on behalf of such partner's account, or any combination thereof, and shall be subject to the provisions of sections 10 and 11 of this act. In no case shall the aggregate amount of the employment incentive grant awarded pursuant to a business employment incentive agreement entered into on or after July 1, 2003 exceed an average of \$50,000 for all new employees over the term of the grant. The employment incentive

shall be based on criteria developed by the authority after considering the following:

- (1) The number of eligible positions to be created;
- (2) The expected duration of those positions;
- (3) The type of contribution the business can make to the long-term growth of the State's economy;
- (4) The amount of other financial assistance the business will receive from the State for the project;
- (5) The total dollar investment the business is making in the project;
- (6) Whether the business is a designated industry;
- (7) Impact of the business on State tax revenues; and
- (8) Such other related factors determined by the authority.

b. A business may be eligible to be awarded a grant of up to 80% of the withholdings of the business or up to 50% of the estimated tax of the partners of an eligible partnership if the grant promotes smart growth and the goals, strategies and policies of the State Development and Redevelopment Plan established pursuant to section 5 of P.L.1985, c.398 (C.52:18A-200) as determined by and based upon criteria promulgated by the authority following consultation with the Department of Community Affairs, Office of Smart Growth.

c. The term of the grant shall not exceed 10 years.

d. At the discretion of the authority, the grant may apply to new employees or partners in eligible positions created during the base years, and during the remainder of the term of the grant.

5. Section 8 of P.L.1996, c.26 (C.34:1B-131) is amended to read as follows:

C.34:1B-131 Submission of NJ tax return, other information; audit.

8. a. No later than March 1 of each year, for the preceding grant year, every business which is awarded a grant under this act shall submit to the authority a copy of its applicable New Jersey tax return within 30 days of filing showing business income and withholdings as a condition of its continuation in the grant program, together with an annual payroll report showing (1) the eligible positions which were created during the base years and (2) the new eligible positions created during each subsequent year of the grant. Should any business which is awarded a grant under this act fail to submit to the authority a copy of its annual payroll report or submit its annual payroll report without the information required by (1) and (2) above, any grant payment to be received by any such business shall be forfeited for the applicable reporting year unless the Executive Director of the authority determines that there are extenuating circumstances excusing the timely filing required herein.

b. The division may require by regulation any information which it deems necessary to effectuate the provisions of this act.

c. The authority may cause an audit of any business receiving a grant to be conducted at any time.

6. Section 11 of P.L.1996, c.26 (C.34:1B-134) is amended to read as follows:

C.34:1B-134 Grant limitations.

11. a. A business that is receiving a business relocation grant pursuant to the provisions of P.L.1996, c. 25 (C.34:1B-112 et seq.) shall not be eligible to receive a grant under this act except upon the approval of the State Treasurer.

b. A business that is receiving any other grant by operation of State law shall not receive an amount as a grant pursuant to this act which, when combined with such other grants, exceeds the total of 50% of its withholdings or 30% of its estimated tax, or any combination thereof paid, except upon the approval of the State Treasurer. Amounts received as grants from the Office of Customized Training pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.) shall be excluded from the calculation of the total amount permitted under this subsection.

c. A business that qualifies under subsection b. of section 6 of P.L.1996, c.26 (C.34:1B-

129) for a grant of up to 80% of its withholdings or up to 50% of its estimated tax and is receiving any other grant by operation of State law shall not receive an amount as a grant pursuant to this act which, when combined with such other grants, exceeds the total of up to 80% of its withholdings or 50% of the estimated tax, or any combination thereof paid except upon approval of the State Treasurer. Amounts received as grants from the Office of Customized Training pursuant to the "1992 New Jersey Employment and Workforce Development Act," P.L.1992, c.43 (C.34:15D-1 et seq.) shall be excluded from the calculation of the total amount permitted under this subsection.

7. Section 14 of P.L.1996, c.26 (C.34:1B-137) is amended to read as follows:

C.34:1B-137 Rules.

14. The New Jersey Economic Development Authority, after consultation with the Department and the Division of Taxation, shall in accordance with the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules necessary to implement the provisions of the Business Employment Incentive Program not related to the collection or determination of taxes and tax withholding. The rules shall provide for the recipients of business employment incentive grants to be charged an initial application fee, and ongoing service fees, to cover the administrative costs related to the program. The Director of the Division of Taxation is authorized to promulgate those rules necessary to effectuate the tax related provisions of the Business Employment Incentive Program.

8. Section 15 of P.L.1996, c.26 (C.34:1B-138) is amended to read as follows:

C.34:1B-138 Annual report.

15. The New Jersey Commerce and Economic Growth Commission shall submit a report on the Business Employment Incentive Program to the Governor, President of the Senate, and Speaker of the General Assembly on or before October 31 of each year. The report shall include information on the number of agreements entered into during the preceding fiscal year, a description of the project under each agreement, the number of jobs created, new income tax revenue received from withholdings, amounts awarded as grants and an update on the status of projects under agreement before the preceding fiscal year.

C.34:1B-139.1 Powers of authority relative to bonds.

9. Notwithstanding the provisions of any law, rule, regulation or order to the contrary:

a. The authority shall have the power, pursuant to the provisions of this act and P.L.1974, c.80 (C.34:1B-1 et seq.), to issue bonds and refunding bonds, incur indebtedness and borrow money secured, in whole or in part, by money received pursuant to this act for the purpose of (1) providing funds for the payment, in full or in part, of the grants provided to businesses under sections 1 through 14 of P.L.1996, c.26 (C.34:1B-124 through 34:1B-137); (2) providing funds to be used by the authority only for the purposes enumerated in subsections a. and b. of section 4 of P.L.1992, c.16 (C.34:1B-7.13) for payments to, or for the benefit of, designated industries that have the greatest potential to create eligible positions and promote State development strategies; and (3) and any costs related to the issuance of such bonds. The authority may establish reserve or other funds to further secure bonds and refunding bonds. The bonds shall be in the amount to yield proceeds to fund, all or in part, the payment of grants provided to business under this act, plus additional bonds to pay for the costs of issuance. Notwithstanding anything to the contrary, bonds issued for the purposes of paragraph (2) of this subsection, excluding refunding bonds, may only be issued upon certification by the authority at the time of issuance to the effect that payments for principal and interest on such bonds and any additional costs authorized by that paragraph (2) may not exceed an amount equivalent to the residual withholdings anticipated at the time of issuance of such bonds for the applicable fiscal years.

b. The authority may, in any resolution authorizing the issuance of bonds or refunding bonds, pledge the contract with the State Treasurer, provided for in section 10 of P.L.2003, c.166 (C.34:1B-139.2), or any part thereof, for the payment or redemption of the bonds or

refunding bonds, and covenant as to the use and disposition of money available to the authority for payments of bonds and refunding bonds. All costs associated with the issuance of bonds and refunding bonds by the authority for the purposes set forth in this act may be paid by the authority from amounts it receives from the proceeds of the bonds or refunding bonds and from amounts it receives pursuant to sections 10 and 11 of P.L.2003, c.166 (C.34:1B-139.2 and C.34:1B-139.3), which costs may include, but are not limited to, any costs and fees relating to the issuance of the bonds or refunding bonds, annual administrative costs and fees of the authority attributable to the payment of grants issued to businesses under this act, the fees and costs of bond counsel and any other professional fees and costs attributable to the agreements described in subsection c. of this section. The bonds or refunding bonds shall be authorized by resolution, which shall stipulate the manner of execution and form of the bonds, whether the bonds are in one or more series, the date or dates of issue, time or times of maturity, which shall not exceed 20 years, the rate or rates of interest payable on the bonds, which may be at fixed rates or variable rates, and which interest may be current interest or may accrue, the denomination or denominations in which the bonds are issued, conversion or registration privileges, the sources and medium of payment and place or places of payment, terms of redemption, privileges of exchangeability or interchangeability, and entitlement to priorities of payment or security in the amounts to be received by the authority pursuant to sections 10 and 11 of P.L.2003, c.166 (C.34:1B-139.2 and C.34:1B-139.3). The bonds may be sold at a public or private sale at a price or prices determined by the authority. The authority is authorized to enter into any agreements necessary or desirable to effectuate the purposes of this section, including agreements to sell bonds or refunding bonds to any person and to comply with the laws of any jurisdiction relating thereto.

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

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

e. Bonds and refunding bonds issued by the authority pursuant to this act shall be special and limited obligations of the authority payable from, and secured by, such funds and moneys determined by the authority in accordance with this section. Neither the members of the authority nor any other person executing the bonds or refunding bonds shall be personally liable with respect to payment of interest and principal on these bonds or refunding bonds. Bonds or refunding bonds issued pursuant to the provisions of this act shall not be a debt or liability of the State or any agency or instrumentality thereof, except as otherwise provided by this subsection, either legal, moral or otherwise, and nothing contained in this act shall be construed to authorize the authority to incur any indebtedness on behalf of or in any way to obligate the State or any political subdivision thereof, and all bonds and refunding bonds issued by the authority shall contain a statement to that effect on their face.

f. The authority is authorized to engage, subject to the approval of the State Treasurer and in such manner as the State Treasurer shall determine, the services of bond counsel, financial advisors and experts, placement agents, underwriters, appraisers, and such other advisors, consultants and agents as may be necessary to effectuate the purposes of this act.

g. The proceeds from the sale of the bonds, other than refunding bonds, issued pursuant to

this act, after payment of any costs related to the issuance of such bonds, shall be paid by the authority to be applied to the payment, in full or in part, for the purposes set forth in subsection a. of this section as directed by the State Treasurer.

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

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

j. Notwithstanding any restriction contained in any other law, rule, regulation or order to the contrary, the State and all political subdivisions of this State, their officers, boards, commissioners, departments or other agencies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking or investment business, and all executors, administrators, guardians, trustees and other fiduciaries, and all other persons whatsoever who now are or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest any sinking funds, moneys or other funds, including capital, belonging to them or within their control, in any bonds or refunding bonds issued by the authority under the provisions of this act; and said bonds and refunding bonds are hereby made securities which may properly and legally be deposited with, and received by any State or municipal officers or agency of the State, for any purpose for which the deposit of bonds or other obligations of the State is now, or may hereafter be, authorized by law.

#### C.34:1B-139.2 Contract payments to authority for debt service.

10. The State Treasurer shall, in each State fiscal year, pay from the General Fund to the authority, in accordance with a contract or contracts between the State Treasurer and the authority, authorized pursuant to section 11 of P.L.2003, c.166 (C.34:1B-139.3), an amount equivalent to the amount due to be paid in such State fiscal year to pay the debt service incurred for such State fiscal year on the bonds or refunding bonds of the authority issued pursuant to this act and any additional costs authorized by section 9 of P.L.2003, c.166 (C.34:1B-139.1). Notwithstanding any other provision of any law, rule, regulation or order to the contrary, the authority shall be paid only such funds as shall be determined by the contract or contracts and further provided that the incurrence of any obligation of the State under the contract or contracts, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

#### C.34:1B-139.3 Contracts between State Treasurer and authority authorized.

11. The State Treasurer and the authority are authorized to enter into one or more contracts to implement the payment arrangement that is provided for in section 10 of P.L.2003, c.166 (C.34:1B-139.2). The contract or contracts shall provide for payment by the State Treasurer of the amounts required to be paid pursuant to section 10 of P.L.2003, c.166 (C.34:1B-139.2) and shall set forth the procedure for the transfer of moneys for the purpose of paying such moneys. The contract or contracts shall contain such terms and conditions as are determined by the parties, and shall include, but not be limited to, terms and conditions necessary and desirable to secure any bonds or refunding bonds of the authority issued pursuant to this act; provided



however, that notwithstanding any other provision of any law, rule, regulation or order to the contrary, the authority shall be paid only such funds as shall be determined by the contract or contracts and further provided that the incurrence of any obligation of the State under the contract or contracts, including any payments to be made thereunder from the General Fund, shall be subject to and dependent upon appropriations being made from time to time by the Legislature for the purposes of this act.

12. This act shall take effect immediately.

Approved September 2, 2003.