

CHAPTER 31

AUTHORITY ASSISTANCE PROGRAMS

Authority

N.J.S.A. 58:10A-37.1 et seq., specifically 58:10A-37.8.

Source and Effective Date

R.1998 d.150, effective March 16, 1998.
See: 29 N.J.R. 5236(b), 30 N.J.R. 1054(a).

Executive Order No. 66(1978) Expiration Date

Chapter 31, Authority Assistance Programs, expires on July 20, 2000.

Chapter Historical Note

Chapter 31, Authority Assistance Programs, Subchapters 1 through 6, was adopted as R.1990 d.410, effective August 20, 1990. See: 22 N.J.R. 1545(a), 22 N.J.R. 2536(a). Subchapter 7, Local Development Financing Fund, was adopted as R.1992 d.421, effective October 19, 1992. See: 24 N.J.R. 2534(a), 24 N.J.R. 3735(a). Subchapter 8, Hazardous Discharge Site Remediation Fund, was adopted as R.1994 d.192, effective April 18, 1994. See: 25 N.J.R. 4468(a), 26 N.J.R. 1706(c). Subchapter 9, New Jersey Boat Industry Loan Guarantee Fund, was adopted as R.1994 d.376, effective July 18, 1994. See: 26 N.J.R. 1613(a), 26 N.J.R. 2919(a).

Pursuant to Executive Order No. 66(1978), Chapter 31 was readopted as R.1995 d.435. See: Source and Effective Date. See, also, section annotations.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. BOND FINANCING PROGRAM

- 19:31-1.1 Program description
- 19:31-1.2 Bond purchaser
- 19:31-1.3 Bond financing
- 19:31-1.4 Eligibility standards
- 19:31-1.5 Application procedures
- 19:31-1.6 Bond counsel review and fees
- 19:31-1.7 Approval process
- 19:31-1.8 Attorney General review
- 19:31-1.9 Post-closing review

SUBCHAPTER 2. LOAN GUARANTEE PROGRAM

- 19:31-2.1 Program description
- 19:31-2.2 Eligibility standards
- 19:31-2.3 Application procedures
- 19:31-2.4 Evaluation process
- 19:31-2.5 Approval process
- 19:31-2.6 Attorney General review

SUBCHAPTER 3. DIRECT LOAN PROGRAM

- 19:31-3.1 Program description
- 19:31-3.2 Eligibility standards
- 19:31-3.3 Application procedures
- 19:31-3.4 Evaluation process
- 19:31-3.5 Approval process
- 19:31-3.6 Attorney General review

SUBCHAPTER 4. URBAN CENTERS SMALL LOAN PROGRAM

- 19:31-4.1 Program description
- 19:31-4.2 Eligibility standards
- 19:31-4.3 Application procedures

- 19:31-4.4 Evaluation process
- 19:31-4.5 Approval process
- 19:31-4.6 Attorney General review

SUBCHAPTER 5. EXPORT REVOLVING LINE OF CREDIT

- 19:31-5.1 Program description
- 19:31-5.2 Eligibility standards
- 19:31-5.3 Application procedures
- 19:31-5.4 Evaluation process
- 19:31-5.5 Approval process
- 19:31-5.6 Attorney General review

SUBCHAPTER 6. NEW JERSEY TRADE ADJUSTMENT ASSISTANCE CENTER

- 19:31-6.1 Definitions
- 19:31-6.2 Program description
- 19:31-6.3 Eligibility standards
- 19:31-6.4 Application and approval process
- 19:31-6.5 Cost

SUBCHAPTER 7. LOCAL DEVELOPMENT FINANCING FUND

- 19:31-7.1 Applicability and scope
- 19:31-7.2 Definitions
- 19:31-7.3 Application for financial assistance
- 19:31-7.4 Financial assistance
- 19:31-7.5 Terms of financial assistance
- 19:31-7.6 Evaluation of applications
- 19:31-7.7 Minority and women business set-aside plans and requirements
- 19:31-7.8 Rescission of financial assistance from the Fund

SUBCHAPTER 8. HAZARDOUS DISCHARGE SITE REMEDIATION FUND

- 19:31-8.1 Applicability and scope
- 19:31-8.2 Definitions
- 19:31-8.3 Eligibility
- 19:31-8.4 Terms of financial assistance
- 19:31-8.5 Amount of financial assistance and grants
- 19:31-8.6 Priority system for financial assistance and grants
- 19:31-8.7 Application for financial assistance
- 19:31-8.8 Evaluation process for financial assistance
- 19:31-8.9 Approval process for financial assistance
- 19:31-8.10 Disbursement of financial assistance and grants
- 19:31-8.11 Attorney General review
- 19:31-8.12 Fees
- 19:31-8.13 Public record

SUBCHAPTER 9. NEW JERSEY BOAT INDUSTRY LOAN GUARANTEE FUND

- 19:31-9.1 Applicability and scope
- 19:31-9.2 Definitions
- 19:31-9.3 Eligibility
- 19:31-9.4 Terms of guarantees
- 19:31-9.5 Amount of guarantees
- 19:31-9.6 Application procedures
- 19:31-9.7 Evaluation process
- 19:31-9.8 Approval process
- 19:31-9.9 Attorney General review
- 19:31-9.10 Fees

SUBCHAPTER 10. BUSINESS EMPLOYMENT INCENTIVE PROGRAM

- 19:31-10.1 Applicability and scope
- 19:31-10.2 Definitions
- 19:31-10.3 Eligibility

19:31-10.4	Amount/term of grant
19:31-10.5	Business expansion or relocation
19:31-10.6	Grant conditions
19:31-10.7	Application procedures
19:31-10.8	Evaluation process
19:31-10.9	Approval process
19:31-10.10	Rescission and withholding of grant payments
19:31-10.11	Prevailing wage
19:31-10.12	Fees
19:31-10.13	Attorney General Review

SUBCHAPTER 11. PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION, UPGRADE AND CLOSURE FUND

19:31-11.1	Applicability and scope
19:31-11.2	Definitions
19:31-11.3	Eligibility
19:31-11.4	Amount and terms of financial assistance and conditional hardship grants
19:31-11.5	Priority system for financial assistance
19:31-11.6	Application for financial assistance
19:31-11.7	Evaluation process for financial assistance
19:31-11.8	Approval process for financial assistance
19:31-11.9	Disbursement of financial assistance
19:31-11.10	Attorney General review
19:31-11.11	Fees
19:31-11.12	Public record

SUBCHAPTER 1. BOND FINANCING PROGRAM

19:31-1.1 Program description

(a) The Authority is empowered to issue tax-exempt and taxable bonds, the proceeds of which can be used to provide low-interest loans to businesses and certain nonprofit organizations to finance projects which provide or maintain employment and/or tax ratables.

(b) Most bond financings are not guaranteed by the Authority or the State, and are payable solely from revenues generated by the project being financed.

(c) The general credit of neither the Authority nor the State is pledged to secure the bonds.

19:31-1.2 Bond purchaser

(a) The applicant shall secure a written commitment from a bond purchaser.

(b) A bond purchaser shall be:

1. A commercial bank or other institutional lender;
2. An underwriter or placement agent;
3. A privately owned entity; or
4. An individual.

(c) A bond purchaser other than a commercial bank or institutional lender must submit an Application to Purchase Bonds, which will be reviewed by the Authority to determine acceptability to purchase a bond. This application includes requests for identification of, or information about:

1. The officers, directors, partners, owners and stockholders of the applicant;
2. Litigation involving the applicant;
3. Applicant's counsel, principal banks of account, and accountant; and
4. Financial statements of applicant.

(d) The bond purchaser establishes the amount, term, interest rate, collateral, etc., for the bond in negotiation with the applicant.

Amended by R.1997 d.270, effective July 7, 1997.

See: 29 N.J.R. 1485(b), 29 N.J.R. 2844(b).

Deleted (c), barring bond purchaser from being substantial owner or user of project; and recodified former (d) and (e) as (c) and (d).

19:31-1.3 Bond financing

(a) Typically, the bonds are secured by a loan agreement and a mortgage on project assets.

(b) The funds raised by the bond issue are loaned by the Authority to pay for eligible project costs. The borrower signs an agreement with the Authority pledging to make payments sufficient to cover principal and interest on the bond. This agreement is then assigned to the bond purchaser.

(c) The borrower makes payments directly to the bond purchaser or trustee.

19:31-1.4 Eligibility standards

(a) Generally, to be eligible for bond financing:

1. A project must serve a public purpose; that is, maintain or expand employment in New Jersey, assist in the economic development or redevelopment of a municipality, maintain or increase the tax base of the municipality, and maintain or diversify business and industry in the State; and
2. Applicants must represent to the Authority that they would not proceed with their project in the present time, place, or scope without the Authority's assistance.

(b) The Authority generally will not approve financial assistance to a project involving relocation within New Jersey if the relocation will result in a job loss and/or hardship for the existing employees or if the relocation endangers the maintenance of tax ratables in a particular community.

(c) There is no minimum size for borrowings under the program, but loan requests of less than \$750,000 should be carefully reviewed by the applicant to assure that participation in the program is cost effective.

(d) Tax-exempt bonds are subject to the terms and conditions of the Internal Revenue Codes (IRC); therefore, it is advisable to consult with financial and legal advisors to determine the eligibility of the project.

(e) Taxable bonds issued through the Authority are not subject to the IRC. Loans may be made to borrowers for various projects and purposes including, but not limited to:

1. Office buildings;
2. Healthcare financings;
3. Warehouses and distribution facilities;
4. Manufacturing projects;