

ASSEMBLY, No. 2111

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED FEBRUARY 28, 2000

Sponsored by:

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Assemblyman PAUL DIGAETANO

District 36 (Bergen, Essex and Passaic)

SYNOPSIS

Amends the Structured Financing Act to permit participation by regional, county and municipal sewerage and utility authorities.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT permitting certain local authorities to participate in structured
2 financing agreements and amending P.L.1999,c.157.

3

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

6

7 1. Section 10 of P.L.1999, c.157 (C.52:31C-10) is amended to read
8 as follows:

9 10. Notwithstanding any law to the contrary, the State Treasurer
10 shall establish procedures under which a county or municipal
11 governing board [or], a board of education or the governing body of
12 a regional, county or municipal sewerage authority or a county or
13 municipal utility authority may undertake structured financing
14 agreements involving local assets in a manner similar to that provided
15 for State assets.

16 (cf: P.L.1999, c.157, s.10)

17

18 2. This act shall take effect immediately .

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STATEMENT

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23 This bill amends the "Structured Financing Act" to permit regional,
24 county and municipal sewerage and utility authorities to participate in
25 such transactions. When the original law was enacted in 1999 it
26 applied to State government, counties, municipalities and school
27 districts.

28 A structured financing transaction is a new and innovative financing
29 technique. Some government entities own large inventories of real and
30 tangible personal property assets. These assets often are associated
31 with certain benefits that have value to private sector parties but that
32 have no value to a government entity. A government entity can obtain
33 additional revenue by transferring the assets and their benefits to a
34 party that can use the benefits and then taking back just the asset.
35 Such transactions include tax-oriented lease/leaseback arrangements.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2111

STATE OF NEW JERSEY

DATED: MARCH 20, 2000

The Assembly Local Government Committee reports favorably Assembly Bill No. 2111.

This bill amends the "Structured Financing Act," P.L.1999, c.157 (C.52:31C-1 et seq.) to permit regional, county and municipal sewerage and utility authorities to participate in structured financing agreements. When the original law was enacted in 1999 it applied to State government, counties, municipalities and school districts.

A structured financing agreement is a new and innovative financing technique. Some government entities own large inventories of real and tangible personal property assets. These assets often are associated with certain benefits that have value to private sector parties but that have no value to a government entity. A government entity can obtain additional revenue by transferring the assets and their associated benefits to a party that can make use of the benefits, and then taking back just the asset. Such transactions include tax-oriented lease/leaseback arrangements.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2111

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 22, 2000

The Senate Community and Urban Affairs Committee reports favorably and with committee amendments Assembly Bill No. 2111.

As amended by the committee, this bill would amend the "Structured Financing Act," P.L.1999, c.157 (C.52:31C-1 et seq.) to direct the State Treasurer to establish procedures under which sewerage authorities created pursuant to the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), utilities authorities created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.) and the Passaic Valley Sewerage Commissioners may undertake structured financing agreements. When the original law was enacted in 1999 it applied to State government, counties, municipalities and school districts.

The committee amended the bill to authorize the Passaic Valley Sewerage Commissioners to undertake structured financing agreements and to correctly reference the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), and the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.).

This bill as amended by the committee is identical to Senate Bill No. 1196 with committee amendments also reported by the committee on May 22, 2000.

[First Reprint]

ASSEMBLY, No. 2111

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED FEBRUARY 28, 2000

Sponsored by:

Assemblyman JOSEPH V. DORIA, JR.

District 31 (Hudson)

Assemblyman PAUL DIGAETANO

District 36 (Bergen, Essex and Passaic)

Co-Sponsored by:

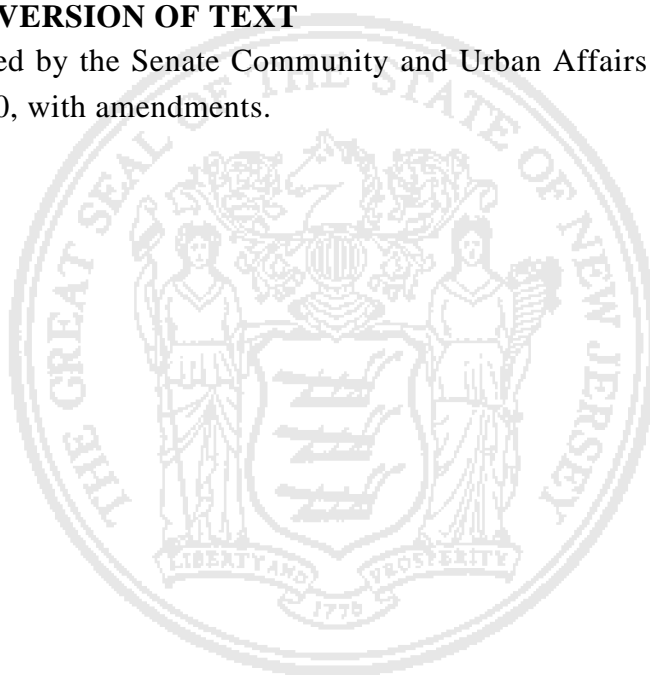
Senators O'Connor, Connors, Assemblymen Garcia and Sires

SYNOPSIS

Amends the Structured Financing Act to permit participation by sewerage authorities, utilities authorities and the Passaic Valley Sewerage Commission.

CURRENT VERSION OF TEXT

As reported by the Senate Community and Urban Affairs Committee on May 22, 2000, with amendments.



(Sponsorship Updated As Of: 6/16/2000)

1 AN ACT permitting certain local authorities ¹and sewerage
2 commissions¹ to participate in structured financing agreements and
3 amending P.L.1999, c.157.

4

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

7

8 1. Section 10 of P.L.1999, c.157 (C.52:31C-10) is amended to
9 read as follows:

10 10. Notwithstanding any law to the contrary, the State Treasurer
11 shall establish procedures under which a county or municipal
12 governing board [or], a board of education ¹[or the governing body
13 of a regional, county or municipal], a ¹sewerage authority ¹[or a
14 county or municipal utility] created pursuant to the "sewerage
15 authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), a utilities¹
16 authority ¹created pursuant to the "municipal and county utilities
17 authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), or the Passaic
18 Valley Sewerage Commissioners, continued pursuant to R.S.58:14-2¹
19 may undertake structured financing agreements involving local assets
20 in a manner similar to that provided for State assets.

21 (cf: P.L.1999, c.157, s.10)

22

23 2. This act shall take effect immediately.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCU committee amendments adopted May 22, 2000.

P.L. 2000, CHAPTER 54, *approved June 30, 2000*
Assembly, No. 2111 (*First Reprint*)

1 AN ACT permitting certain local authorities ¹and sewerage
2 commissions¹ to participate in structured financing agreements and
3 amending P.L.1999, c.157.

4

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

7

8 1. Section 10 of P.L.1999, c.157 (C.52:31C-10) is amended to
9 read as follows:

10 10. Notwithstanding any law to the contrary, the State Treasurer
11 shall establish procedures under which a county or municipal
12 governing board [or], a board of education ¹[or the governing body
13 of a regional, county or municipal], a ¹sewerage authority ¹[or a
14 county or municipal utility] created pursuant to the "sewerage
15 authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), a utilities¹
16 authority ¹created pursuant to the "municipal and county utilities
17 authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), or the Passaic
18 Valley Sewerage Commissioners, continued pursuant to R.S.58:14-2¹
19 may undertake structured financing agreements involving local assets
20 in a manner similar to that provided for State assets.

21 (cf: P.L.1999, c.157, s.10)

22

23 2. This act shall take effect immediately.

24

25

26

27

28 Amends the Structured Financing Act to permit participation by
29 sewerage authorities, utilities authorities and the Passaic Valley
30 Sewerage Commission.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCU committee amendments adopted May 22, 2000.

CHAPTER 54

AN ACT permitting certain local authorities and sewerage commissions to participate in structured financing agreements and amending P.L.1999, c.157.

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

1. Section 10 of P.L.1999, c.157 (C.52:31C-10) is amended to read as follows:

C.52:31C-10 Procedures for undertaking structured financing agreements by public agencies other than the State.

10. Notwithstanding any law to the contrary, the State Treasurer shall establish procedures under which a county or municipal governing board, a board of education, a sewerage authority created pursuant to the "sewerage authorities law," P.L.1946, c.138 (C.40:14A-1 et seq.), a utilities authority created pursuant to the "municipal and county utilities authorities law," P.L.1957, c.183 (C.40:14B-1 et seq.), or the Passaic Valley Sewerage Commissioners, continued pursuant to R.S.58:14-2 may undertake structured financing agreements involving local assets in a manner similar to that provided for State assets.

2. This act shall take effect immediately.

Approved June 30, 2000.