

31:1-7

LEGISLATIVE HISTORY CHECKLIST

(Interest rate of 6%--eliminated on certain local borrowing)

NJSA 31:1-7

LAWS 1981

CHAPTER 559

Bill No. A3796

Sponsor(s) Bornheimer

Date Introduced Jan. 4, 1982

Committee: Assembly

Senate

Amended during passage Yes No

Date of Passage: Assembly Jan. 7, 1982

Senate Jan. 11, 1982

Date of approval Jan. 12, 1982

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly ~~Yes~~ No

Senate ~~Yes~~ No

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing Yes ~~Yes~~ ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

6/22/81

JM

1033

**ASSEMBLY, No. 3796**

**STATE OF NEW JERSEY**

INTRODUCED JANUARY 4, 1982

By Assemblyman BORNHEIMER

(Without Reference)

AN ACT to amend "An act temporarily suspending the statutory maximum rate of interest limitations applicable to borrowings by counties, municipalities, school, and other districts, State agencies and other public authorities and agencies," approved July 3, 1969 (P. L. 1969, c. 137), as said title was amended by P. L. 1970, c. 49 and validating certain transactions.

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

1 1. Section 1 of P. L. 1969, c. 137 (C. 31:1-7) is amended to read  
2 as follows:

3 1. Notwithstanding the provisions of any other law, statute or  
4 regulation applicable to or constituting any limitation on the  
5 maximum rate of interest per annum payable on bonds, notes or  
6 other obligations, or as to annual interest cost to maturity of  
7 money borrowed or received upon issuance of bonds, notes or other  
8 obligations, every *county, municipality*, school district, body cor-  
9 porate and politic, district or public authority, agency, commission  
10 or other public institution heretofore or hereafter created by the  
11 State, any county, or municipality or by one or more counties or  
12 municipalities, is hereby authorized and empowered to contract to  
13 pay interest on or an interest cost per annum for money borrowed  
14 and evidenced by bonds, notes or other obligations without limit  
15 as to the rate of interest per annum payable thereon or as to the  
16 annual interest cost to maturity of the money borrowed.

1 2. (New section) Any county or municipal financing undertaken  
2 after December 31, 1981 and before the effective date of this act is  
3 hereby validated, ratified and confirmed irrespective of its failure  
4 to meet any statutory interest rate limitations provided all other  
5 provisions of applicable law have been met.

1 3. This act shall take effect immediately and shall be retroactive  
2 to December 31, 1981.

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## STATEMENT

This bill will extend to counties and municipalities the provisions of P. L. 1981, c. 381 which eliminates the 6% interest rate limitations placed on certain government borrowing. Since 1969 the maximum 6% interest rate limitations on county and municipal and other local government borrowing has been suspended through various moratoriums. The provisions of P. L. 1981, c. 381 were designed to make the moratoriums permanent. Unfortunately, references to counties and municipalities were mistakenly omitted from that law. This bill will correct that error. Since 6% borrowing terms are virtually unavailable in today's market, this bill is needed to permit municipalities and counties to obtain certain kinds of financing.

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A3796(1981)

JANUARY 13, 1982

A-3561, sponsored by Assemblyman Richard VanWagner (D-Monmouth), transfers funds from the services account to the personal services account to fund up to sixteen official court reporter positions as established by the State Supreme Court.

A-3623, sponsored by Assemblyman Herman Costello (D-Burlington), appropriates \$150,000 to the Division of Veterans Services as matching funds for the establishment of a veterans cemetery. The Department of Corrections is deeding a site at Arnytown to the Department of Human Services, who will donate the site.

A-3796, sponsored by Assemblyman James Bornheimer (D-Middlesex), eliminates the 6% interest ceiling placed on counties and municipalities for borrowing funds. The ceiling had been previously suspended through a series of moratoriums. Since 6% financing is unavailable today, this bill removes legal obstructions to counties and municipalities to obtain certain kinds of financing.

A-3626, sponsored by Assemblyman Raymond Lesniak (D-Union), appropriates \$500,000 from the Congregate Housing Service Act for various congregate housing projects.

A-3262, sponsored by Assemblyman Robert Littell (R-Sussex), would permit a minor person above 16 years of age a fourteen day grace period to obtain a physical examination necessary to obtain a work permit. The intent is to allow a minor to immediately begin working in food service, restaurant or retail occupations when school is not in session. Previously, a minor would have be forced to wait until a physical examination was made and the permit issued.

A-3688, sponsored by Assemblyman Alan Karcher (D-Middlesex), establishes a staggered registration system for commercial motor vehicles. Currently, some 900,000 commercial registrations must be processed each March. This bill will help to improve efficiency by reducing the disproportionate work load.

A-3702, sponsored by Assemblywoman Barbara McConnell (D-Hunterdon), appropriates \$1,000 for a study on a proposal for a Chair in Women's Studies at the Douglas College of Rutgers University.

A-1853, sponsored by Assemblyman James Borheimer (D-Middlesex), amends the No Fault Auto Insurance Law to clarify that optional personal injury protection benefits must be offered to the insured and members of his family residing in the household, and that optional income continuation and essential service benefits cease upon the death of the claimant and will not increase death benefits provided for elsewhere in the statute.

(~~SECRET~~)