

31:1-7

LEGISLATIVE HISTORY CHECKLIST

NJSA 31:1-7 (Local bonds--interest rate--extend suspension of maximum rate)

LAWS 1981 CHAPTER 189

Bill No. A3290

Sponsor(s) Herman

Date Introduced April 27, 1981

Committee: Assembly -----

Senate -----

Amended during passage ~~Yes~~ No

Date of Passage: Assembly May 14, 1981

Senate June 15, 1981

Date of approval June 25, 1981

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~~ No

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

DEPARTMENT OF TREASURY  
DO NOT REMOVE FROM FILE

ASSEMBLY, No. 3290

STATE OF NEW JERSEY

INTRODUCED APRIL 27, 1981

By Assemblyman HERMAN

(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.

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  
9 corporate and politic, district or public authority, agency, com-  
10 mission or other public institution heretofore or hereafter created  
11 by the State, any county, or municipality or by one or more counties  
12 or municipalities, is hereby authorized and empowered for the  
13 period from the effective date of this act through **[June 30]**  
14 **December 31, 1981** to contract to pay interest on or an interest cost  
15 per annum for money borrowed and evidenced by bonds, notes or  
16 other obligations without limit as to the rate of interest per annum  
17 payable thereon or as to the annual interest cost to maturity of the  
18 money borrowed.

1 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.**

**STATEMENT**

In 1978, the statutory limitation governing the maximum interest rate counties, municipalities, school and other districts, State authorities and other agencies were permitted to pay on their bonds, notes and other obligations was suspended until June 30, 1981.

The purpose of this bill is to extend that suspension on the maximum interest rate for local bonds, notes and obligations until December 31, 1981.

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## STATEMENT

In 1978, the statutory limitation governing the maximum interest rate counties, municipalities, school and other districts, State authorities and other agencies were permitted to pay on their bonds, notes and other obligations was suspended until June 30, 1981.

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A 3290 (1981)

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JUNE 25, 1981

KATHRYN FORSYTH

Acting Governor Joseph P. Merlino today signed the following bills:

S-1292, sponsored by Senator Wayne Dumont (R-Warren) which permits school districts to renew their food service contracts on a yearly basis up to two additional years without the necessity of further bidding.

However, the terms of the existing contract must remain substantially unchanged and any cost increase must not exceed 20% over the two-year period.

A-2220, sponsored by Assemblyman Martin Herman (D-Gloucester) which places all classified employees of the Division of Criminal Justice, except secretarial and clerical personnel, in the unclassified service of the Civil Service system.

A-3290, also sponsored by Assemblyman Herman, which extends the suspension of interest rate limitations on bonds, notes and other obligations of counties, municipalities, school districts, other districts, public authorities, agencies, commissions and other public institutions until December 31, 1981.

A-3041, sponsored by Assemblyman James Saxton (R-Burlington) which gives fire districts more flexibility in their bond financing by permitting the districts to issue bond anticipation notes.

The notes would be for a period not to exceed one year and could be renewed up to three years. Provision is made for the retirement of a portion of the bond debt during the period the bond anticipation notes are outstanding.