

40: 11A - 22

October 22, 1970

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LEGISLATIVE NOTES ON R.S.40:11A-22
(1967 amendment)

L.1967 - c.119 - A218.

Not amended during passage.

Statement (copy enclosed of original bill with statement).

JH/EH
Enclosure

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ASSEMBLY, No. 218

STATE OF NEW JERSEY

INTRODUCED JANUARY 16, 1967

By Assemblymen YESKO and BIBER

Referred to Committee on County and Municipal Government

AN ACT to amend "An act to provide for the creation as bodies corporate and politic 'parking authorities' in counties and municipalities, prescribing the rights, powers, and duties of such authorities; authorizing such authorities to acquire, construct, improve, maintain and operate parking projects; to conduct research of the parking problem, and to borrow money and issue bonds therefor, providing for the payment of such bonds and prescribing the rights of the holders thereof, conferring the right of eminent domain on such authorities, empowering such authorities to enter into contracts with and to accept grants from the Federal Government, the State, political subdivisions of the State or any agency thereof, providing for exempting the property of such parking authorities from taxation; and authorizing counties and municipalities to grant financial and other aid to parking projects," approved July 2, 1948 (P. L. 1948, c. 198).

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

1 1. Section 22 of the act of which this act is amendatory is amended to
2 read as follows:

3 22. (1) The municipality for which a parking authority shall have been
4 created shall have the power from time to time, by or pursuant to ordinance
5 duly adopted or by instruments or other action authorized by such an ordi-
6 nance and for such period and upon such terms, with or without considera-
7 tion, as may be provided in such ordinance and accepted by the authority.

8 (a) To pledge to the authority, and covenant and agree with the author-
9 ity to pay to or on the order of the authority, all or any part of any funds
10 theretofore or thereafter received by the municipality for or with respect to
11 the parking or storage of motor vehicles, in streets or otherwise, including
12 funds collected in parking meters located in or along streets or otherwise;

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

13 (b) To sell, lease, lend, donate, grant or convey to the authority, or
14 permit the authority to use, maintain or operate as part of its projects or
15 to manage, any parking project or undertaking constructed or owned by the
16 municipality, or any meters, equipment or other real or personal property
17 owned by the municipality, which may be necessary or useful and convenient
18 for the purposes of the authority and accepted by the authority;

19 (c) To appropriate money for all or any part of the cost of acquisition
20 or construction of any parking project of the authority and, in accordance
21 with the limitations and any exceptions thereto and in the manner or mode
22 of procedure prescribed by the local bond law [(article 1 of chapter 1 of
23 Title 40 of the Revised Statutes)], to incur indebtedness, borrow money and
24 issue its negotiable bonds for the purpose of financing such project and ap-
25 propriation, and to pay the proceeds of such bonds to the authority;

26 (d) To covenant and agree with the authority to pay to or on the order
27 of the authority annually or at shorter intervals as a subsidy for the promo-
28 tion of its purposes not exceeding such sums of money as may be stated in
29 such ordinance;

30 (e) To unconditionally guarantee the punctual payment of the principal
31 of and interest on any bonds of the authority; and

32 (f) Upon authorization by it in accordance with law of the performance
33 of any act or thing which it is empowered by law to authorize and perform
34 and after appropriation of the moneys (if any) necessary for such perform-
35 ance, to [covenant] *covenant* and agree with the authority to do and per-
36 form such act or thing and as to the time, manner and other details of its
37 doing and performance.

38 (2) Any guaranty of bonds of an authority made pursuant to this sec-
39 tion shall be evidenced by endorsement thereof on such bonds, executed in the
40 name of the municipality and on its behalf by such officer thereof as may
41 be designated in the ordinance authorizing such guaranty, and such munici-
42 pality shall thereupon and thereafter be obligated to pay the principal of
43 and interest on said bonds in the same manner and to the same extent as in
44 the case of bonds issued by it. *Any such guaranty of bonds of the authority*
45 *may be made, and any ordinance authorizing such guaranty may be adopted,*
46 *notwithstanding any statutory or other debt limitations, including particu-*
47 *larly any limitation or requirement under or pursuant to the local bond law,*
48 *but the principal amount of bonds guaranteed pursuant to said ordinance*
49 *shall be included in the gross debt of such municipality for the purpose of*
50 *determining the indebtedness of such municipality under or pursuant to the*
51 *local bond law. The principal amount of bonds guaranteed pursuant to said*
52 *ordinance and included in gross debt shall be deducted and is hereby declared*
53 *to be and to constitute a deduction from such gross debt under and for all*

54 *the purposes of the local bond law (a) from and after the date of adoption*
55 *of the ordinance authorizing such guaranty and until the end of the fifth fiscal*
56 *year beginning next thereafter, and (b) in any annual debt statement filed*
57 *pursuant to the local bond law as of the end of said fifth fiscal year or any*
58 *subsequent fiscal year if the municipality shall not have been required to*
59 *make any payment in such fiscal year on account of the principal of or inter-*
60 *est on any of the bonds guaranteed pursuant to said ordinance.*

61 (3) Every municipality which shall make any contract, covenant or
62 agreement with an authority or pledge to an authority pursuant to this sec-
63 tion is hereby authorized and directed to do and perform any and all acts
64 or things necessary, convenient or desirable to carry out and perform the
65 same and to provide for the payment or discharge of any obligation there-
66 under in the same manner as other obligations of such municipality. Any
67 such contract, covenant, agreement or pledge, and any instrument making
68 or evidencing the same, may be pledged or assigned by the authority to se-
69 cure its bonds and thereafter may not be modified except as provided by the
70 terms of such instrument or by the terms of such pledge or assignment.

1 2. This act shall take effect immediately.

STATEMENT

This bill will implement the provisions of the Parking Authority Law as to bonds of a parking authority which are thereunder issued and guaranteed by a municipality by granting an immediate deduction therefor from the gross debt of the municipality for the purposes of the Local Bond Law from and after date of adoption of the guaranty ordinance and until the end of the fifth fiscal year thereafter and as to any future fiscal year in which a municipality is not required to make any payment on account of principal or interest on the guaranteed bonds. Such deductibility or guaranteed debt for local bond law purposes would be immediate and within the limitations established in the bill and would not require the "public parking system" computations necessary and resulting by reason of chapter 172 of the Pamphlet Laws of 1957.

Existing provisions of the Local Bond Law require the inclusion of such guaranteed bonds in the gross debt of the municipality (N. J. S. A. 40A:2-43), and also permit the deduction from such gross debt of the amount of bonds or notes issued and authorized by a parking authority and guaranteed by the municipality to the extent permitted by the Local Bond Law or by any other law (N. J. S. A. 40A:2-44). While the proposed amendment would confirm necessity for continued inclusion of the amount of guaranteed bonds in the gross debt of the municipality, it would allow immediate and continued deduction thereof from gross debt within the limits provided in the bill.