

54:40A-13

LEGISLATIVE HISTORY CHECKLIST

NJSA: 54:40A-13 (Cigarette distributor - letter of credit in place of bond)

LAWS OF: 1983 CHAPTER: 3

Bill No: S1617

Sponsor(s): Orechio

Date Introduced: July 12, 1982

Committee: Assembly: Commerce and Industry

Senate: \_\_\_\_\_

Amended during passage: Yes // Amendments during passage denoted by asterisks

Date of Passage: Assembly: Nov. 29, 1982

Senate: July 22, 1982

Date of Approval: Jan. 17, 1983

Following statements are attached if available:

Sponsor statement: Yes //

Committee statement: Assembly /// No

Senate /// No

Fiscal Note: /// No

Veto Message: /// No

Message on Signing: /// ~~No~~ Yes

Following were printed:

Reports: /// No

Hearings: /// No

**Pennsylvania cigarette tax regulations:**

Pa. Admn. Code s.61.73 et seq.

1-17-83

[OFFICIAL COPY REPRINT]

## SENATE, No. 1617

## STATE OF NEW JERSEY

INTRODUCED JULY 12, 1982

By Senator ORECHIO

(Without Reference)

AN ACT to amend the "Cigarette Tax Act," approved April 29, 1948  
(P. L. 1948, c. 65).

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

1 1. Section 403 of P. L. 1948, c. 65 (C. 54:40A-13) is amended to  
2 read as follows:

3 403. Credit sales of revenue stamps. The director, in his discre-  
4 tion, may permit a licensed distributor to pay for revenue stamps  
5 within thirty days after the date of purchase; provided, a bond  
6 or \***[bank]**\* *\*an irrevocable\* letter of credit\*, issued by a State or*  
7 *federally chartered bank, that is\** satisfactory to the director in an  
8 amount not less than the sales price of such stamps shall have been  
9 filed with the director. The bond, conditioned to secure payment  
10 for such stamps, shall be executed by the licensed distributor as  
11 principal, and by a corporation duly authorized to engage in busi-  
12 ness as a surety company in the State of New Jersey, as surety.

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.

Matter printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

\*—Assembly committee amendment adopted November 15, 1982.

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9     stamps, shall be executed by the licensed distributor as principal,  
10    and by a corporation duly authorized to engage in business as a  
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STATEMENT

Cigarette distributors have experienced great difficulty in secur-  
ing bonding to allow them to purchase cigarette revenue tax stamps,  
as many insurance companies have discontinued issuing bonds,  
several insurance companies will issue bonds only in conjunction  
with substantial other business and as an accommodation. This bill  
will enable distributors to secure a letter of credit as an alternative  
to a bond, with no corresponding increase in risk to the State.  
Pennsylvania distributors presently have this option.

**Matter printed in italics thus is new matter.**

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: KATHERINE BROKAW

MONDAY, JANUARY 17, 1983

Governor Thomas H. Kean has signed the following bills:

A-176, sponsored by Assemblyman John A. Rocco (R-Camden), allows the State to grant scholarships to independent colleges in New Jersey to children and surviving spouses of policemen, firemen, rescue workers and other officers. Currently, children of those workers may attend State colleges at no charge. This law provides that the State can help such students with tuition fees at private colleges in the State; the scholarships would not amount to more than the highest tuition charged at the State colleges.

A-1502, sponsored by Assembly Majority Leader John P. Doyle (D-Ocean), grants to State-chartered savings and loan associations the same powers which federal savings and loan associations now have. The bill gives the State Commissioner of Banking the discretion to change the State charters as the federal charters change, without having to wait for legislative approval.

S-1239, sponsored by Senator Laurence S. Weiss (D-Middlesex), exempts certain condominiums and row houses from inspection under the Hotel and Multiple Dwelling Law.

S-1617, sponsored by Senate President Carmen Orechio (D-Essex), allows cigarette distributors to substitute a letter of credit for a bond to defer payment for revenue stamps.

A-2038, sponsored by Assemblywoman Mildred Garvin (D-Essex), completes a bond authorization procedure for the Newark school district.

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