

40A:14-86

LEGISLATIVE HISTORY CHECKLIST

NJSA: 40A:14-86

(Fire district bonds--eliminate
6% interest ceiling)

LAWS OF: 1983

CHAPTER: 381

Bill No: A1353

Sponsor(s): Flynn and Vac Wagner

Date Introduced: May 13, 1982

Committee: Assembly: Municipal Government

Senate: County and Municipal Government

Amended during passage: Yes

Amendments during passage denoted by asterisks

Date of Passage: Assembly: November 29, 1982

Senate: September 15, 1983

Date of Approval: November 10, 1983

Following statements are attached if available:

Sponsor statement: Yes

Also attached:
Assembly committee
amendments, adopted
8-29-83 (with statement)

Committee statement: Assembly Yes

Senate No

Fiscal Note: No

Veto Message: NO

Message on Signing: NO

Following were printed:

Reports: No

Hearings: NO

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ASSEMBLY, No. 1353

STATE OF NEW JERSEY

INTRODUCED MAY 13, 1982

By Assemblymen FLYNN and VAN WAGNER

AN ACT concerning issuance of bonds by fire districts and amending N. J. S. 40A:14-86.

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

1 1. N. J. S. 40A:14-86 is amended to read as follows:

2 40A:14-86. The legal voters, at any election held for the purpose
3 of raising money by issuance of bonds, shall vote by ballot on the
4 question. The election shall be conducted in the same manner as
5 other fire district elections.

6 If a majority of the legal voters voting on the question favor the
7 issuance of such bonds the board of fire commissioners shall be
8 authorized to issue them.

9 Said bonds shall be serial bonds issued in the corporate name
10 of the fire district, in the authorized amount, not exceeding in the
11 aggregate \$60,000.00 or 2% of the assessed valuation of the taxable
12 property of the district, whichever amount is larger. They shall be
13 in the amounts and payable at the time directed, with interest at
14 **[a]** any rate **[not exceeding 6% per annum,]** of interest that the
15 fire commissioners may approve **and* which **[interest]** shall be*
16 payable semi-annually. The bonds shall not be issued for longer
17 than a 30-year period. They shall be signed by ***the manual or*
18 *facsimile signature of*** the chairman of the board of fire commis-
19 sioners and attested by ***the manual or facsimile signature of***
20 the clerk, *****[who shall affix thereto the corporate seal]**** *and may**
21 *be attested by a registrar or authenticating agent***. The bonds shall
22 *****[have coupons attached for the payment of interest, signed by the***

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 October 18, 1982.

**—Senate committee amendments adopted August 29, 1983.

23 clerk and numbered to correspond to the bonds. A proper registry
24 shall be kept by the clerk of the board, of each bond issued, num-
25 bered consecutively]** ***be coupon bonds or registered bonds and*
26 *shall be issued at such price or prices, not less than par, as the*
27 *board of five commissioners shall determine***. The bonds shall be
28 sold at public or private sale for the best obtainable price **[but not
29 less than par and accrued interest]****.

1 2. This act shall take effect immediately.

STATEMENT

This bill would eliminate the statutory 6% ceiling imposed on bonds issued by fire districts.

Fire districts are permitted to issue bonds with the approval of the fire commissioner of the district in amounts not to exceed \$60,000.00 or 2% of the assessed value of the taxable property of the district, whichever is greater. The 6% statutory rate has been rendered insufficient because of the high level of interest rates generally.

A1353 (1982)

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1353

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 18, 1982

Assembly Bill No. 1353 would amend N. J. S. 40A:14-86 in order to eliminate the reference to the 6% interest rate ceiling on the bonds issued by fire districts.

The committee is fully aware that the maximum interest rate set forth in this section has been premanently suspended by the provisions of P. L. 1981, c. 381 (C. 31:1-7). The elimination of the reference to the 6% interest rate ceiling, therefore, would simply bring this section into conformity with the provisions of existing law.

The committee amendment is purely technical and was made to clarify the language of the bill.

ADOPTED

(Proposed by Senator *Rodriguez*)
6/29/83

Amend:

AUG 29 1983

Page	Sec.	Line	
1	1	17	After "signed by" insert "the manual or facsimile signature of"
1	1	18	Omit "attested by" insert "the manual or facsimile signature of"
1	1	18-19	Omit "who shall affix thereto the corporate seal"; insert "and may be attested by a registrar or authenticating agent"
1-2	1	19-23	Omit "have coupons" on line 19, omit lines 20-22 omit "consecutively" on line 23 and insert "be coupon bonds or registered bonds and shall be issued at such price or prices, not less than par, as the board of fire commissioners shall determine"
2	1	24-25	Omit "but not less than par and accrued interest"

STATEMENT

These amendments simplify the procedure for issuing and keeping records of bonds of fire districts and were recommended by the State Treasurer's office.

Printer's Note:

1

Explanation

Change "Senate" to "Assembly" as the house which adopted the committee amendment on October 18, 1982.

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