

40A:2-27

LEGISLATIVE HISTORY CHECKLIST

NJSA 40A:2-27 (Local Bonds--private sale--increase limit on amount to \$100,000.00)

LAWS 1981 CHAPTER 111

Bill No. A2068

Sponsor(s) Herman

Date Introduced Sept. 29, 1980

Committee: Assembly Municipal Government

Senate County and Municipal Government

Amended during passage Yes No

Date of Passage: Assembly Nov. 24, 1980

Senate Feb. 23, 1981

Date of approval April 2, 1981

Following statements are attached if available:

Sponsor statement Yes No (Below)

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

Sponsor's statement:

This bill increases from \$20,000.00 to \$100,000.00 the amount of local bonds which may be sold at private sale. The \$20,000.00 figure was established in 1960 and has been rendered obsolete by inflation. The advertising and other costs entailed in the public sale of bonds is now so high as to be appropriate only for issues in excess of \$100,000.00.

6/22/81

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ASSEMBLY, No. 2068

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 29, 1980

By Assemblyman HERMAN

Referred to Committee on Municipal Government

AN ACT concerning the "Local Bond Law" and amending N. J. S.
40A:2-27.

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

1 1. N. J. S. 40A:2-27 is amended to read as follows:

2 All bonds shall be sold at public sale upon sealed proposals,
3 except that bonds may be sold at private sale:

4 a. Without any previous public offering

5 (1) if constituting all or part of an authorized issue of
6 **[\$20,000.00]** \$100,000.00 or less, or

7 (2) if sold to any board, body, agency, commission, instru-
8 mentality, district, authority or political subdivision of any
9 local unit, or of the State, or of the Federal Government; or

10 b. If no legally acceptable bid is received at advertised public
11 offering, such bonds or any of them may be sold within 30 days
12 after the advertised date for public bidding, provided, however,
13 that no bonds shall bear interest at any rate of interest which
14 is higher than the rate or maximum rate specified in the notice of
15 sale, nor contain substantially different provisions from those
16 specified in said notice.

17 Any purchaser of bonds at private sale, other than a public
18 body, shall deposit a certified or cashier's or treasurer's check
19 drawn upon a bank or trust company in an amount equal to 5%
20 of the amount of bonds purchased and such amount shall be applied
21 as in the case of a deposit made at public sale.

22 Any private sale of bonds shall be made or confirmed by reso-
23 lution of the governing body adopted by not less than a $\frac{2}{3}$ vote
24 of the full membership thereof, setting forth the date, maturities,
25 interest rate and price of the bonds and the name of the purchaser.

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

This bill increases from \$20,000.00 to \$100,000.00 the amount of local bonds which may be sold at private sale. The \$20,000.00 figure was established in 1960 and has been rendered obsolete by inflation. The advertising and other costs entailed in the public sale of bonds is now so high as to be appropriate only for issues in excess of \$100,000.00.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2068

STATE OF NEW JERSEY

DATED: NOVEMBER 10, 1980

This bill increases from \$20,000.00 to \$100,000.00 the amount of local bonds which may be sold at private sale. The \$20,000.00 figure was established in 1960 and has been rendered obsolete by inflation. Advertising and other costs entailed in the public sale of bonds is now so high as to be appropriate only for issues in excess of \$100,000.00. The committee was advised of approval of this legislation by the Department of Community Affairs.

A-1847, sponsored by Assemblyman William Bate (D-Passaic) which requires the Criminal Disposition Commission to report its findings annually rather than every six months, as the original legislation establishing the Commission required.

The Criminal Disposition Commission is a statutory agency composed of representatives of all sectors of the criminal justice system and the Legislature. Its purpose is to study and review all aspects of the system relating to the disposition of criminal offenders, including, but not limited to, terms of imprisonment, fines and other monetary punishments, parole, probation and supervisory treatment..

A-2068, sponsored by Assemblyman Martin Herman (D-Gloucester) which increases the maximum amount of local bonds which may be sold at a private sale from \$20,000 to \$100,000.

The \$20,000 figure was set in 1960, and this adjustment reflects increased costs due to inflation. In addition, the maximum larger offering results in a smaller overall percentage of the aggregate being used for advertising and legal costs of the sale.

A-2151, sponsored by Assemblyman Thomas Deverin (D-Union) which permits prosecuting agencies to donate forfeited weapons of military value to the National Guard Military Museum of New Jersey at Sea Girt.

A-844, also sponsored by Assemblyman Herman, which permits Special Agents of the Division of Taxation to carry guns while on duty only.

The agents enforce the laws against cigarette smuggling and can encounter dangerous situations. The agents had the right to carry guns on duty before the enactment of the new Penal Code, but due to a technical oversight in the writing of the code, that right was eliminated when the Code became effective.

✓ Governor Byrne stressed when signing the bill that the agents were not permitted to carry guns off duty. They may carry guns while on duty only.