

40A:14-86.1

LEGISLATIVE HISTORY CHECKLIST

NJSA 40A:14-86.1 (Fire district bonds--issue capital improvement project notes)

LAWS 1981 CHAPTER 188

Bill No. A3041

Sponsor(s) Saxton and Snedeker

Date Introduced Feb. 2, 1981

Committee: Assembly Municipal Government

Senate -----

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly March 2, 1981

Senate April 27, 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

Original in possession of Legislative Council

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ASSEMBLY, No. 3041

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 2, 1981

By Assemblymen SAXTON and SNEDEKER

Referred to Committee on Municipal Government

AN ACT concerning the short-term financing of capital projects by fire districts and supplementing chapter 14 of Title 40A of the New Jersey Statutes.

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

1 1. The board of commissioners of a fire district, following the
2 authorization by voters of the issuance of bonds pursuant to N. J. S.
3 40A:14-86, may by resolution borrow money and issue negotiable
4 notes in anticipation of the bond issue.***[For the purposes of this**
5 **section the procedures set forth in subsection a. of N. J. S. 40A:2-8**
6 **shall apply to the degree appropriate.]** *Any note shall be desig-
7 nated a "bond anticipation note" and shall contain a recital that it
8 is issued in anticipation of the issuance of bonds. Such notes may
9 be issued for a period not to exceed 1 year, and may be renewed
10 from time to time not to exceed 1 year; but all such notes, including
11 renewals, shall mature and be paid not later than the third anni-
12 versary of the date of the original notes; provided, however, that
13 no notes shall be renewed beyond the first anniversary date of the
14 original notes unless an amount of such notes, at least equal to the
15 first legally payable installment of the bonds in anticipation of
16 which the notes are issued is paid and retired on or before the
17 second anniversary date, and if the notes are renewed beyond the
18 second anniversary date of the original notes, a like amount is
19 paid or retired on or before the third anniversary date from funds
20 other than the proceeds of obligations; except that the notes shall
21 mature and be paid not later than the first day of the fifth month
22 following the close of the third fiscal year next following the date
23 of the original notes, provided that, in addition to amounts paid
24 and retired pursuant to this section, an amount of such notes equal
25 to not less than the first legally payable installment of the bonds
26 in anticipation of which the notes are issued has been paid and

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

27 *retired not later than the end of the third fiscal year from funds*
28 *other than the proceeds of obligations.*

29 *The period of usefulness as defined in N. J. S. 40A:2-22 of any*
30 *purpose for which bonds are issued shall include the period during*
31 *which notes issued in anticipation of such bonds are outstanding,*
32 *including all renewals thereof.**

33 Funds derived from the issuance of fire district bonds may be
34 used to redeem notes issued in anticipation of the bond issue.

1 2. This act shall take effect immediately.

ASSEMBLY, No. 3041

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 2, 1981

By Assemblymen SAXTON and SNEDEKER

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AN ACT concerning the short-term financing of capital projects by fire districts and supplementing chapter 14 of Title 40A of the New Jersey Statutes.

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2 *of New Jersey:*

1 1. The board of commissioners of a fire district, following the
2 authorization by voters of the issuance of bonds pursuant to N. J. S.
3 40A:14-86, may by resolution borrow money and issue negotiable
4 notes in anticipation of the bond issue. For the purposes of this
5 section the procedures set forth in subsection a. of N. J. S. 40A:2-8
6 shall apply to the degree appropriate.

7 Funds derived from the issuance of fire district bonds may be
8 used to redeem notes issued in anticipation of the bond issue.

1 2. This act shall take effect immediately.

STATEMENT

This bill permits the board of commissioners of a fire district, by resolution, to issue notes for capital improvement projects where the voters have previously approved a capital improvement bond issue. This opportunity to secure short-term financing is currently available to counties, municipalities and school boards. During periods when interest rate of long-term bonds are very high, fiscal prudence dictates the issuance of short-term notes to permit commencement of the capital project.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE
STATEMENT TO
ASSEMBLY, No. 3041
STATE OF NEW JERSEY

DATED: MARCH 2, 1981

The purpose of this bill, as amended by the committee, is to allow the board of commissioners of a fire district to borrow money or issue bond anticipation notes redeemable in 3 years, if the voters have approved a bond issue. The term of any such bonds would commence upon the date of the issuance of bond anticipation notes pursuant to this act.

The committee, at the request of the sponsor amended the bill to provide that bond anticipation notes would be redeemable in 3 years rather than as provided in N. J. S. 40A:2-8 and that the term of the bond would commence on the date that the bond anticipation notes were issued.

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.

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