

40:68A-43, 40:68A-43.1, 40:68A-5

LEGISLATIVE HISTORY CHECKLIST

(Municipal Port Authorities -- same rights as parking authorities)

NJSA 40:68A-43, 40:68A-43.1, 40:68A-5

LAWS 1981

CHAPTER 547

Bill No. A3501

Sponsor(s) Janiszewski and Pellecchia

Date Introduced June 11, 1981

Committee: Assembly ---

Senate ---

Amended during passage according to Governor's recommendations Yes

~~XXX~~ Amendments denoted by asterisk

Date of Passage: Assembly June 15, 1981

Re-enacted 1-11-82

Senate June 18, 1981

Re-enacted 1-12-81

Date of approval Jan 12, 1982

Following statements are attached if available:

Sponsor statement Yes ~~XXX~~

Committee Statement: Assembly ~~XXX~~ Yes No

Senate ~~XXX~~ Yes No

Fiscal Note ~~XXX~~ Yes No

Veto Message Yes ~~XXX~~

Message on signing ~~XXX~~ Yes No

Following were printed:

Reports ~~XXX~~ Yes No

Hearings ~~XXX~~ Yes No

6/22/81

DEC

PP

1-12-82

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ASSEMBLY, No. 3501

STATE OF NEW JERSEY

INTRODUCED JUNE 11, 1981

By Assemblymen JANISZEWSKI and PELLECCIA

(Without Reference)

AN ACT to amend **and supplement** the "municipal port authorities law," approved February 15, 1961 (P. L. 1960, c. 192).

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

1 1. Section 15 of P. L. 1960, c. 192 (C. 40:68A-43) is amended
2 to read as follows:

3 15. *a.* Any municipality shall have power, in the discretion of
4 its governing body, **[to]** *and pursuant to ordinance:*

5 (1) *To appropriate moneys for the purposes of the municipal*
6 *port authority, and to loan or donate such moneys to the municipal*
7 *port authority in such installments and upon such terms as may*
8 *be agreed upon with the municipal port authority;*

9 (2) *To covenant and agree with the municipal port authority*
10 *to pay to, or on order of, the authority annually or at shorter*
11 *intervals as a subsidy for the promotion of its purposes, amounts*
12 *not to exceed those stated in the ordinance;*

13 (3) *To unconditionally guarantee the punctual payment of the*
14 *principal and interest of bonds of the authority; and,*

15 (4) *Upon authorization by it in accordance with law of the per-*
16 *formance of any act or thing which it is empowered by law to*
17 *authorize and perform, and after appropriation of the moneys*
18 *necessary, if any, for such performance, to covenant and agree*
19 *with the authority to do and perform that act or thing and con-*
20 *cerning the time, manner and other details of the action or per-*
21 *formance.*

22 *b.* *Any guaranty of bonds of an authority made pursuant to this*
23 *section shall be evidenced by endorsement thereof on the bonds,*
24 *executed in the name of the municipality and on its behalf by the*
25 *officer designated in the ordinance authorizing such guaranty, and*
26 *the municipality shall thereupon and thereafter be obligated to*

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

3 23. Neither the members of the municipal port authority nor
 4 any person executing bonds issued pursuant to this act shall be
 5 liable personally on the bonds by reason of the issuance thereof.
 6 Bonds or other obligations issued pursuant to this act shall not be
 7 in any way a debt or liability of the State, and bonds or other
 8 obligations issued by a municipal port authority pursuant to this
 9 act shall not be in any way a debt or liability of the State or of
 10 any county or municipality and shall not create or constitute any
 11 indebtedness, liability or obligation of the State or of any county
 12 or municipality, *except a municipality which in accordance with*
 13 *section 15 of P. L. 1960, c. 192 (C. 40:68A-43) shall have guaranteed*
 14 *payment of principal and interest on the bonds or other obligations.*
 15 Nothing in this act contained shall be construed to authorize any
 16 municipal port authority to incur any indebtedness on behalf of
 17 or in any way to obligate the State or any county **【or municipality】**.

1 ***【3. This act shall take effect immediately.】***

1 *3. (New section) *In accordance with rules and regulations which*
 2 *the Local Finance Board is hereby authorized to adopt, municipal*
 3 *port authorities created pursuant to P. L. 1960, c. 192 (C. 40:68A-29*
 4 *et seq.) are subject to the following provisions:*

5 (a) *Every authority shall be required to submit an annual budget*
 6 *to the Local Finance Board for approval.*

7 (b) *The issuance of any obligations of an authority, agreements*
 8 *regarding municipal guaranties of authority bonds, financing*
 9 *agreements entered into by an authority, and all leases, sales or*
 10 *dispositions of real property made by an authority shall be subject*
 11 *to the approval of the Local Finance Board.*

1 4. *This act shall take effect 120 days after enactment.**

6 Bonds or other obligations issued pursuant to this act shall not be
7 in any way a debt or liability of the State, and bonds or other
8 obligations issued by a municipal port authority pursuant to this
9 act shall not be in any way a debt or liability of the State or of
10 any county or municipality and shall not create or constitute any
11 indebtedness, liability or obligation of the State or of any county
12 or municipality, *except a municipality which in accordance with*
13 *section 15 of P. L. 1960, c. 192 (C. 40:68A-43) shall have guaranteed*
14 *payment of principal and interest on the bonds or other obligations.*
15 Nothing in this act contained shall be construed to authorize any
16 municipal port authority to incur any indebtedness on behalf of
17 or in any way to obligate the State or any county **[or municipality]**.
1 3. This act shall take effect immediately.

STATEMENT

In 1973 the Legislature amended the Parking Authority Law to grant parking authorities certain necessary powers. It omitted by oversight to conform Chapter 68A by granting similar powers to port authorities. The purpose of these amendments is merely to grant Municipal Port Authorities the same kinds of powers as parking authorities have.

A 3501 (1981)

January 7, 1982

ASSEMBLY BILL NO. 3501

To the General Assembly:

Pursuant to Article V, Section 1, Paragraph 14 of the Constitution, I am returning Assembly Bill No. 3501 with my objections and recommendations for amendment.

This bill would permit municipalities to subsidize a municipal port authority, to guarantee payment of the authority's bonds regardless of the municipality's debt limitations, and to covenant with the authority to perform such acts as permitted by law.

By permitting municipalities to guarantee bonds in excess of their debt limitations, the bill would enable municipalities to incur excess debt without the approval of the Local Finance Board. Such excess debt could place a municipality in serious fiscal trouble. In addition, I note that while strengthening the financial power of municipal authorities, the bill places no additional fiscal controls on authorities.

Accordingly, I recommend that the bill be amended to subject such a municipal guaranty to the municipality's debt limitation and to strengthen the Local Finance Board's ability to assure the fiscal integrity of municipal port authorities. In addition, I suggest that an amendment be made to clarify that payments made by a municipality pursuant to a guaranty are outside the municipal "cap" law.

Accordingly, I herewith return Assembly Bill No. 3501 and recommend that it be amended as follows:

Page 1, Title, line 1: After "amend" insert "and supplement"

Page 2, Section 1, line 29: Delete "may be made,"

Page 2, Section 1, line 30: Delete "may be adopted, notwithstanding any" and insert "is subject to all"

Page 2, Section 1, line 33: Delete "but" and insert "and"

Page 2, Section 1, line 34: After "gross" add "and net"

Page 2, Section 1, line 36: Delete "The"

Page 2, Section 1, lines 37 to 47: Delete and insert "Any payment made by a municipality pursuant to a guaranty shall be considered "debt service" for purposes of the municipal spending limitations in P.L. 1976, c. 3 (C.40A:4-45.3).