

40A: 11-40

LEGISLATIVE HISTORY CHECKLIST

WISA 40A:11-40 (Local Government Property--Allow purchase at public auction)
LAWS OF 1979 CHAPTER 222

Bill No. A1782

Sponsor(s) Edwards and others

Date Introduced Nov. 20, 1978

Committee: Assembly Municipal Government

Senate County and Municipal Government

Amended during passage Yes * Amendments during passage denoted by asterisks

Date of Passage: Assembly April 26, 1979

Senate June 25, 1979

Date of approval Oct. 11, 1979

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

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[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1782

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1978

By Assemblymen EDWARDS, KERN, DOWD, GIRGENTI
and PELLECCIA

Referred to Committee on Municipal Government

A SUPPLEMENT to the "Local Public Contracts Law," approved
June 9, 1971 (P. L. 1971, c. 198).

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

1 1. Notwithstanding any provisions of the act to which this act is
2 a supplement to the contrary, the governing body may by resolution
3 authorize the purchasing agent of the contracting unit to purchase
4 specific materials at auction for a price not to exceed 85% of the
5 ***[fair market]*** price of equivalent materials ***[when new. A copy**
6 **of such]*** **as determined pursuant to this section. Such** resolu-
7 *tion shall be adopted at least 10 days prior to the auction and**
8 shall be filed with the Director of the Division of Local Government
9 Services within ***[10]*** **3** days of its adoption. Any such auction
10 shall be open to any person to attend and bid on such materials,
10A shall be conducted pursuant to N. J. S. 12A:2-328 or N. J. S.
10B 12A:6-108, and shall be conducted by a licensed auctioneer. Prior
11 to ***[participating in such auction]*** **adoption of the resolution**,
11A the purchasing agent shall solicit at least three ***[price quotations**
11B **in order to determine the fair market price of new materials equiv-**
12 **alent to those to be purchased at auction, which shall be the median**
12A **price of the three so quoted]*** **written quotations of prices for*
12B *which new materials equivalent to those to be purchased at auction*
13 *were actually sold within the previous year. The lowest of the three*
13A *prices so quoted shall be the determining price quotation for the*
13B *authorization to purchase at auction for a price not to exceed 85%*
14 *thereof. The authorizing resolution adopted by the governing body*
14A *shall set forth the three price quotations so quoted and the sources*
14B *thereof, and shall state that the expenditure of money for the pur-*
14C *chase is not made in violation of N. J. S. 40A:4-57, and has been*
14D *properly certified by the chief finance officer of the local unit.**

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

15 Any purchasing agent who shall purchase materials at auction
16 pursuant to this section shall, within 14 days of the occurrence of
17 such auction, file a report with the clerk of the governing body and
18 the director, setting forth: the nature, quantity and price of the
19 materials so purchased; the three price quotations solicited prior
20 to such auction, and the sources thereof; and, the name and license
21 number of the auctioneer who conducted such auction.

1 2. This act shall take effect immediately.

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

1 1. Notwithstanding any provisions of the act to which this act is
2 a supplement to the contrary, the governing body may by resolution
3 authorize the purchasing agent of the contracting unit to purchase
4 specific materials at auction for a price not to exceed 85% of the
5 fair market price of equivalent materials when new. A copy of
6 such resolution shall be filed with the Director of the Division of
7 Local Government Services within 10 days of its adoption. Any
8 such auction shall be open to any person to attend and bid on such
9 materials, shall be conducted pursuant to N. J. S. 12A:2-328 or
10 N. J. S. 12A:6-108, and shall be conducted by a licensed auctioneer.
11 Prior to participating in such auction, the purchasing agent shall
12 solicit at least three price quotations in order to determine the fair
13 market price of new materials equivalent to those to be purchased
14 at auction, which shall be the median price of the three so quoted.
15 Any purchasing agent who shall purchase materials at auction
16 pursuant to this section shall, within 14 days of the occurrence of
17 such auction, file a report with the clerk of the governing body and
18 the director, setting forth: the nature, quantity and price of the
19 materials so purchased; the three price quotations solicited prior
20 to such auction, and the sources thereof; and, the name and license
21 number of the auctioneer who conducted such auction.

1 2. This act shall take effect immediately.

STATEMENT

This bill would permit local government units to purchase new
or used materials at public auction for a price not to exceed 85% of

the fair market price of equivalent materials when new. The effect of the legislation would be to allow local governments to save money by purchasing satisfactory used goods and equipment at auction, instead of buying new goods and equipment. Office equipment and furnishings are particularly amenable to this method of cost savings. The bill provides for several safeguards against abuse, including the requirement that the local purchasing agent, prior to participating in such action, solicit at least three price quotations in order to determine the fair market price of equivalent materials when new.

ASSEMBLY MUNICIPAL GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1782

STATE OF NEW JERSEY

DATED: JANUARY 22, 1979

The sponsor's statement adequately expresses the purposes and provisions of this bill.

The Local Public Contracts Law (P. L. 1971, c. 198) currently makes no provision for the purchase of materials at auction.

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1782

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 14, 1979

As amended by the Senate committee, Assembly Bill No. 1782 would permit local government units to purchase new or used materials at public auction for a price not to exceed 85% of the price of equivalent materials when new. The effect of the legislation, according to the sponsor, would be to allow local governments to save money by purchasing satisfactory used goods and equipment at auction, instead of buying new goods and equipment. Office equipment and furnishings are particularly amendable to this method of cost savings. The bill provides for several safeguards against abuse, including the requirement that the local purchasing agent, prior to participating in such action, solicit at least three price quotations in order to determine the fair market price of equivalent materials when new.

In addition to the three price quotation requirement noted by the sponsor, the bill would require:

1. That the auction be open to the public, be conducted pursuant to statutory restrictions, and be conducted by a licensed auctioneer; and,
2. That the purchasing agent, within 14 days after the auction, file a report with the director detailing certain information concerning the purchases made at such auction, and the conduct thereof.

The Senate committee amendments, offered by the sponsor and endorsed by the Director of Local Government Services, would additionally tighten the procedural safeguards in the bill by:

- a. Requiring the local unit to utilize the lowest, rather than the median, of the 3 price quotations solicited for the purposes of authorizing the purchasing agent to purchase at auction equivalent materials at a price not to exceed 85% thereof;
- b. Requiring that the factual basis of the authorization—the 3 price quotations and the sources thereof—be set forth in the authorizing resolution;
- c. Requiring that the resolution be adopted at least 10 days prior to the auction, and be transmitted to the Director of Local Government Services within 3, rather than 10 days, of adoption;

d. Requiring that the 3 price quotations solicited be in written form and be prices at which new materials equivalent to those to be purchased at auction were actually sold within the previous year; and,

e. Requiring that the resolution state that the expenditure will not produce an overexpenditure of funds in violation of N. J. S. 40A:4-57, and the expenditure has been properly certified by the chief finance officer of the local unit (N. J. A. C. 5:30-14.5).

SENATE COMMITTEE AMENDMENTS TO
ASSEMBLY, No. 1782

STATE OF NEW JERSEY

ADOPTED JUNE 14, 1979

Amend page 1, section 1, line 5, omit "fair market".

Amend page 1, section 1, lines 5-6, omit "when new. A copy of such", insert "as determined pursuant to this section. Such".

Amend page 1, section 1, line 6, after "resolution", insert "shall be adopted at least 10 days prior to the auction and".

Amend page 1, section 1, line 7, omit "10", insert "3".

Amend page 1, section 1, line 11, omit "participating in such auction", insert "adoption of the resolution".

Amend page 1, section 1, lines 12-14, after "three", omit remainder of line 12 and all of lines 13 and 14; insert: "written quotations of prices for which new materials equivalent to those to be purchased at auction were actually sold within the previous year. The lowest of the three prices so quoted shall be the determining price quotation for the authorization to purchase at auction for a price not to exceed 85% thereof. The authorizing resolution adopted by the governing body shall set forth the three price quotations so quoted and the sources thereof, and shall state that the expenditure of money for the purchase is not made in violation of N. J. S. 40A:4-57, and has been properly certified by the chief finance officer of the local unit."

[SENATE REPRINT]

ASSEMBLY, No. 1782

with Senate committee amendments approved June 14, 1979

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 20, 1978

By Assemblymen EDWARDS, KERN, DOWD, GIRGENTI
and PELLECCIA

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21 number of the auctioneer who conducted such auction.

1 2. This act shall take effect immediately.

OCTOBER 15, 1979

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-- revise the tagging requirements for these birds.

-- revise the semi-wild preserve hunting season to clear up confusion in the existing language and make it consistent with other changes.

-- increase the annual semi-wild preserve license fees from \$25.00 to \$50.00 and the commercial shooting preserve license fees from \$100 to \$200.

A-1782, sponsored by Assemblyman W. Cary Edwards (R-Bergen), which permits local governments to buy new or used materials at public auctions for a price not to exceed 85 percent of the equivalent materials when new.

The purpose of the bill is to allow local governments to save money by purchasing used materials. The bill sets down several safeguards against abuse of the law.

A-3120, sponsored by Assemblyman Robert E. Littell (R-Sussex), which eliminates the present 30 year ceiling for water district bond maturity, substituting instead the provision that bonds shall mature within the period or average period of usefulness of the development to be financed as determined in the bond ordinance.

S-181, sponsored by Senator Wayne Dumont, Jr. (R-Warren), which authorizes the Delaware River Joint Toll Bridge Authority to construct and operate the proposed I-78 Phillipsburg-Easton Bridge as a toll bridge.

S-1125, sponsored by former Senator Martin L. Greenberg (D-Essex), which amends and clarifies the Municipal Land Use Law and further simplifies and makes more predictable development application and review process.

The changes the bill makes are primarily technical in nature.

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