

31:1-7

LEGISLATIVE HISTORY CHECKLIST

NJSA 31:1-7
 Laws of 1975 Chapter 130
 Bill No. A3196
 Sponsor(s) Jackman
 Date Introduced April 7, 1975
 Committee: Assembly Banking & Insurance
 Senate _____

Amended during passage Yes No
 Date of passage: Assembly June 16, 1975
 Senate June 28, 1975
 Date of approval June 30, 1975

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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CHAPTER 130 LAWS OF N. J. 1975
6/30/75

ASSEMBLY, No. 3196

STATE OF NEW JERSEY

INTRODUCED APRIL 7, 1975

By Assemblyman JACKMAN

Referred to Committee on Banking and Insurance

AN ACT to amend "An act temporarily suspending the statutory maximum rate of interest limitations applicable to borrowings by counties, municipalities, school and other districts, State agencies and other public authorities and agencies," approved July 3, 1969 (P. L. 1969, c. 137), as said title was amended by P. L. 1970, c. 49.

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

1 1. Section 1 of P. L. 1969, c. 137 (C. 31:1-7) is amended to read
2 as follows:

3 1. Notwithstanding the provisions of any other law, statute or
4 regulation applicable to or constituting any limitation on the maxi-
5 mum rate of interest per annum payable on bonds, notes or other
6 obligations, or as to annual interest cost to maturity of money
7 borrowed or received upon issuance of bonds, notes or other obli-
8 gations, every county, municipality, school district, body corporate
9 and politic, district or public authority, agency, commission or other
10 public institution heretofore or hereafter created by the State, any
11 county, or municipality or by one or more counties or munici-
12 palities, is hereby authorized and empowered for the period from
13 the effective date of this act through June 30, **[1975]** 1978 to con-
14 tract to pay interest on or an interest cost per annum for money
15 borrowed and evidenced by bonds, notes or other obligations issued
16 during said period without limit as to the rate of interest per annum
17 payable thereon or as to the annual interest cost to maturity of the
18 money borrowed.

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.

A3196 (1975)
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STATEMENT

This bill would suspend for the year June 30, 1975 to June 30, 1978 the 6% limitation on interest rates established by section 1 of P. L. 1953, c. 150. Such a suspension is necessary, given prevailing economic conditions, in order to enable municipalities, school districts and autonomous authorities to compete in the municipal bond market.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3196

STATE OF NEW JERSEY

DATED: MAY 5, 1975

This bill would suspend until June 30, 1978, the 6% limitation on interest rates which may be paid by governmental units on their bond issues and other obligations. The 6% limitation no longer reflects actual bond market and money market interest rates. Consequently, governmental units which are restricted to paying 6% would be in a poor position to compete in the bond market; this bill would permit them to pay prevailing rates.