

LEGISLATIVE HISTORY OF R.S.40A:2-8  
(Bond anticipation notes mature on 5th anniversary)

(1970 amendment)

Related bills introduced (1969-1970) \_

1969 - S827 Died in Committee.  
1969 - S828 Died in Committee.  
1970 - A847 Note on this bill (enclosed) in:

974.905 League of N.J. Municipalities  
M95 Legislative bulletin  
No.7, p.2, April 28, 1970

L.1970 - Ch.31 - S.474

January 29 - Introduced by Dowd [and 3 others]  
March 12 - Passed Senate.  
April 6 - Passed Assembly amended (copy enclosed).  
April 9 - Assembly amended . passed Senate  
No statement.

This bill listed as "Approved" in:

974.05 League of N.J. Municipalities  
M95 Legislative bulletin  
No.5, March 11, 1970 p.2

JH/EH

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SENATE, No. 474

STATE OF NEW JERSEY

INTRODUCED JANUARY 29, 1970

By Senators DOWD, SISCO and SCIRO

Referred to Committee on County and Municipal Government

AN ACT concerning the Local Bond Law and amending section  
40A:2-8 of the New Jersey Statutes.

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

1 1. Section 40A:2-8 of the New Jersey Statutes is amended to  
2 read as follows:

3 40A:2-8. a. A local unit, in anticipation of the issuance of bonds,  
4 may borrow money and issue negotiable notes if the bond ordinance  
5 or subsequent resolution so provides. Any such note shall be  
6 designated "bond anticipation note" and shall contain a recital  
7 that it is issued in anticipation of the issuance of bonds. Such notes  
8 may be issued for a period of not exceeding 1 year and may be  
9 renewed from time to time for periods of not exceeding 1 year, but  
10 all such notes, including renewals, shall mature and be paid not  
11 later than the [third] *fifth* anniversary of the date of the original  
12 notes [are issued in an aggregate amount equal to 10% of the total  
13 amount of the bonds authorized in anticipation of which such notes  
14 are issued], except that:

15 1. Such notes shall mature and be paid not later than the first day  
16 of the fifth month following the close of the [third] *fifth* fiscal year  
17 next following the date of [such 10% aggregate issue of] *the orig-*  
18 *inal notes*, provided that an amount of such notes equal to not  
19 less than the first legally payable installment of the bonds in  
20 anticipation of which such notes are issued has been paid and  
21 retired not later than the end of [said] *the third, fourth and fifth*  
22 *fiscal years following that in which the original notes were issued*  
23 *from funds other than the proceeds of obligations; and*

24 2. Notes issued to finance local improvements and in an amount  
25 not exceeding the amount of special assessments then confirmed

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

26 and unpaid and not delinquent may be renewed for periods of not  
27 exceeding 1 year but shall mature and be paid not later than the  
28 fifth anniversary of the date of the original notes.

29 b. A local unit may finance any improvement which it has power  
30 to finance by obligations issued under this chapter by the issuance  
31 of "capital notes." The aggregate amount of all such notes out-  
32 standing at any one time shall not exceed the lesser of \$40,000.00  
33 or  $\frac{1}{2}$  of 1% of the equalized valuation basis. Such notes shall be  
34 authorized in the same manner as bond anticipation notes and shall  
35 be payable from funds other than the proceeds of obligations within  
36 5 years from the date of the issuance of the first of said notes and  
37 not less than 20% thereof shall be paid in each succeeding year.  
38 The local unit shall provide for the payment of the principal of,  
39 and interest on such notes falling due in each year.

40 c. The local finance board shall issue, in the manner prescribed  
41 by law, such rules and regulations as are necessary to the imple-  
42 mentation and execution of this act.

1 2. This act shall take effect immediately.

ASSEMBLY AMENDMENTS TO  
**SENATE, No. 474**

**STATE OF NEW JERSEY**

ADOPTED APRIL 6, 1970

Amend page 1, section 1, line 12, after "notes", insert "provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired on or before said third anniversary date and, if such notes are renewed beyond the fourth anniversary date of the original notes, a like amount is paid or retired on or before said fourth anniversary date from funds other than the proceeds of obligations".

Amend page 1, section 1, line 16, delete "closs", and insert "close".

Amend page 1, section 1, line 18, after "provided that", insert ", in addition to amounts paid and retired pursuant to paragraph a above,".

Amend page 1, section 1, lines 21 and 22, delete "the third, fourth and fifth fiscal years following that in which the original notes were issued", and insert "said fifth fiscal year".

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5 or subsequent resolution so provides. Any such note shall be  
6 designated "bond anticipation note" and shall contain a recital  
7 that it is issued in anticipation of the issuance of bonds. Such notes  
8 may be issued for a period of not exceeding 1 year and may be  
9 renewed from time to time for periods of not exceeding 1 year, but  
10 all such notes, including renewals, shall mature and be paid not  
11 later than the [third] *fifth* anniversary of the date of the original  
12 notes *\*provided, however, that no such notes shall be renewed*  
13 *beyond the third anniversary date of the original notes unless an*  
14 *amount of such notes, at least equal to the first legally payable in-*  
15 *stallment of the bonds in anticipation of which said notes are issued,*  
16 *is paid and retired on or before said third anniversary date and, if*  
17 *such notes are renewed beyond the fourth anniversary date of the*  
18 *original notes, a like amount is paid or retired on or before said*  
19 *fourth anniversary date from funds other than the proceeds of*  
20 *obligations\** [are issued in an aggregate amount equal to 10% of the  
21 total amount of the bonds authorized in anticipation of which such  
22 notes are issued], except that:

23 1. Such notes shall mature and be paid not later than the first day  
23A of the fifth month following the \*[close]\* *\*close\** of the [third]  
23B *fifth* fiscal year next following the date of [such 10% aggregate  
23C issue of] *the original notes, provided that\*, in addition to amounts*

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

23D *paid and retired pursuant to paragraph a above,\** an amount of  
23E such notes equal to not less than the first legally payable installment  
23F of the bonds in anticipation of which such notes are issued has been  
23G paid and retired not later than the end of [said] \**[the third, fourth*  
23H *and fifth fiscal years following that in which the original notes were*  
23I *issued]* \**said fifth fiscal year*\* from funds other than the proceeds  
23J of obligations; and

24 2. Notes issued to finance local improvements and in an amount  
25 not exceeding the amount of special assessments then confirmed  
26 and unpaid and not delinquent may be renewed for periods of not  
27 exceeding 1 year but shall mature and be paid not later than the  
28 fifth anniversary of the date of the original notes.

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30 to finance by obligations issued under this chapter by the issuance  
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