

18A:58-33.2 to 18A:58-33.5

August 28, 1969

Legislative Notes on R.S. 18A:58-33.2
to 18A:58-33.5
(School Emergency Building Aid - Bond Procedures - Clarifies)

L. 1969, Chapter 136 - A1051
Introduced May 20th by Cobb and Vreeland.
No statement.
Not amended *during passage*.

JH/fb

ASSEMBLY, No. 1051

STATE OF NEW JERSEY

INTRODUCED MAY 20, 1969

By Assemblymen COBB and VREELAND

(Without Reference)

AN ACT amending an act entitled "An act concerning education and supplementing Title 18A of the New Jersey Statutes," approved July 19, 1968 (P. L. 1968, c. 177).

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

1 1. Section 2 of the act of which this act is amendatory
2 (C. 18A:58-33.3) is amended to read as follows:

3 2. If the findings of said investigation show, to the satisfaction
4 of the State Board of Education, that such *school* district is not
5 able to provide the necessary facilities to [house the children of
6 the district] *comply with the provisions of said section 18A:33-1,*
7 the State Board of Education may [.] by its resolution [., declare
8 the] *make its determination (1) that such school district [to be]*
9 *is entitled to additional State school building aid [.,] in an amount*
10 *not to exceed \$25.00 per student in average daily enrollment, and*
11 *(2) that the school district projects or educational facilities author-*
12 *ized to be undertaken or provided pursuant to a proposed ordinance*
13 *or proposal submitted with said application will assist the school*
14 *districts in providing necessary facilities as aforesaid and the bonds*
15 *authorized in said ordinance or proposal for financing such projects*
16 *or educational facilities shall constitute and shall be bonds entitled*
17 *to the benefits or provisions of this act. The Commissioner of Edu-*
18 *cation shall be and is hereby authorized to indorse upon any copy*
19 *of such ordinance or proposal a certification thereof as being the*
20 *ordinance or proposal as to which a determination of the State*
21 *Board of Education has been made as aforesaid, and such indorse-*
22 *ment shall be made in such form or manner as the commissioner*
23 *shall determine.*

1 2. Section 3 of the act of which this act is amendatory
2 (C. 18A:58-33.4) is amended to read as follows:

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 3. (a) [Such certification shall be forwarded to the State Treas-
4 urer and the local finance board for consideration. If said resolu-
5 tion shall receive the approval of the State Treasurer and the local
6 finance board, the district shall be entitled to receive annually addi-
7 tional building aid in the amount so stipulated in the resolution.]
8 *A copy of said resolution of the State Board of Education determin-*
9 *ing a school district to be entitled to additional State school building*
10 *aid, together with a copy of said ordinance or proposal bearing the*
11 *indorsement of the Commissioner of Education, shall be submitted*
12 *to the State Treasurer for his consideration. If the State Treasurer*
13 *is satisfied after investigation that the payment of the debt service*
14 *(interest and principal) on the bonds proposed to be authorized by*
15 *such ordinance or proposal will not cause the amount of additional*
16 *State school building aid to be paid pursuant to this act to exceed*
17 *the sum herein provided, he shall indorse his approval to that effect*
18 *upon the copy of such ordinance or proposal.*

19 (b) *A copy of any such ordinance or proposal authorizing bonds*
20 *for school purposes and bearing said indorsements of the Commis-*
21 *sioner of Education and State Treasurer, shall be submitted to the*
22 *local finance board for its consideration, and the local finance board*
23 *in considering such copy of any ordinance or proposal submitted to*
24 *it and before indorsing its consent thereon may require the govern-*
25 *ing body, of any municipality or board of education of such school*
26 *district submitting any such ordinance or proposal to adopt resolu-*
27 *tions restricting or limiting any future proceedings therein or other*
28 *matters or things deemed by the local finance board to affect any*
29 *estimate made or to be made by it in accordance with subsection (c)*
30 *hereof, and every such resolution so adopted which constitutes a*
31 *valid and binding obligation of such municipality or school district,*
32 *as the case may be, running to and enforceable by, and releasable*
33 *by, the local finance board.*

34 (c) *Within 60 days after such submission to it, the local finance*
35 *board shall cause its consent to be indorsed upon such copy of any*
36 *ordinance or proposal authorizing such bonds, if it shall be satisfied,*
37 *and shall record by resolution, its estimates that the amounts to be*
38 *expended for the school district projects or educational facilities*
39 *to be financed pursuant to such ordinance or proposal are not un-*
40 *reasonable or exorbitant; and that issuance of the bonds, proposed*
41 *to be authorized by such ordinance or proposal, will not materially*
42 *impair the credit of any municipality comprised within the district*
43 *or substantially reduce its ability, during the ensuing 10 years, to*
44 *pay punctually the principal and interest of its debts and supply*
45 *essential public improvements and services, but if the local finance*

46 board is not so satisfied it shall cause its disapproval to be indorsed
47 on such copy within said period of 60 days.

48 (d) Any bonds entitled to the benefits of the provisions of this
49 act, shall be deductible in determining the next school debt of any
50 school district for any purpose or computation under section
51 18A:24-19 of the New Jersey Statutes, and the amount of all such
52 bonds shall be deducted from the gross debt of any municipality
53 constituting the whole or any part of such school district for any
54 of the purposes of section 40A:2-44 of the New Jersey Statutes and
55 shall be a deduction within the meaning and for the purpose of
56 clause (g) of said section to any extent that such bonds are not
57 deductible under clause (a) or clause (b) of said section, and shall
58 at all times constitute a deduction from gross debt on any annual
59 or supplemental debt statement of such municipality.

60 (e) All of such bonds when issued shall contain a recital to the
61 effect that they are issued pursuant to Title 18A, Education, of the
62 New Jersey Statutes and are entitled to the benefits of the provi-
63 sions of this act. Any bonds entitled to the benefits of the provisions
64 of this act shall be authorized and issued in the manner provided
65 for in Title 18A, Education, of the New Jersey Statutes, and not-
66 withstanding the provisions of section 18A:24-19 of the New Jersey
67 Statutes. Compliance with the provisions of this act by or on behalf
68 of any school district or municipality shall make it unnecessary to
69 comply with any of the provisions of sections 18A:24-20 through
70 18A:24-27 of the New Jersey Statutes, and such sections shall not
71 be applicable with respect to authorization or issuance of any bonds
72 entitled to the benefits of the provisions of this act.

1 3. Section 4 of the act of which this act is amendatory
2 (C. 18A:58-33.5) is amended to read as follows:

3 4. If the determinations, approvals or consents provided for by
4 this act shall have been made or given, such school district shall be
5 entitled to receive annually the amount of the additional State
6 school building aid stipulated in the resolutions of the State Board
7 of Education and **【The】** the State Board of Education shall include
8 such amounts in its annual budget for building aid for the school
9 district. Amounts of such building aid paid under this section shall
10 only be used for the payment of debt service (interest and princi-
11 pal) on bonds **【issued for school purposes】** entitled to the benefits
12 of the provisions of this act, in accordance with said resolutions;
13 provided, that the total amount of bonds **【issued by school districts**
14 **for school purposes】** entitled to the benefits of the provisions of
15 this act in accordance with resolutions adopted by the State Board
16 of Education pursuant to the provisions of this act, and for the

17 payment of the debt service (interest and principal) **[on]** *as to*
18 which bonds additional State school building aid may be paid **[to**
19 school districts**]** pursuant to this act, shall not exceed the sum of
20 \$90,000,000.00. **[Any** bonds issued for school purposes under this
21 section, may be in excess of the legal borrowing power to the dis-
22 trict, as described in section 18A:24-19 of the New Jersey Statutes.**]**

1 4. This act shall take effect immediately.