



## ***LEGISLATIVE HISTORY CHECKLIST***

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**LAWS OF:** 1998

**CHAPTER:**55

**NJSA:**18A:7F-5.2

"School boards -- leasing instructional materials"

**BILL NO:** A2065 (Substituted for S1017)

**SPONSOR(S):** Wolfe and Doria

**DATE INTRODUCED:** May 28, 1998

**COMMITTEE:**

***ASSEMBLY:***Education

***SENATE:*** ~~~~

**AMENDED DURING PASSAGE:**No

**DATE OF PASSAGE:**

***ASSEMBLY:*** June 18, 1998

***SENATE:***June 25, 1998

**DATE OF APPROVAL:** July 10, 1998

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### **THE FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL:** Original

(Amendments during passage denoted by superscript numbers)

**A2065**

**SPONSORS STATEMENT:** *Yes* (Begins on page 7 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:***Yes*

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**S1017**

**SPONSORS STATEMENT:** *Yes* (Begins on page 7 of original bill)  
(Bill and Sponsors Statement identical to A2065)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *No*

**SENATE:** *Yes* (Identical to Assembly Statement for A2065)

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *No*

**VETO MESSAGE:** *No*

**GOVERNOR'S PRESS RELEASE ON SIGNING:** *Yes*

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**REPORTS:** *No*

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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# ASSEMBLY, No. 2065

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 28, 1998

**Sponsored by:**

**Assemblyman DAVID W. WOLFE**

**District 10 (Monmouth and Ocean)**

**Assemblyman JOSEPH V. DORIA, JR.**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Assemblyman Holzapfel, Senators Palaia and Martin**

**SYNOPSIS**

Authorizes boards of education to enter into sale and lease-back contracts on certain instructional materials.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/26/1998)**

A2065 WOLFE, DORIA

2

1 AN ACT concerning certain public school district instructional  
2 materials, amending N.J.S.18A:20-4.2 and N.J.S.18A:18A-42, and  
3 amending and supplementing P.L.1996, c.138.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. N.J.S.18A:20-4.2 is amended to read as follows:

9 18A:20-4.2. The board of education of any school district may, for  
10 school purposes:

11 (a) Purchase, take and condemn lands within the district and lands  
12 not exceeding 50 acres in extent without the district but situate in a  
13 municipality or municipalities adjoining the district, but no more than  
14 25 acres may be so acquired in any one such municipality, without the  
15 district, except with the consent, by ordinance, of such municipality;

16 (b) Grade, drain and landscape lands owned or to be acquired by  
17 it and improve the same in like manner;

18 (c) Erect, lease for a term not exceeding 50 years, enlarge,  
19 improve, repair or furnish buildings;

20 (d) Borrow money therefor, with or without mortgage; in the case  
21 of a type II district without a board of school estimate, when  
22 authorized so to do at any annual or special school election; and in the  
23 case of a type II district having a board of school estimate, when the  
24 amount necessary to be provided therefor shall have been fixed,  
25 determined and certified by the board of school estimate; and in the  
26 case of a type I district, when an ordinance authorizing expenditures  
27 for such purpose is finally adopted by the governing body of a  
28 municipality comprised within the district; provided, however, that no  
29 such election shall be held nor shall any such resolution of a school  
30 estimate board or ordinance of a municipal governing body be  
31 introduced to authorize any lease of any building for a term exceeding  
32 one year, until the proposed terms of such lease have been reviewed  
33 and approved by the Commissioner of Education and the Local  
34 Finance Board in the Department of Community Affairs;

35 (e) Construct, purchase, lease or otherwise acquire a building with  
36 the federal government, the State, a political subdivision thereof or any  
37 other individual or entity properly authorized to do business in the  
38 State; provided that: (1) the noneducational uses of the building are  
39 compatible with the establishment and operation of a school, as  
40 determined by the Commissioner of Education; (2) the portion of the  
41 building to be used as a school meets regulations of the Department of  
42 Education; (3) the board of education has complied with the  
43 provisions of law and regulations relating to the selection and approval

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

**Matter underlined thus is new matter.**

1 of sites; and (4) in the case of a lease, that any lease in excess of five  
2 years shall be approved by the Commissioner of Education and the  
3 Local Finance Board in the Department of Community Affairs;

4 (f) Acquire by lease purchase agreement a site and school building;  
5 provided that the site and building meet guidelines and regulations of  
6 the Department of Education and that any lease purchase agreement  
7 in excess of five years shall be approved by the Commissioner of  
8 Education as in the best interest of the school district after determining  
9 that the relationship of the proposed lease purchase project to the  
10 district's goals and objectives established pursuant to P.L.1975, c.212  
11 (C.18A:7A-1 et seq.) has clearly been established; and provided that  
12 for any lease purchase agreement in excess of five years the Local  
13 Finance Board in the Department of Community Affairs shall  
14 determine within 30 days that the cost and the financial terms and  
15 conditions of the agreement are reasonable. As used herein, a "lease  
16 purchase agreement" refers to any agreement which gives the board of  
17 education as lessee the option of purchasing the leased premises during  
18 or upon termination of the lease, with credit toward the purchase price  
19 of all or part of rental payments which have been made by the board  
20 of education in accordance with the lease. As part of such a  
21 transaction approved by the Commissioner of Education, the board of  
22 education may transfer or lease land or rights in land, including any  
23 building thereon, after publicly advertising for proposals for the  
24 transfer for nominal or fair market value, to the party selected by the  
25 board of education, by negotiation or otherwise, after determining that  
26 the proposal is in the best interest of the taxpayers of the district, to  
27 construct or to improve and to lease or to own or to have ownership  
28 interests in the site and the school building to be leased pursuant to  
29 such lease purchase agreement, notwithstanding the provisions of any  
30 other law to the contrary. The land and any building thereon which is  
31 described in a lease purchase agreement entered into pursuant to this  
32 amendatory act, shall be deemed to be and treated as property of the  
33 school district, used for school purposes pursuant to R.S.54:4-3.3, and  
34 shall not be considered or treated as property leased to another whose  
35 property is not exempt, and shall not be assessed as real estate  
36 pursuant to section 1 of P.L.1949, c.177 (C.54:4-2.3). Any lease  
37 purchase agreement authorized by this section shall contain a provision  
38 making payments thereunder subject to the annual appropriation of  
39 funds sufficient to meet the required payments or shall contain an  
40 annual cancellation clause and shall require all construction contracts  
41 let by public school districts or let by developers or owners of  
42 property used for school purposes to be competitively bid, pursuant to  
43 P.L.1977, c.114 (N.J.S.18A:18A-1 et seq.);

44 (g) Establish with an individual or entity authorized to do business  
45 in the State a tenancy in common, condominium, horizontal property  
46 regime or other joint ownership arrangement on a site contributed by

1 the school district; provided the following conditions are met:

2 (1) The individual or entity agrees to construct on the site, or  
3 provide for the construction thereon, a building or buildings for use of  
4 the board of education separately or jointly with the individual or  
5 entity, which shall be subject to the joint ownership arrangement;

6 (2) The provision of the building shall be at no cost or at a reduced  
7 cost to the board of education;

8 (3) The school district shall not make any payment for use of the  
9 building other than its pro rata share of costs of maintenance and  
10 improvements;

11 (4) The noneducational uses of the building are compatible with the  
12 establishment and operation of a school, as determined by the  
13 Commissioner of Education;

14 (5) The portion of the building to be used as a school, and the site,  
15 meet regulations of the Department of Education; and

16 (6) Any such agreement shall be approved by the Commissioner of  
17 Education and the Local Finance Board in the Department of  
18 Community Affairs ;

19 (h) Acquire through sale and lease-back textbooks and non-  
20 consummable instructional materials provided that the sale price and  
21 principal amount of the lease-back do not exceed the fair market value  
22 of the textbooks and instructional materials and that the interest rate  
23 applied in the lease-back is consistent with prevailing market rates or  
24 is less .

25 (cf: P.L.1991,c.477)

26

27 2. N.J.S.18A:18A-42 is amended to read as follows:

28 18A:18A-42. Any board of education may enter into a contract  
29 exceeding the fiscal year for the:

30 a. Supplying of:

31 (1) Fuel for heating purposes, for any term not exceeding in the  
32 aggregate, three years;

33 (2) Fuel or oil for use of automobiles, autobuses, motor vehicles  
34 or equipment, for any term not exceeding in the aggregate, three years;

35 (3) Thermal energy produced by a cogeneration facility, for use for  
36 heating or air conditioning or both, for any term not exceeding 20  
37 years, when the contract is approved by the Board of Public Utilities.

38 For the purposes of this paragraph, "cogeneration" means the  
39 simultaneous production in one facility of electric power and other  
40 forms of useful energy such as heating or process steam; or

41 b. Plowing and removal of snow and ice, for any term not exce  
42 eding in the aggregate, three years; or

43 c. Collection and disposal of garbage and refuse, for any term not  
44 exceeding in the aggregate, three years; or

45 d. Data processing service, for any term of not more than five  
46 years; or

1 e. Insurance, including the purchase of insurance coverages,  
2 insurance consultant or administrative services, and including  
3 participation in a joint self-insurance fund, risk management program  
4 or related services provided by a school board insurance group, or  
5 participation in an insurance fund established by a county pursuant to  
6 N.J.S.40A:10-6, or a joint insurance fund established pursuant to  
7 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than  
8 three years; or

9 f. Leasing or servicing of automobiles, motor vehicles, electronic  
10 communications equipment, machinery and equipment of every nature  
11 and kind and textbooks and non-consummable instructional materials  
12 , for any term not exceeding in the aggregate, five years; provided,  
13 however, such contracts shall be entered into only subject to and in  
14 accordance with rules and regulations promulgated by the State Board  
15 of Education; or

16 g. Supplying of any product or the rendering of any service by a  
17 telephone company which is subject to the jurisdiction of the Board of  
18 Public Utilities, for a term not exceeding five years; or

19 h. Materials, supplies or services that are required on a recurring  
20 basis from year to year, for any term not exceeding in the aggregate,  
21 two years; however, such contract may be renewed yearly for a period  
22 not exceeding three additional years without any further solicitation  
23 for bids or bidding upon a finding by the board that the services are  
24 being performed in an effective and efficient manner, or that the  
25 materials and supplies continue to meet the original specifications. If  
26 a board of education elects to renew an existing contract, the terms  
27 and conditions of the existing contract shall remain substantially  
28 unchanged and any increase in the contract cost over the three year  
29 period shall be no greater than a total of 20% over the initial cost; or

30 i. Driver education instruction conducted by private, licensed  
31 driver education schools, for any term not exceeding in the aggregate,  
32 three years ; or

33 j. Performance of work or services or the furnishing of materials,  
34 supplies or equipment for the purpose of conserving energy in the  
35 buildings owned by any local board of education, the entire price of  
36 which shall be established as a percentage of the resultant savings in  
37 energy costs, for a term not to exceed 10 years; except that these  
38 contracts shall be entered into only subject to and in accordance with  
39 rules and regulations promulgated by the Department of Commerce,  
40 Energy and Economic Development pursuant to the "Administrative  
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), establishing a  
42 methodology for computing energy costs.

43 All multiyear leases and contracts entered into pursuant to this  
44 section 18A:18A-42, except contracts for the leasing or servicing of  
45 equipment supplied by a telephone company which is subject to the  
46 jurisdiction of the Board of Public Utilities, contracts for insurance

1 coverages, insurance consultant or administrative services,  
2 participation or membership in a joint self-insurance fund, risk  
3 management programs or related services of a school board insurance  
4 group, participation in an insurance fund established by a county  
5 pursuant to N.J.S.40A:10-6 or contracts for thermal energy authorized  
6 pursuant to subsection a. above, and contracts for the performance of  
7 work or services or the furnishing of materials, supplies or equipment  
8 to promote energy conservation authorized pursuant to subsection j.  
9 of this section, shall contain a clause making them subject to the  
10 availability and appropriation annually of sufficient funds as may be  
11 required to meet the extended obligation, or contain an annual  
12 cancellation clause.

13 (cf: P.L.1988, c.143, s.4)

14

15 3. Section 7 of P.L.1996, c.138 (C.18A:7F-7) is amended to read  
16 as follows:

17 7. a. If the amount of the budgeted general fund for the prebudget  
18 year is \$100 million or less, an undesignated general fund balance in  
19 excess of 6% of that amount or \$75,000, whichever is greater, shall be  
20 appropriated by a school district or county vocational school district  
21 for the purpose of the budget prepared pursuant to section 5 of this  
22 act. If the amount of the budgeted general fund for the prebudget year  
23 exceeds \$100 million, an undesignated general fund balance in excess  
24 of 6% of the first \$100 million and in excess of 3% of the amount  
25 which exceeds \$100 million shall be appropriated by a school district  
26 or county vocational school district for the purpose of the budget  
27 prepared pursuant to section 5 of this act.

28 b. Notwithstanding the provisions of subsection a. of this section,  
29 if the district has a formal plan to expand, renovate or construct school  
30 facilities, join a distance learning network, or make a major  
31 replacement or acquisition of instructional equipment within the  
32 subsequent five years, the district may, with the approval of the  
33 commissioner, transfer the excess undesignated general fund balance  
34 to the capital reserve account established pursuant to N.J.S.18A:21-3  
35 for that purpose.

36 c. If it is determined that the undesignated general fund balances  
37 at December 31, 1996 or June 30 of any school year exceed those  
38 permitted under subsection a. of this section, the excess undesignated  
39 general fund balances shall be reserved and designated in the  
40 subsequent year's budget submitted to the commissioner pursuant to  
41 subsection c. of section 5 of this act.

42 d. The commissioner may withhold State aid in an amount not to  
43 exceed the excess undesignated general fund balances for failure to  
44 comply with subsection c. of this section.

45 e. Proceeds from the sale and lease-back of textbooks and non-  
46 consummable instructional materials shall not be included in the



1 calculation of excess undesignated general fund balance during the  
2 budget year in which they are realized.

3 (cf:P.L.1996, c.138, s.7)

4

5 4. (New section) a. Proceeds from the sale and lease-back of  
6 textbooks and non-consummable instructional materials shall not be  
7 considered miscellaneous local general fund revenue for the purpose  
8 of calculating the net budget or the spending growth limitation under  
9 P.L.1996, c.138 (C.18A:7F-1 et seq.).

10 b. A board of education may establish a reserve account in the  
11 general fund with all or a part of the proceeds from the sale and lease-  
12 back of textbooks and non-consummable instructional materials  
13 provided that subsequent appropriations from the reserve account shall  
14 only be made within the original budget certified for taxes or as  
15 approved by the commissioner for good cause.

16

17 5. This act shall take effect immediately.

18

19

20

#### STATEMENT

21

22 This bill clarifies the authority of boards of education to enter into  
23 sale and lease-back contracts on textbooks and non-consummable  
24 instructional materials. The bill amends the appropriate sections of  
25 law to stipulate that boards of education may enter into sale and lease-  
26 back contracts on textbooks and non-consummable instructional  
27 materials for a period not in excess of five years provided that the sale  
28 price and principal amount of the lease-back do not exceed the fair  
29 market value of the textbooks and materials and that the interest rate  
30 applied in the contract is consistent with prevailing market rates or is  
31 less.

32 The bill also provides that the proceeds from the sale and lease-  
33 back will not be considered miscellaneous local general fund revenue  
34 for the purpose of calculating the district's net budget or spending  
35 growth limitation under the "Comprehensive Educational Improvement  
36 and Financing Act of 1996," P.L.1996, c.138. The bill authorizes a  
37 district to establish a reserve account in the general fund budget for  
38 the proceeds from such contracts provided that subsequent  
39 appropriations from the reserve account shall only be made within the  
40 original budget certified for taxes or as approved by the commissioner  
41 for good cause.

# ASSEMBLY, No. 2065

## STATE OF NEW JERSEY 208th LEGISLATURE

INTRODUCED MAY 28, 1998

**Sponsored by:**

**Assemblyman DAVID W. WOLFE**

**District 10 (Monmouth and Ocean)**

**Assemblyman JOSEPH V. DORIA, JR.**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Assemblyman Holzapfel, Senators Palaia and Martin**

**SYNOPSIS**

Authorizes boards of education to enter into sale and lease-back contracts on certain instructional materials.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/26/1998)**

A2065 WOLFE, DORIA

2

1 AN ACT concerning certain public school district instructional  
2 materials, amending N.J.S.18A:20-4.2 and N.J.S.18A:18A-42, and  
3 amending and supplementing P.L.1996, c.138.

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6 of New Jersey:

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13 municipality or municipalities adjoining the district, but no more than  
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15 district, except with the consent, by ordinance, of such municipality;

16 (b) Grade, drain and landscape lands owned or to be acquired by  
17 it and improve the same in like manner;

18 (c) Erect, lease for a term not exceeding 50 years, enlarge,  
19 improve, repair or furnish buildings;

20 (d) Borrow money therefor, with or without mortgage; in the case  
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22 authorized so to do at any annual or special school election; and in the  
23 case of a type II district having a board of school estimate, when the  
24 amount necessary to be provided therefor shall have been fixed,  
25 determined and certified by the board of school estimate; and in the  
26 case of a type I district, when an ordinance authorizing expenditures  
27 for such purpose is finally adopted by the governing body of a  
28 municipality comprised within the district; provided, however, that no  
29 such election shall be held nor shall any such resolution of a school  
30 estimate board or ordinance of a municipal governing body be  
31 introduced to authorize any lease of any building for a term exceeding  
32 one year, until the proposed terms of such lease have been reviewed  
33 and approved by the Commissioner of Education and the Local  
34 Finance Board in the Department of Community Affairs;

35 (e) Construct, purchase, lease or otherwise acquire a building with  
36 the federal government, the State, a political subdivision thereof or any  
37 other individual or entity properly authorized to do business in the  
38 State; provided that: (1) the noneducational uses of the building are  
39 compatible with the establishment and operation of a school, as  
40 determined by the Commissioner of Education; (2) the portion of the  
41 building to be used as a school meets regulations of the Department of  
42 Education; (3) the board of education has complied with the  
43 provisions of law and regulations relating to the selection and approval

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

**Matter underlined thus is new matter.**

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2 years shall be approved by the Commissioner of Education and the  
3 Local Finance Board in the Department of Community Affairs;

4 (f) Acquire by lease purchase agreement a site and school building;  
5 provided that the site and building meet guidelines and regulations of  
6 the Department of Education and that any lease purchase agreement  
7 in excess of five years shall be approved by the Commissioner of  
8 Education as in the best interest of the school district after determining  
9 that the relationship of the proposed lease purchase project to the  
10 district's goals and objectives established pursuant to P.L.1975, c.212  
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18 or upon termination of the lease, with credit toward the purchase price  
19 of all or part of rental payments which have been made by the board  
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21 transaction approved by the Commissioner of Education, the board of  
22 education may transfer or lease land or rights in land, including any  
23 building thereon, after publicly advertising for proposals for the  
24 transfer for nominal or fair market value, to the party selected by the  
25 board of education, by negotiation or otherwise, after determining that  
26 the proposal is in the best interest of the taxpayers of the district, to  
27 construct or to improve and to lease or to own or to have ownership  
28 interests in the site and the school building to be leased pursuant to  
29 such lease purchase agreement, notwithstanding the provisions of any  
30 other law to the contrary. The land and any building thereon which is  
31 described in a lease purchase agreement entered into pursuant to this  
32 amendatory act, shall be deemed to be and treated as property of the  
33 school district, used for school purposes pursuant to R.S.54:4-3.3, and  
34 shall not be considered or treated as property leased to another whose  
35 property is not exempt, and shall not be assessed as real estate  
36 pursuant to section 1 of P.L.1949, c.177 (C.54:4-2.3). Any lease  
37 purchase agreement authorized by this section shall contain a provision  
38 making payments thereunder subject to the annual appropriation of  
39 funds sufficient to meet the required payments or shall contain an  
40 annual cancellation clause and shall require all construction contracts  
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42 property used for school purposes to be competitively bid, pursuant to  
43 P.L.1977, c.114 (N.J.S.18A:18A-1 et seq.);

44 (g) Establish with an individual or entity authorized to do business  
45 in the State a tenancy in common, condominium, horizontal property  
46 regime or other joint ownership arrangement on a site contributed by

1 the school district; provided the following conditions are met:

2 (1) The individual or entity agrees to construct on the site, or  
3 provide for the construction thereon, a building or buildings for use of  
4 the board of education separately or jointly with the individual or  
5 entity, which shall be subject to the joint ownership arrangement;

6 (2) The provision of the building shall be at no cost or at a reduced  
7 cost to the board of education;

8 (3) The school district shall not make any payment for use of the  
9 building other than its pro rata share of costs of maintenance and  
10 improvements;

11 (4) The noneducational uses of the building are compatible with the  
12 establishment and operation of a school, as determined by the  
13 Commissioner of Education;

14 (5) The portion of the building to be used as a school, and the site,  
15 meet regulations of the Department of Education; and

16 (6) Any such agreement shall be approved by the Commissioner of  
17 Education and the Local Finance Board in the Department of  
18 Community Affairs ;

19 (h) Acquire through sale and lease-back textbooks and non-  
20 consummable instructional materials provided that the sale price and  
21 principal amount of the lease-back do not exceed the fair market value  
22 of the textbooks and instructional materials and that the interest rate  
23 applied in the lease-back is consistent with prevailing market rates or  
24 is less .

25 (cf: P.L.1991,c.477)

26

27 2. N.J.S.18A:18A-42 is amended to read as follows:

28 18A:18A-42. Any board of education may enter into a contract  
29 exceeding the fiscal year for the:

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31 (1) Fuel for heating purposes, for any term not exceeding in the  
32 aggregate, three years;

33 (2) Fuel or oil for use of automobiles, autobuses, motor vehicles  
34 or equipment, for any term not exceeding in the aggregate, three years;

35 (3) Thermal energy produced by a cogeneration facility, for use for  
36 heating or air conditioning or both, for any term not exceeding 20  
37 years, when the contract is approved by the Board of Public Utilities.

38 For the purposes of this paragraph, "cogeneration" means the  
39 simultaneous production in one facility of electric power and other  
40 forms of useful energy such as heating or process steam; or

41 b. Plowing and removal of snow and ice, for any term not exce  
42 eding in the aggregate, three years; or

43 c. Collection and disposal of garbage and refuse, for any term not  
44 exceeding in the aggregate, three years; or

45 d. Data processing service, for any term of not more than five  
46 years; or

- 1 e. Insurance, including the purchase of insurance coverages,  
2 insurance consultant or administrative services, and including  
3 participation in a joint self-insurance fund, risk management program  
4 or related services provided by a school board insurance group, or  
5 participation in an insurance fund established by a county pursuant to  
6 N.J.S.40A:10-6, or a joint insurance fund established pursuant to  
7 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than  
8 three years; or
- 9 f. Leasing or servicing of automobiles, motor vehicles, electronic  
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11 and kind and textbooks and non-consummable instructional materials  
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- 16 g. Supplying of any product or the rendering of any service by a  
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23 for bids or bidding upon a finding by the board that the services are  
24 being performed in an effective and efficient manner, or that the  
25 materials and supplies continue to meet the original specifications. If  
26 a board of education elects to renew an existing contract, the terms  
27 and conditions of the existing contract shall remain substantially  
28 unchanged and any increase in the contract cost over the three year  
29 period shall be no greater than a total of 20% over the initial cost; or
- 30 i. Driver education instruction conducted by private, licensed  
31 driver education schools, for any term not exceeding in the aggregate,  
32 three years ; or
- 33 j. Performance of work or services or the furnishing of materials,  
34 supplies or equipment for the purpose of conserving energy in the  
35 buildings owned by any local board of education, the entire price of  
36 which shall be established as a percentage of the resultant savings in  
37 energy costs, for a term not to exceed 10 years; except that these  
38 contracts shall be entered into only subject to and in accordance with  
39 rules and regulations promulgated by the Department of Commerce,  
40 Energy and Economic Development pursuant to the "Administrative  
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), establishing a  
42 methodology for computing energy costs.
- 43 All multiyear leases and contracts entered into pursuant to this  
44 section 18A:18A-42, except contracts for the leasing or servicing of  
45 equipment supplied by a telephone company which is subject to the  
46 jurisdiction of the Board of Public Utilities, contracts for insurance

1 coverages, insurance consultant or administrative services,  
2 participation or membership in a joint self-insurance fund, risk  
3 management programs or related services of a school board insurance  
4 group, participation in an insurance fund established by a county  
5 pursuant to N.J.S.40A:10-6 or contracts for thermal energy authorized  
6 pursuant to subsection a. above, and contracts for the performance of  
7 work or services or the furnishing of materials, supplies or equipment  
8 to promote energy conservation authorized pursuant to subsection j.  
9 of this section, shall contain a clause making them subject to the  
10 availability and appropriation annually of sufficient funds as may be  
11 required to meet the extended obligation, or contain an annual  
12 cancellation clause.

13 (cf: P.L.1988, c.143, s.4)

14

15 3. Section 7 of P.L.1996, c.138 (C.18A:7F-7) is amended to read  
16 as follows:

17 7. a. If the amount of the budgeted general fund for the prebudget  
18 year is \$100 million or less, an undesignated general fund balance in  
19 excess of 6% of that amount or \$75,000, whichever is greater, shall be  
20 appropriated by a school district or county vocational school district  
21 for the purpose of the budget prepared pursuant to section 5 of this  
22 act. If the amount of the budgeted general fund for the prebudget year  
23 exceeds \$100 million, an undesignated general fund balance in excess  
24 of 6% of the first \$100 million and in excess of 3% of the amount  
25 which exceeds \$100 million shall be appropriated by a school district  
26 or county vocational school district for the purpose of the budget  
27 prepared pursuant to section 5 of this act.

28 b. Notwithstanding the provisions of subsection a. of this section,  
29 if the district has a formal plan to expand, renovate or construct school  
30 facilities, join a distance learning network, or make a major  
31 replacement or acquisition of instructional equipment within the  
32 subsequent five years, the district may, with the approval of the  
33 commissioner, transfer the excess undesignated general fund balance  
34 to the capital reserve account established pursuant to N.J.S.18A:21-3  
35 for that purpose.

36 c. If it is determined that the undesignated general fund balances  
37 at December 31, 1996 or June 30 of any school year exceed those  
38 permitted under subsection a. of this section, the excess undesignated  
39 general fund balances shall be reserved and designated in the  
40 subsequent year's budget submitted to the commissioner pursuant to  
41 subsection c. of section 5 of this act.

42 d. The commissioner may withhold State aid in an amount not to  
43 exceed the excess undesignated general fund balances for failure to  
44 comply with subsection c. of this section.

45 e. Proceeds from the sale and lease-back of textbooks and non-  
46 consummable instructional materials shall not be included in the

1 calculation of excess undesignated general fund balance during the  
2 budget year in which they are realized.

3 (cf:P.L.1996, c.138, s.7)

4

5 4. (New section) a. Proceeds from the sale and lease-back of  
6 textbooks and non-consummable instructional materials shall not be  
7 considered miscellaneous local general fund revenue for the purpose  
8 of calculating the net budget or the spending growth limitation under  
9 P.L.1996, c.138 (C.18A:7F-1 et seq.).

10 b. A board of education may establish a reserve account in the  
11 general fund with all or a part of the proceeds from the sale and lease-  
12 back of textbooks and non-consummable instructional materials  
13 provided that subsequent appropriations from the reserve account shall  
14 only be made within the original budget certified for taxes or as  
15 approved by the commissioner for good cause.

16

17 5. This act shall take effect immediately.

18

19

20

#### STATEMENT

21

22 This bill clarifies the authority of boards of education to enter into  
23 sale and lease-back contracts on textbooks and non-consummable  
24 instructional materials. The bill amends the appropriate sections of  
25 law to stipulate that boards of education may enter into sale and lease-  
26 back contracts on textbooks and non-consummable instructional  
27 materials for a period not in excess of five years provided that the sale  
28 price and principal amount of the lease-back do not exceed the fair  
29 market value of the textbooks and materials and that the interest rate  
30 applied in the contract is consistent with prevailing market rates or is  
31 less.

32 The bill also provides that the proceeds from the sale and lease-  
33 back will not be considered miscellaneous local general fund revenue  
34 for the purpose of calculating the district's net budget or spending  
35 growth limitation under the "Comprehensive Educational Improvement  
36 and Financing Act of 1996," P.L.1996, c.138. The bill authorizes a  
37 district to establish a reserve account in the general fund budget for  
38 the proceeds from such contracts provided that subsequent  
39 appropriations from the reserve account shall only be made within the  
40 original budget certified for taxes or as approved by the commissioner  
41 for good cause.



ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 2065**

**STATE OF NEW JERSEY**

DATED: JUNE 4, 1998

The Assembly Education Committee favorably reports Assembly Bill No. 2065.

This bill clarifies the authority of boards of education to enter into sale and lease-back contracts on textbooks and non-consummable instructional materials. The bill amends the appropriate sections of law to stipulate that boards of education may enter into sale and lease-back contracts on textbooks and non-consummable instructional materials for a period not in excess of five years provided that the sale price and principal amount of the lease-back do not exceed the fair market value of the textbooks and materials and that the interest rate applied in the contract is consistent with prevailing market rates or is less.

The bill also provides that the proceeds from the sale and lease-back will not be considered miscellaneous local general fund revenue for the purpose of calculating the district's net budget or spending growth limitation under the "Comprehensive Educational Improvement and Financing Act of 1996," P.L.1996, c.138. The bill authorizes a district to establish a reserve account in the general fund budget for the proceeds from such contracts provided that subsequent appropriations from the reserve account shall only be made within the original budget certified for taxes or as approved by the commissioner for good cause.

**SENATE, No. 1017**

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**STATE OF NEW JERSEY**  
**208th LEGISLATURE**

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INTRODUCED MAY 14, 1998

**Sponsored by:**

**Senator JOSEPH A. PALAIA**

**District 11 (Monmouth)**

**Senator ROBERT J. MARTIN**

**District 26 (Essex, Morris and Passaic)**

**SYNOPSIS**

Authorizes boards of education to enter into sale and lease-back contracts on certain instructional materials.

**CURRENT VERSION OF TEXT**

As introduced.



S1017 PALAIA, MARTIN

2

1 AN ACT concerning certain public school district instructional  
2 materials, amending N.J.S.18A:20-4.2 and N.J.S.18A:18A-42, and  
3 amending and supplementing P.L.1996, c.138.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. N.J.S.18A:20-4.2 is amended to read as follows:

9 18A:20-4.2. The board of education of any school district may, for  
10 school purposes:

11 (a) Purchase, take and condemn lands within the district and lands  
12 not exceeding 50 acres in extent without the district but situate in a  
13 municipality or municipalities adjoining the district, but no more than  
14 25 acres may be so acquired in any one such municipality, without the  
15 district, except with the consent, by ordinance, of such municipality;

16 (b) Grade, drain and landscape lands owned or to be acquired by  
17 it and improve the same in like manner;

18 (c) Erect, lease for a term not exceeding 50 years, enlarge,  
19 improve, repair or furnish buildings;

20 (d) Borrow money therefor, with or without mortgage; in the case  
21 of a type II district without a board of school estimate, when  
22 authorized so to do at any annual or special school election; and in the  
23 case of a type II district having a board of school estimate, when the  
24 amount necessary to be provided therefor shall have been fixed,  
25 determined and certified by the board of school estimate; and in the  
26 case of a type I district, when an ordinance authorizing expenditures  
27 for such purpose is finally adopted by the governing body of a  
28 municipality comprised within the district; provided, however, that no  
29 such election shall be held nor shall any such resolution of a school  
30 estimate board or ordinance of a municipal governing body be  
31 introduced to authorize any lease of any building for a term exceeding  
32 one year, until the proposed terms of such lease have been reviewed  
33 and approved by the Commissioner of Education and the Local  
34 Finance Board in the Department of Community Affairs;

35 (e) Construct, purchase, lease or otherwise acquire a building with  
36 the federal government, the State, a political subdivision thereof or any  
37 other individual or entity properly authorized to do business in the  
38 State; provided that: (1) the noneducational uses of the building are  
39 compatible with the establishment and operation of a school, as  
40 determined by the Commissioner of Education; (2) the portion of the  
41 building to be used as a school meets regulations of the Department of  
42 Education; (3) the board of education has complied with the  
43 provisions of law and regulations relating to the selection and approval

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

**Matter underlined thus is new matter.**

1 of sites; and (4) in the case of a lease, that any lease in excess of five  
2 years shall be approved by the Commissioner of Education and the  
3 Local Finance Board in the Department of Community Affairs;

4 (f) Acquire by lease purchase agreement a site and school building;  
5 provided that the site and building meet guidelines and regulations of  
6 the Department of Education and that any lease purchase agreement  
7 in excess of five years shall be approved by the Commissioner of  
8 Education as in the best interest of the school district after determining  
9 that the relationship of the proposed lease purchase project to the  
10 district's goals and objectives established pursuant to P.L.1975, c.212  
11 (C.18A:7A-1 et seq.) has clearly been established; and provided that  
12 for any lease purchase agreement in excess of five years the Local  
13 Finance Board in the Department of Community Affairs shall  
14 determine within 30 days that the cost and the financial terms and  
15 conditions of the agreement are reasonable. As used herein, a "lease  
16 purchase agreement" refers to any agreement which gives the board of  
17 education as lessee the option of purchasing the leased premises during  
18 or upon termination of the lease, with credit toward the purchase price  
19 of all or part of rental payments which have been made by the board  
20 of education in accordance with the lease. As part of such a  
21 transaction approved by the Commissioner of Education, the board of  
22 education may transfer or lease land or rights in land, including any  
23 building thereon, after publicly advertising for proposals for the  
24 transfer for nominal or fair market value, to the party selected by the  
25 board of education, by negotiation or otherwise, after determining that  
26 the proposal is in the best interest of the taxpayers of the district, to  
27 construct or to improve and to lease or to own or to have ownership  
28 interests in the site and the school building to be leased pursuant to  
29 such lease purchase agreement, notwithstanding the provisions of any  
30 other law to the contrary. The land and any building thereon which is  
31 described in a lease purchase agreement entered into pursuant to this  
32 amendatory act, shall be deemed to be and treated as property of the  
33 school district, used for school purposes pursuant to R.S.54:4-3.3, and  
34 shall not be considered or treated as property leased to another whose  
35 property is not exempt, and shall not be assessed as real estate  
36 pursuant to section 1 of P.L.1949, c.177 (C.54:4-2.3). Any lease  
37 purchase agreement authorized by this section shall contain a provision  
38 making payments thereunder subject to the annual appropriation of  
39 funds sufficient to meet the required payments or shall contain an  
40 annual cancellation clause and shall require all construction contracts  
41 let by public school districts or let by developers or owners of  
42 property used for school purposes to be competitively bid, pursuant to  
43 P.L.1977, c.114 (N.J.S.18A:18A-1 et seq.);

44 (g) Establish with an individual or entity authorized to do business  
45 in the State a tenancy in common, condominium, horizontal property  
46 regime or other joint ownership arrangement on a site contributed by

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1 the school district; provided the following conditions are met:

2 (1) The individual or entity agrees to construct on the site, or  
3 provide for the construction thereon, a building or buildings for use of  
4 the board of education separately or jointly with the individual or  
5 entity, which shall be subject to the joint ownership arrangement;

6 (2) The provision of the building shall be at no cost or at a reduced  
7 cost to the board of education;

8 (3) The school district shall not make any payment for use of the  
9 building other than its pro rata share of costs of maintenance and  
10 improvements;

11 (4) The noneducational uses of the building are compatible with the  
12 establishment and operation of a school, as determined by the  
13 Commissioner of Education;

14 (5) The portion of the building to be used as a school, and the site,  
15 meet regulations of the Department of Education; and

16 (6) Any such agreement shall be approved by the Commissioner of  
17 Education and the Local Finance Board in the Department of  
18 Community Affairs;

19 (h) Acquire through sale and lease-back textbooks and non-  
20 consummable instructional materials provided that the sale price and  
21 principal amount of the lease-back do not exceed the fair market value  
22 of the textbooks and instructional materials and that the interest rate  
23 applied in the lease-back is consistent with prevailing market rates or  
24 is less.

25 (cf: P.L.1991, c.477)

26

27 2. N.J.S.18A:18A-42 is amended to read as follows:

28 18A:18A-42. Any board of education may enter into a contract  
29 exceeding the fiscal year for the:

30 a. Supplying of:

31 (1) Fuel for heating purposes, for any term not exceeding in the  
32 aggregate, three years;

33 (2) Fuel or oil for use of automobiles, autobuses, motor vehicles  
34 or equipment, for any term not exceeding in the aggregate, three years;

35 (3) Thermal energy produced by a cogeneration facility, for use for  
36 heating or air conditioning or both, for any term not exceeding  
37 20 years, when the contract is approved by the Board of Public  
38 Utilities. For the purposes of this paragraph, "cogeneration" means  
39 the simultaneous production in one facility of electric power and other  
40 forms of useful energy such as heating or process steam; or

41 b. Plowing and removal of snow and ice, for any term not  
42 exceeding in the aggregate, three years; or

43 c. Collection and disposal of garbage and refuse, for any term not  
44 exceeding in the aggregate, three years; or

45 d. Data processing service, for any term of not more than five  
46 years; or

- 1 e. Insurance, including the purchase of insurance coverages,  
2 insurance consultant or administrative services, and including  
3 participation in a joint self-insurance fund, risk management program  
4 or related services provided by a school board insurance group, or  
5 participation in an insurance fund established by a county pursuant to  
6 N.J.S.40A:10-6, or a joint insurance fund established pursuant to  
7 P.L.1983, c.372 (C.40A:10-36 et seq.), for any term of not more than  
8 three years; or
- 9 f. Leasing or servicing of automobiles, motor vehicles, electronic  
10 communications equipment, machinery and equipment of every nature  
11 and kind and textbooks and non-consummable instructional  
12 materials, for any term not exceeding in the aggregate, five years;  
13 provided, however, such contracts shall be entered into only subject  
14 to and in accordance with rules and regulations promulgated by the  
15 State Board of Education; or
- 16 g. Supplying of any product or the rendering of any service by a  
17 telephone company which is subject to the jurisdiction of the Board of  
18 Public Utilities, for a term not exceeding five years; or
- 19 h. Materials, supplies or services that are required on a recurring  
20 basis from year to year, for any term not exceeding in the aggregate,  
21 two years; however, such contract may be renewed yearly for a period  
22 not exceeding three additional years without any further solicitation  
23 for bids or bidding upon a finding by the board that the services are  
24 being performed in an effective and efficient manner, or that the  
25 materials and supplies continue to meet the original specifications. If  
26 a board of education elects to renew an existing contract, the terms  
27 and conditions of the existing contract shall remain substantially  
28 unchanged and any increase in the contract cost over the three year  
29 period shall be no greater than a total of 20% over the initial cost; or
- 30 i. Driver education instruction conducted by private, licensed  
31 driver education schools, for any term not exceeding in the aggregate,  
32 three years ; or
- 33 j. Performance of work or services or the furnishing of materials,  
34 supplies or equipment for the purpose of conserving energy in the  
35 buildings owned by any local board of education, the entire price of  
36 which shall be established as a percentage of the resultant savings in  
37 energy costs, for a term not to exceed 10 years; except that these  
38 contracts shall be entered into only subject to and in accordance with  
39 rules and regulations promulgated by the Department of Commerce,  
40 Energy and Economic Development pursuant to the "Administrative  
41 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), establishing a  
42 methodology for computing energy costs.
- 43 All multiyear leases and contracts entered into pursuant to this  
44 section 18A:18A-42, except contracts for the leasing or servicing of  
45 equipment supplied by a telephone company which is subject to the  
46 jurisdiction of the Board of Public Utilities, contracts for insurance

1 coverages, insurance consultant or administrative services,  
2 participation or membership in a joint self-insurance fund, risk  
3 management programs or related services of a school board insurance  
4 group, participation in an insurance fund established by a county  
5 pursuant to N.J.S.40A:10-6 or contracts for thermal energy authorized  
6 pursuant to subsection a. above, and contracts for the performance of  
7 work or services or the furnishing of materials, supplies or equipment  
8 to promote energy conservation authorized pursuant to subsection j.  
9 of this section, shall contain a clause making them subject to the  
10 availability and appropriation annually of sufficient funds as may be  
11 required to meet the extended obligation, or contain an annual  
12 cancellation clause.

13 (cf: P.L.1988, c.143, s.4)

14

15 3. Section 7 of P.L.1996, c.138 (C.18A:7F-7) is amended to read  
16 as follows:

17 7. a. If the amount of the budgeted general fund for the prebudget  
18 year is \$100 million or less, an undesignated general fund balance in  
19 excess of 6% of that amount or \$75,000, whichever is greater, shall be  
20 appropriated by a school district or county vocational school district  
21 for the purpose of the budget prepared pursuant to section 5 of this  
22 act. If the amount of the budgeted general fund for the prebudget year  
23 exceeds \$100 million, an undesignated general fund balance in excess  
24 of 6% of the first \$100 million and in excess of 3% of the amount  
25 which exceeds \$100 million shall be appropriated by a school district  
26 or county vocational school district for the purpose of the budget  
27 prepared pursuant to section 5 of this act.

28 b. Notwithstanding the provisions of subsection a. of this section,  
29 if the district has a formal plan to expand, renovate or construct school  
30 facilities, join a distance learning network, or make a major  
31 replacement or acquisition of instructional equipment within the  
32 subsequent five years, the district may, with the approval of the  
33 commissioner, transfer the excess undesignated general fund balance  
34 to the capital reserve account established pursuant to N.J.S.18A:21-3  
35 for that purpose.

36 c. If it is determined that the undesignated general fund balances  
37 at December 31, 1996 or June 30 of any school year exceed those  
38 permitted under subsection a. of this section, the excess undesignated  
39 general fund balances shall be reserved and designated in the  
40 subsequent year's budget submitted to the commissioner pursuant to  
41 subsection c. of section 5 of this act.

42 d. The commissioner may withhold State aid in an amount not to  
43 exceed the excess undesignated general fund balances for failure to  
44 comply with subsection c. of this section.

45 e. Proceeds from the sale and lease-back of textbooks and non-  
46 consummable instructional materials shall not be included in the

1 calculation of excess undesignated general fund balance during the  
2 budget year in which they are realized.

3 (cf: P.L.1996, c.138, s.7)

4

5 4. (New section) a. Proceeds from the sale and lease-back of  
6 textbooks and non-consummable instructional materials shall not be  
7 considered miscellaneous local general fund revenue for the purpose  
8 of calculating the net budget or the spending growth limitation under  
9 P.L.1996, c.138 (C.18A:7F-1 et seq.).

10 b. A board of education may establish a reserve account in the  
11 general fund with all or a part of the proceeds from the sale and lease-  
12 back of textbooks and non-consummable instructional materials  
13 provided that subsequent appropriations from the reserve account shall  
14 only be made within the original budget certified for taxes or as  
15 approved by the commissioner for good cause.

16

17 5. This act shall take effect immediately.

18

19

20

#### STATEMENT

21

22 This bill clarifies the authority of boards of education to enter into  
23 sale and lease-back contracts on textbooks and non-consummable  
24 instructional materials. The bill amends the appropriate sections of  
25 law to stipulate that boards of education may enter into sale and lease-  
26 back contracts on textbooks and non-consummable instructional  
27 materials for a period not in excess of five years provided that the sale  
28 price and principal amount of the lease-back do not exceed the fair  
29 market value of the textbooks and materials and that the interest rate  
30 applied in the contract is consistent with prevailing market rates or is  
31 less.

32 The bill also provides that the proceeds from the sale and lease-  
33 back will not be considered miscellaneous local general fund revenue  
34 for the purpose of calculating the district's net budget or spending  
35 growth limitation under the "Comprehensive Educational Improvement  
36 and Financing Act of 1996," P.L.1996, c.138. The bill authorizes a  
37 district to establish a reserve account in the general fund budget for  
38 the proceeds from such contracts provided that subsequent  
39 appropriations from the reserve account shall only be made within the  
40 original budget certified for taxes or as approved by the commissioner  
41 for good cause.



SENATE EDUCATION COMMITTEE

STATEMENT TO

**SENATE, No. 1017**

**STATE OF NEW JERSEY**

DATED: JUNE 4, 1998

The Senate Education Committee reports favorably Senate Bill No. 1017.

This bill clarifies the authority of boards of education to enter into sale and lease-back contracts on textbooks and non-consumable instructional materials. The bill amends the appropriate sections of law to stipulate that boards of education may enter into sale and lease-back contracts on textbooks and non-consumable instructional materials for a period not in excess of five years, provided that the sale price and principal amount of the lease-back do not exceed the fair market value of the textbooks and materials and that the interest rate applied in the contract is consistent with prevailing market rates or is less.

The bill also provides that the proceeds from the sale and lease-back will not be considered miscellaneous local general fund revenue for the purpose of calculating the district's net budget or spending growth limitation under the "Comprehensive Educational Improvement and Financing Act of 1996," P.L.1996, c.138. The bill authorizes a district to establish a reserve account in the general fund budget for the proceeds from such contracts, provided that subsequent appropriations from the reserve account shall only be made within the original budget certified for taxes or as approved by the commissioner for good cause.

**Office of the Governor**  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Jayne O'Connor  
609-777-2600

RELEASE: July 10, 1998

Gov. Christie Whitman today signed the following pieces of legislation:

**A-726**, sponsored by Assembly members Paul Kramer (R- Mercer/Middlesex) and Alex De Croce (R-Essex/Morris/Passaic) and Senator Peter Inverso (R-Mercer/Middlesex), increases penalties for stealing or damaging airport, traffic, or railroad crossing signs or equipment. The bill which originated in response to a rash of incidents at Robbinsville Airport, is intended to appropriately punish acts that have potentially dangerous consequences. The bill will make it a crime of the fourth degree to deface, injure or remove an official traffic sign, light or safety device at any airport, landing field or similar facility. If the actor recklessly causes bodily injury or property damage, the offense would be a crime of the third degree. If the actor recklessly causes death, it would be a crime of the second degree. Previous law provided that such criminal mischief was punishable based upon the cost of property damage, with punishment ranging from disorderly conduct to a third-degree charge for the most severe offense.

The bill also upgrades penalties for vandalism of railroad warning signals to crimes of the fourth degree. The bill also makes such actions a crime of the third degree in cases causing bodily injury or property damage and a crime of the second degree for cases causing death.

The bill shifts the violation of tampering with a traffic signal or sign from the jurisdiction of motor vehicle law to the criminal code, and makes the offense punishable as a disorderly persons offense.

**SCS-351**, sponsored by Senator Louis Bassano (R-Essex/Union), eliminates late filing penalty for motor fuel use tax returns showing no liability. The bill is intended to ensure that individuals who are not liable for any tax during the stated period are exempted from penalties imposed for late filings. Additionally, the bill gives the Director of the Division of Motor Vehicles the ability to waive late fees in cases where there is reasonable cause for a late filing or underpayment.

**A-2065**, sponsored by Assembly Members David Wolfe (R- Monmouth/Ocean) and Joseph Doria (D-Hudson) and Senators Joseph Palaia (R-Monmouth) and Robert Martin (R-Essex/Morris/Passaic), authorizes boards of education to enter into sale and lease-back contracts on certain instructional materials. The bill will apply to textbooks and non-consumable instructional materials. The bill is intended to provide boards of education with more contractual and fiscal flexibility to ensure the efficient management of school resources.

**S-652**, sponsored by Senators Norm Robertson (R-Essex/Passaic) and Henry McNamara (R-Bergen/Passaic) and Assembly Members Gerald Zecker (R-

Essex/Passaic) and Nelli Pou (D-Passaic), allows members of the Passaic County Employees' Retirement System who elect to participate in Social Security to remain in the retirement system.

**A-176**, sponsored by Assembly Members George Geist (R- Camden/Gloucester) and Gerald Luongo (R-Camden/Gloucester), transfers a small, unpopulated parcel of land from the Township of Washington in Gloucester County to the Township of Gloucester in Camden County. The transfer of the land, owned by the New Jersey Water Company, clears the way for the historical preservation and recreational use of Blackwood Lake. Under an agreement between the two municipalities, Gloucester Township will take control of the lake in order to clean and restore it for recreational use.

**S-233**, sponsored by Senator James Cafiero, (R-Cape May/Atlantic/Cumberland), Assembly Members John Gibson (R-Cape May/Atlantic/Cumberland), and Assemblyman Nicholas Asselta (R-Cape May/Atlantic/Cumberland), requires the Uniform Crime Report to include, in addition to the regular statistics, an alternative calculation that takes into account the seasonal population of resort municipalities. The law was proposed by several beach communities which feel their per capita crime statistics are superficially high because only year-round residents were considered when calculating statistics in the Uniform Crime Report. The alternative calculation will be published in addition to the normal per capita crime statistics.

**A-2294**, sponsored by Assembly members Kip Bateman (R- Morris/Somerset) and Pete Biondi (R-Morris/ Somerset) and Senators Walter Kavanaugh (R- Morris/Somerset) and Diane Allen (R- Burlington/Camden), authorizes the sale of certain surplus state real property in Montgomery Township, Somerset County. The bill will allow for the sale of the state's interest in land and improvements known as the North Princeton Developmental Center. A 12- acre portion of the property, including four buildings, will be purchased by the Montgomery Township Department of Education. The remaining property will be sold by the Department of Treasury. The Department of Treasury will work with Montgomery Township to identify appropriate uses and purchasers.