

# LEGISLATIVE HISTORY CHECKLIST

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## *LAWS of 1999*

**CHAPTER:** 54

**NJSA:** 45:1-21.2

(Failure to pay student loans -- suspension of professional licenses)

**BILL NO:** S57(Substituted for A1899)

**SPONSOR(S):** Kavanaugh

**DATE INTRODUCED:**Pre-filed

**COMMITTEE:**

**ASSEMBLY:** Consumer Affairs

**SENATE:**Commerce

**AMENDED DURING PASSAGE:**Yes

**DATES OF PASSAGE:**

**ASSEMBLY:**November 23, 1998; Re-enacted March 29, 1999

**SENATE:**March 30, 1998; Re-enacted February 25, 1999

**DATE OF APPROVAL:**April 9, 1999

### THE FOLLOWING ARE ATTACHED IF AVAILABLE:

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**FINAL TEXT OF BILL:** *Yes*<sup>2<sup>nd</sup></sup> Reprint

(Amendments during passage denoted by superscript numbers)

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## **S57**

**SPONSORS STATEMENT:** *Yes* (Begins on page 2 of original bill)

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *Yes*

**SENATE:** *Yes*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

**1<sup>st</sup> REPRINT (Vetoed by Governor)** *Yes*

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## A1899

**SPONSORS STATEMENT:** *Yes (Begins on page 2 of original bill)*

**COMMITTEE STATEMENT:**

**ASSEMBLY:** *Yes*

Identical to Senate Statement for S57

**SENATE:** *No*

**FLOOR AMENDMENT STATEMENTS:** *No*

**LEGISLATIVE FISCAL ESTIMATE:** *Yes*

Identical to Legislative Fiscal Estimate for S57

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### GOVERNOR'S ACTIONS

**VETO MESSAGE:** *Yes*

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

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### THE FOLLOWING WERE PRINTED:

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**REPORTS:** *No*

**HEARINGS:** *No*

**NEWSPAPER ARTICLES:** *No*

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§1  
C. 45:1-21.2  
§2  
C. 2A:13-12  
§3  
Note To §§1,2

P.L. 1999, CHAPTER 54, *approved April 9, 1999*  
Senate, No. 57 (*Second Reprint*)

1 AN ACT suspending certain licenses, registrations and certifications  
2 for failure to repay student loans and supplementing P.L.1978, c.73  
3 (C.45:1-14 et seq.) and Title 2A of the New Jersey Statutes.  
4

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

7  
8 1. The director or a board <sup>2</sup>[, as appropriate,]<sup>2</sup> shall suspend, <sup>2</sup>as  
9 appropriate.<sup>2</sup> after a hearing, the license, registration or certification  
10 of any person who has been certified by a lender or guarantor and  
11 reported to the director or the board, as the case may be, for  
12 nonpayment or default of a State or federal direct or guaranteed  
13 educational loan. The license, registration or certification shall not be  
14 reissued until the person provides the director or board with a written  
15 release issued by the lender or guarantor <sup>1</sup>stating that<sup>1</sup> the person <sup>1</sup>has  
16 cured the default or<sup>1</sup> is making payments on the loan in accordance  
17 with a repayment agreement approved by the lender or guarantor. If  
18 the person has continued to meet all other requirements for licensure,  
19 registration or certification during the suspension, reinstatement shall  
20 be automatic upon receipt of the notice and payment of any  
21 reinstatement fee the director or the board may impose.  
22

23 <sup>2</sup>[2. If the Supreme Court of the State of New Jersey issues  
24 Rules of Court pursuant to this act, the Supreme Court may suspend,  
25 after a hearing, the license to practice law of any attorney who has  
26 been certified by a lender or guarantor and reported to the Supreme  
27 Court for nonpayment or default of a State or federal direct or  
28 guaranteed educational loan. The license may not be reissued until the  
29 person provides the Supreme Court with a written release issued by  
30 the lender or guarantor stating that the person <sup>1</sup>has cured the default  
31 or<sup>1</sup> is making payments on the loan in accordance with a repayment  
32 agreement approved by the lender or guarantor. If the person has  
33 continued to meet all other requirements for licensure during a  
34 suspension, reinstatement may be automatic upon receipt of the notice  
35 and payment of any reinstatement fee the Supreme Court may

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Senate SCM committee amendments adopted March 2, 1998.

<sup>2</sup> Senate amendments adopted in accordance with Governor's recommendations  
January 28, 1999.

1 impose.】 2. The Supreme Court of the State of New Jersey may  
2 adopt Rules of the Court establishing a process for the suspension of  
3 the license to practice law of any attorney who has been certified by  
4 a lender or guarantor and reported to the Clerk of the Supreme Court  
5 for nonpayment or default of a State or federal direct or guaranteed  
6 educational loan.<sup>2</sup>

7

8 3. This act shall take effect on the 60th day after enactment.

9

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12

13 Provides for suspension of certain licenses, registrations and  
14 certifications for failure to repay student loans.

# SENATE, No. 57

## STATE OF NEW JERSEY 208th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

**Sponsored by:**

**Senator WALTER KAVANAUGH**

**District 16 (Morris and Somerset)**

**SYNOPSIS**

Provides for suspension of certain licenses, registrations and certifications for failure to repay student loans.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



S57 KAVANAUGH

2

1 AN ACT suspending certain licenses, registrations and certifications  
2 for failure to repay student loans and supplementing P.L.1978, c.73  
3 (C.45:1-14 et seq.) and Title 2A of the New Jersey Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. The director or a board, as appropriate, shall suspend, after a  
9 hearing, the license, registration or certification of any person who has  
10 been certified by a lender or guarantor and reported to the director or  
11 the board, as the case may be, for nonpayment or default of a State or  
12 federal direct or guaranteed educational loan. The license, registration  
13 or certification shall not be reissued until the person provides the  
14 director or board with a written release issued by the lender or  
15 guarantor the person is making payments on the loan in accordance  
16 with a repayment agreement approved by the lender or guarantor. If  
17 the person has continued to meet all other requirements for licensure,  
18 registration or certification during the suspension, reinstatement shall  
19 be automatic upon receipt of the notice and payment of any  
20 reinstatement fee the director or the board may impose.

21  
22 2. If the Supreme Court of the State of New Jersey issues Rules of  
23 Court pursuant to this act, the Supreme Court may suspend, after a  
24 hearing, the license to practice law of any attorney who has been  
25 certified by a lender or guarantor and reported to the Supreme Court  
26 for nonpayment or default of a State or federal direct or guaranteed  
27 educational loan. The license may not be reissued until the person  
28 provides the Supreme Court with a written release issued by the  
29 lender or guarantor stating that the person is making payments on the  
30 loan in accordance with a repayment agreement approved by the lender  
31 or guarantor. If the person has continued to meet all other  
32 requirements for licensure during a suspension, reinstatement may be  
33 automatic upon receipt of the notice and payment of any reinstatement  
34 fee the Supreme Court may impose.

35  
36 3. This act shall take effect on the 60th day after enactment.

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38

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STATEMENT

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41 This bill provides that a person who is licensed by the Director of  
42 the Division of Consumer Affairs or by the various professional and  
43 occupational boards located within the Division of Consumer Affairs  
44 shall have that license suspended by the director or board by which  
45 that person is regulated when the director or board is notified by a  
46 lender or guarantor of nonpayment or default of a State or federal

**S57 KAVANAUGH**

3

1 direct or guaranteed education loan by that person. The bill further  
2 provides that such person's license shall not be reinstated until the  
3 person provides the director or board by which that person is licensed  
4 a written release issued by the lender or guarantor stating that the  
5 person is making payments on the loan in accordance with a repayment  
6 agreement approved by the lender or guarantor.

7 In addition, the bill provides that the Supreme Court of the State of  
8 New Jersey may also suspend the licenses of attorneys who fail to  
9 repay student loans.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED  
PROFESSIONS COMMITTEE

STATEMENT TO

[First Reprint]

**SENATE, No. 57**

**STATE OF NEW JERSEY**

DATED: AUGUST 6, 1998

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Senate Bill No. 57 (1R).

The bill provides that persons who are licensed by the Director of the Division of Consumer Affairs or by the various professional and occupational boards located within the Division of Consumer Affairs shall have their licenses suspended by the director or board by which they are regulated when the director or board is notified by a lender or guarantor of nonpayment or default of a State or federal direct or guaranteed educational loan by those persons. The bill further provides that a person's license shall not be reinstated until the person provides the director or board by which that person is licensed a written release issued by the lender or guarantor stating that the person has cured the default or is making payments on the loan in accordance with a repayment agreement approved by the lender or guarantor.

In addition, the bill provides that the Supreme Court of the State of New Jersey may also suspend the licenses of attorneys who fail to repay student loans.

As released by the committee, the bill is identical to Assembly Bill No. 1899.



# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### **SENATE, No. 57**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: MARCH 2, 1998

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 57.

This bill, as amended by the committee, provides that a person who is licensed by the Director of the Division of Consumer Affairs or by the various professional and occupational boards located within the Division of Consumer Affairs shall have that license suspended by the director or board by which that person is regulated when the director or board is notified by a lender or guarantor of nonpayment or default of a State or federal direct or guaranteed educational loan by that person. The bill further provides that such person's license shall not be reinstated until the person provides the director or board by which that person is licensed a written release issued by the lender or guarantor stating that the person has cured the default or is making payments on the loan in accordance with a repayment agreement approved by the lender or guarantor.

In addition, the bill provides that the Supreme Court of the State of New Jersey may also suspend the licenses of attorneys who fail to repay student loans.

The committee also made technical amendments to the bill.

This bill was pre-filed for introduction in the 1998 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

# FISCAL NOTE

[First Reprint]

## **SENATE, No. 57**

# **STATE OF NEW JERSEY**

## **208th LEGISLATURE**

DATED: AUGUST 18, 1998

Senate Bill No. 57 (1R) of 1998 provides for the suspension of the professional license of a person licensed by the various professional and occupational boards located within the Division of Consumer Affairs in the Department of Law and Public Safety for nonpayment or default of a State or federally guaranteed educational loan. The professional's license would be reinstated by the appropriate State licensing board upon a written release from the lending institution stating that the loan payments have been resumed in accordance with a repayment agreement approved by the institution.

Information provided informally by the division, in response to a similar bill, A1897 (2R) of 1996, places the first-year cost of implementing that bill at approximately \$143,000 for every 100 cases of educational loan defaults reported to affected professional boards, a rate of approximately \$1,400 per case. The division included in its estimate the cost of conducting a half-day hearing for a professional certified as in default of an educational loan prior to the suspension of his or her license. Information is not available regarding the total number of default cases that would be handled.

The costs associated with such hearings may be reimbursed by the Office of Student Assistance (OSA), an agency in but not of the Department of Treasury which receives federal funding for educational loan collection. OSA indicates that the division's cost estimate for conducting the hearings appears high based on the volume and cost of other hearings for which OSA provides reimbursement, such as those conducted by the Office of Administrative Law for wage garnishment of student loan defaulters. OSA further notes that State funds will not be required to implement the provisions of this bill.

In addition, OSA states that the bill should result in a net increase in the agency's default collection accounts, although the estimated amount of such an increase is not available.

The Office of Legislative Services (OLS) concurs with OSA's estimate.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

[First Reprint]  
**SENATE, No. 57**

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

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PRE-FILED FOR INTRODUCTION IN THE 1998 SESSION

**Sponsored by:**

**Senator WALTER KAVANAUGH**

**District 16 (Morris and Somerset)**

**Co-Sponsored by:**

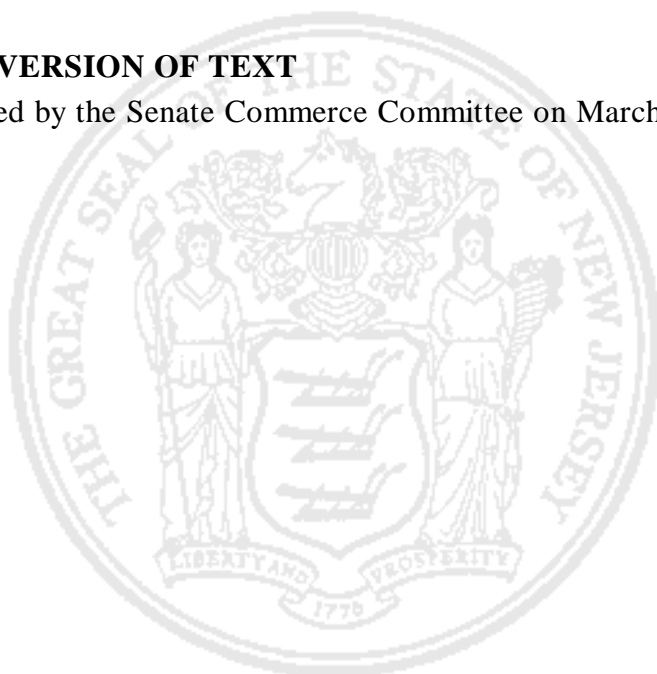
**Assemblymen Gregg, Merkt, Assemblywoman Murphy, Assemblymen  
Thompson, Azzolina, Talarico and DeCroce**

**SYNOPSIS**

Provides for suspension of certain licenses, registrations and certifications for failure to repay student loans.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee on March 2, 1998, with amendments.



**(Sponsorship Updated As Of: 11/24/1998)**

1 AN ACT suspending certain licenses, registrations and certifications  
2 for failure to repay student loans and supplementing P.L.1978, c.73  
3 (C.45:1-14 et seq.) and Title 2A of the New Jersey Statutes.

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. The director or a board, as appropriate, shall suspend, after a  
9 hearing, the license, registration or certification of any person who has  
10 been certified by a lender or guarantor and reported to the director or  
11 the board, as the case may be, for nonpayment or default of a State or  
12 federal direct or guaranteed educational loan. The license, registration  
13 or certification shall not be reissued until the person provides the  
14 director or board with a written release issued by the lender or  
15 guarantor <sup>1</sup>stating that<sup>1</sup> the person <sup>1</sup>has cured the default or<sup>1</sup>  
16 making payments on the loan in accordance with a repayment  
17 agreement approved by the lender or guarantor. If the person has  
18 continued to meet all other requirements for licensure, registration or  
19 certification during the suspension, reinstatement shall be automatic  
20 upon receipt of the notice and payment of any reinstatement fee the  
21 director or the board may impose.

22  
23 2. If the Supreme Court of the State of New Jersey issues Rules of  
24 Court pursuant to this act, the Supreme Court may suspend, after a  
25 hearing, the license to practice law of any attorney who has been  
26 certified by a lender or guarantor and reported to the Supreme Court  
27 for nonpayment or default of a State or federal direct or guaranteed  
28 educational loan. The license may not be reissued until the person  
29 provides the Supreme Court with a written release issued by the  
30 lender or guarantor stating that the person <sup>1</sup>has cured the default or<sup>1</sup>  
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32 agreement approved by the lender or guarantor. If the person has  
33 continued to meet all other requirements for licensure during a  
34 suspension, reinstatement may be automatic upon receipt of the notice  
35 and payment of any reinstatement fee the Supreme Court may impose.

36  
37 3. This act shall take effect on the 60th day after enactment.

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

**<sup>1</sup> Senate SCM committee amendments adopted March 2, 1998.**

**ASSEMBLY, No. 1899**

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

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INTRODUCED MARCH 30, 1998

**Sponsored by:**

**Assemblyman GUY R. GREGG**

**District 24 (Sussex, Hunterdon and Morris)**

**Assemblyman RICHARD A. MERKT**

**District 25 (Morris)**

**Co-Sponsored by:**

**Assemblywoman Murphy, Assemblymen Thompson, Azzolina, Talarico  
and DeCroce**

**SYNOPSIS**

Provides for suspension of certain licenses, registrations and certifications for failure to repay student loans.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT suspending certain licenses, registrations and certifications  
2 for failure to repay student loans and supplementing P.L.1978, c.73  
3 (C.45:1-14 et seq.) and Title 2A of the New Jersey Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
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10 been certified by a lender or guarantor and reported to the director or  
11 the board, as the case may be, for nonpayment or default of a State or  
12 federal direct or guaranteed educational loan. The license, registration  
13 or certification shall not be reissued until the person provides the  
14 director or board with a written release issued by the lender or  
15 guarantor stating that the person has cured the default or is making  
16 payments on the loan in accordance with a repayment agreement  
17 approved by the lender or guarantor. If the person has continued to  
18 meet all other requirements for licensure, registration or certification  
19 during the suspension, reinstatement shall be automatic upon receipt  
20 of the notice and payment of any reinstatement fee the director or the  
21 board may impose.

22  
23 2. If the Supreme Court of the State of New Jersey issues Rules of  
24 Court pursuant to this act, the Supreme Court may suspend, after a  
25 hearing, the license to practice law of any attorney who has been  
26 certified by a lender or guarantor and reported to the Supreme Court  
27 for nonpayment or default of a State or federal direct or guaranteed  
28 educational loan. The license may not be reissued until the person  
29 provides the Supreme Court with a written release issued by the  
30 lender or guarantor stating that the person has cured the default or is  
31 making payments on the loan in accordance with a repayment  
32 agreement approved by the lender or guarantor. If the person has  
33 continued to meet all other requirements for licensure during a  
34 suspension, reinstatement may be automatic upon receipt of the notice  
35 and payment of any reinstatement fee the Supreme Court may impose.

36  
37 3. This act shall take effect on the 60th day after enactment.

38  
39 STATEMENT

40  
41 This bill provides that a person who is licensed by the Director of  
42 the Division of Consumer Affairs or by the various professional and  
43 occupational boards located within the Division of Consumer Affairs  
44 shall have that license suspended by the director or board by which  
45 that person is regulated when the director or board is notified by a  
46 lender or guarantor of nonpayment or default of a State or federal

**A1899 GREGG, MERKT**

3

1 direct or guaranteed educational loan by that person. The bill further  
2 provides that such person's license shall not be reinstated until the  
3 person provides the director or board by which that person is licensed  
4 a written release issued by the lender or guarantor stating that the  
5 person has cured the default or is making payments on the loan in  
6 accordance with a repayment agreement approved by the lender or  
7 guarantor.

8 In addition, the bill provides that the Supreme Court of the State of  
9 New Jersey may also suspend the licenses of attorneys who fail to  
10 repay student loans.

ASSEMBLY CONSUMER AFFAIRS AND REGULATED  
PROFESSIONS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1899**

**STATE OF NEW JERSEY**

DATED: AUGUST 6, 1998

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably Assembly Bill No. 1899.

The bill provides that persons who are licensed by the Director of the Division of Consumer Affairs or by the various professional and occupational boards located within the Division of Consumer Affairs, shall have their licenses suspended by the director or board by which they are regulated when the director or board is notified by a lender or guarantor of nonpayment or default of a State or federal direct or guaranteed educational loan by those persons. The bill further provides that a person's license shall not be reinstated until the person provides the director or board by which that person is licensed a written release issued by the lender or guarantor stating that the person has cured the default or is making payments on the loan in accordance with a repayment agreement approved by the lender or guarantor.

In addition, the bill provides that the Supreme Court of the State of New Jersey may also suspend the licenses of attorneys who fail to repay student loans.

As released by the committee, the bill is identical to Senate Bill No. 57 (1R).



## FISCAL NOTE

# ASSEMBLY, No. 1899

# STATE OF NEW JERSEY

## 208th LEGISLATURE

DATED: AUGUST 5, 1998

Assembly Bill No. 1899 of 1998 provides for the suspension of the professional license of a person licensed by the various professional and occupational boards located within the Division of Consumer Affairs in the Department of Law and Public Safety for nonpayment or default of a State or federally guaranteed educational loan. The professional's license would be reinstated by the appropriate State licensing board upon a written release from the lending institution stating that the loan payments have been resumed in accordance with a repayment agreement approved by the institution.

Information provided informally by the division, in response to a similar bill, A1897 (2R) of 1996, places the first-year cost of implementing that bill at approximately \$143,000 for every 100 cases of educational loan defaults reported to affected professional boards, a rate of approximately \$1,400 per case. The division included in its estimate the cost of conducting a half-day hearing for a professional certified as in default of an educational loan prior to the suspension of his or her license. Information is not available regarding the total number of default cases that would be handled.

The costs associated with such hearings may be reimbursed by the Office of Student Assistance (OSA), an agency in but not of the Department of Treasury which receives federal funding for educational loan collection. OSA indicates that the division's cost estimate for conducting the hearings appears high based on the volume and cost of other hearings for which OSA provides reimbursement, such as those conducted by the Office of Administrative Law for wage garnishment of student loan defaulters. OSA further notes that State funds will not be required to implement the provisions of this bill.

In addition, OSA states that the bill should result in a net increase in the agency's default collection accounts, although the estimated amount of such an increase is not available.

The Office of Legislative Services (OLS) concurs with OSA's estimate.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

**SENATE BILL NO. 57**  
**(First Reprint)**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 57 (First Reprint) with my recommendations for reconsideration.

A. Summary of Bill

This bill requires the Director of the Division of Consumer Affairs (director), or the appropriate regulatory board within the Division, to suspend the license, registration or certification of any person who has been certified by a lender or guarantor and reported to the director or the board for nonpayment or default of a State or federal student loan. The bill provides that such a suspension shall be issued after a hearing; a suspended license may not be renewed until the director or the board receives a written release from the lender stating that the delinquent borrower has cured the default or is making payments pursuant to an approved repayment agreement.

Additionally, the bill provides permissive authority to the State Supreme Court to suspend the licenses of attorneys who are delinquent on their student loans. Attorneys' licenses could also be suspended under the same conditions established by the bill for professionals licensed by professional boards under the Division of Consumer Affairs.

B. Recommendation Action

I concur with the sponsors of this legislation that the problem of defaulted student loans is of great importance to New Jersey taxpayers and requires immediate attention. The New Jersey Office of Student Assistance (OSA) guarantees certain student loans, and when students default on repayment of their loans, OSA pays off the claim to the lending institution. Indeed, in fiscal year 1998, OSA will pay off approximately \$73 million in defaulted student loans for New Jersey students. This bill will provide lenders and guarantors such as OSA a new and powerful weapon in their arsenal to collect on defaulted student loans.

While I support this bill, I must recommend an amendment to ensure that the due process rights of debtors are protected. As drafted, the bill states that the director or board "shall" suspend a license when a debtor is in default after a hearing. This language

nullifies the purpose of a hearing because it leaves the director or board without discretion to allow a debtor to retain his or her license if the circumstances warrant. I therefore recommend that the bill be amended to ensure that the debtor is afforded a proper due process hearing by stating that the director or a board shall suspend a professional license as appropriate.

Additionally, I recommend an amendment to permit the New Jersey State Supreme Court to establish its own due process procedures in accordance with its rules for suspension of attorneys' licenses.

Therefore, I herewith return Senate Bill No. 57 (First Reprint) and recommend that it be amended as follows:

Page 2, Section 1, Line 8:

Delete “,as appropriate,” and insert after “,shall suspend,” “as appropriate,”

Page 2, Section 2, Lines 23-35:

Delete lines 23-35 and insert “2. The Supreme Court of the State of New Jersey may adopt Rules of the Court establishing a process for the suspension of the license to practice law of any attorney who has been certified by a lender or guarantor and reported to the Clerk of the Supreme Court for nonpayment or default of a State or federal direct or guaranteed educational loan.”

Respectfully,

Christine Todd Whitman  
Governor

Attest:

John J. Farmer, Jr.  
Chief Counsel to the Governor

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

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Gene Herman  
609-777-2600

RELEASE: April 9, 1999

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

**S-57**, sponsored by Senator Walter J. Kavanaugh (R-Morris/Somerset) and Assembly Members Guy R. Gregg (R-Sussex/Hunterdon/Morris) and Richard A. Merkt (R-Morris), provides for the suspension of licenses, registrations or certifications for failure to repay student loans. The bill requires the Director of the Division of Consumer Affairs or the appropriate regulatory authority within the division to issue the suspensions as appropriate after a due process hearing. The Governor conditionally vetoed the original version of the bill because it did not ensure that the debtor would be afforded a proper due process hearing. Under the bill, a suspended license cannot be renewed until the director or the board receives a written release from the lender stating that the delinquent borrower has cured the default or is making payments pursuant to the repayment approved by the lender. The Division of Consumer Affairs governs the licensing of various professionals, including doctors, dentists, chiropractors, architects, nurses, real estate appraisers, and physicians' assistants. The bill also permits the New Jersey State Supreme Court to establish its own due process procedures in accordance with its rules for suspension of attorneys' licenses, a provision which the Governor recommended in her conditional veto of the original version of the bill on Jan. 12, 1999. This bill now incorporates all of the changes recommended in the Governor's conditional veto.

**SCS for S-808**, sponsored by Senators James S. Cafiero (R-Cape May/Atlantic/Cumberland) and Raymond J. Zane (D-Salem/Cumberland/Gloucester) and Assembly Members John C. Gibson (R-Cape May/Atlantic/Cumberland) and Gary W. Stuhltrager (Salem/Cumberland/Gloucester), provides limitations on the withholding of state funds from school districts by the commissioner of the Department of Education for violations of the Public School Contracts Law. As originally passed by the Legislature, the bill would have prevented the commissioner of the Department of Education from withholding or requiring the remittance of state funds as a penalty for a school district's violation of the unspendable services exception to the public advertisement and bidding requirements of the Contracts Law. The Governor vetoed the bill to give school officials "one free chance" with regard to a violation based on negligence or ignorance of the law's requirements. Further, the bill as originally passed, required the commissioner of education to return funds remitted by any school district prior to the effective date of the act, for any violation of the public advertising and bidding requirements as set forth in the Contracts Law. This provision would have applied unless the commissioner determined that there had been collusion or intent to evade the bidding requirement. The amended law puts the burden on the school districts to apply to the commissioner for restoration of funds, which the Governor recommended in her conditional veto. Based on the application, the commissioner will determine if there has been any collusion or intent to evade the bidding requirement. The bill adopts all of the changes recommended in the Governor's conditional veto.