

34:1B-7.23

LEGISLATIVE HISTORY CHECKLIST
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(General Fund--deposits)

USA: 34:1B-7.23

LAWS OF: 1996 CHAPTER: 48

BILL NO: A33

SPONSOR(S): Gregg

DATE INTRODUCED: June 17, 1996

COMMITTEE: ASSEMBLY: Appropriations
SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: June 24, 1996
SENATE: June 27, 1996

DATE OF APPROVAL: June 28, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes
SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See attached:

974.901 New Jersey. Governor.

G53

Budget, fiscal year, 1996-1997...1-29-96, p. I-29.

[see recommendation--attached]

KBP:pp

P.L. 1996, CHAPTER 48, *approved June 28, 1996*
Assembly No. 33

1 AN ACT concerning the deposit of certain public school facilities loan
2 fund repayments into the General Fund and amending and
3 supplementing P.L.1993, c.102.

4

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

7

8 1. Section 4 of P.L.1993, c.102 (C.34:1B-7.23) is amended to read
9 as follows:

10 4. a. The authority shall establish and maintain a special
11 nonlapsing revolving fund to be known as the "Public School Facilities
12 Code Compliance Loan Fund," hereinafter the "compliance fund,"
13 which shall be credited with: (1) the \$25 million allocated from the
14 Economic Recovery Fund pursuant to paragraph (1) of subsection d.
15 of section 4 of P.L.1992, c.16 (C.34:1B-7:13); (2) any moneys that
16 shall be received by the authority from the repayment of loans made
17 from the compliance fund and interest thereon; and (3) any other
18 moneys which the authority determines to deposit therein.

19 b. The authority may use the moneys in the compliance fund to
20 finance not less than 25%, and not more than 50%, of the total cost of
21 any project, in accordance with the criteria set forth in this section, for
22 the purpose of providing low-interest loans to school districts, to
23 finance the renovation, repair or other alteration of existing school
24 buildings, the construction of new school buildings or the conversion
25 of existing school buildings to other instructional purposes, if such
26 renovation, repair, alteration, construction or conversion is required
27 to bring buildings that, at the time of application, do not meet State
28 health and safety code requirements, into compliance with those
29 requirements.

30 c. Upon application by a school district for a low-interest loan, the
31 commissioner is authorized and empowered to determine whether the
32 renovations, repairs, alterations, conversion or construction are
33 necessary to meet State health and safety code requirements. If the
34 commissioner determines that such work is necessary, the
35 commissioner shall certify that the school district is eligible for a
36 low-interest loan pursuant to this section to finance the renovation,
37 repair, alteration, conversion or construction described in the
38 application.

39 d. (1) Upon certification, the commissioner shall waive the holding
40 of a referendum or the requirement for approval by a board of school
41 estimate pursuant to subsection (d) of N.J.S.18A:20-4.2 or

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.

1 N.J.S.18A:24-5 et seq., as the case may be, or the requirement for
2 approval of the project by a capital projects control board pursuant to
3 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate, and the
4 school district may, upon receiving the certification and waiver, apply
5 to the authority for a loan pursuant to this section. The terms of the
6 loan and the repayment schedule shall be established by the authority.
7 The repayments to the authority by the school districts shall be treated
8 as net debt service by the school districts for school aid purposes. In
9 addition to the amount of taxes determined by the legal voters of the
10 district at the annual school election, the secretary of the board of
11 education shall certify the amount required for the repayment of the
12 interest and principal of the loan in the same manner required for
13 interest and debt redemption charges pursuant to N.J.S.18A:22-33,
14 and the amount so certified shall be included in the taxes assessed,
15 levied and collected in the municipality or municipalities comprising
16 the school district for such purposes.

17 (2) All repayments, and interest thereon, shall be deposited by the
18 authority in the compliance fund, for use in the manner provided for
19 in this section, except insofar as the authority may direct that such
20 amounts be deposited in the small projects fund established pursuant
21 to section 7 of **[this 1993 amendatory and supplementary act]**
22 P.L.1993, c.102 (C.34:1B-7.25).

23 (3) Notwithstanding any provision of this section to the contrary,
24 on and after the effective date of P.L. , c. (C.) (now pending
25 before the Legislature as this bill), any loan repayments and interest
26 thereon on deposit or deposited into the compliance fund shall be paid
27 by the authority to the State Treasurer for deposit into the General
28 Fund of the State, provided that the payment does not violate any
29 existing agreement of the authority with bondholders.

30 e. The authority, in consultation with the commissioner shall, in
31 determining whether to grant approval of any loan application
32 pursuant to this section, take into consideration the severity of the
33 need for the particular project, the ability of the school district to
34 begin and complete the project in an expeditious manner, the ability of
35 the school district to proceed with the funding of the balance of the
36 funds for the project, and the extent to which the approval of the
37 project contributes to the equitable distribution of monies in the
38 compliance fund.

39 f. The balance of the moneys needed for a project for which an
40 application for a loan is made pursuant to this section may be funded
41 by the school district by: (1) the issuance of bonds, or other
42 borrowing, excluding lease-purchase agreements, pursuant to the
43 provisions of subsection (d) of N.J.S.18A:20-4.2, N.J.S.18A:24-5 et
44 seq., or P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate;
45 except that the commissioner shall waive the holding of a referendum
46 or the requirement for approval by a board of school estimate pursuant

1 to subsection (d) of N.J.S.18A:20-4.2, or N.J.S.18A:24-5 et seq., as
2 the case may be, or the requirement for approval of the project by a
3 capital projects control board pursuant to P.L.1991, c.139
4 (C.18A:7A-46.1 et seq.), as appropriate; (2) borrowing from the
5 "Public Schools Small Projects Loan Assistance Fund" established
6 pursuant to section 7 [of this 1993 amendatory and supplementary act]
7 of P.L.1993, c.102 (C.34:1B-7.25), if the total cost of the project does
8 not exceed \$5,000,000, and in any such case the commissioner shall
9 waive the holding of a referendum or the requirement for approval by
10 a board of school estimate pursuant to subsection (d) of
11 N.J.S.18A:20-4.2 or N.J.S.18A:24-5 et seq., as the case may be, or
12 approval of the project by a capital projects control board pursuant to
13 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate; (3) monies
14 of the school district not necessary for the completion of any other
15 specific projects; and (4) any other lawful source; except that no
16 project funded or approved to be funded by school district bonds
17 authorized, pursuant to law, prior to December 31, 1992 shall be
18 funded pursuant to [this 1993 amendatory and supplementary act]
19 P.L.1993, c.102 (C.34:1B-7.20 et al.).

20 g. Any school district shall be eligible to receive additional loans
21 pursuant to this section even if the district has received a previous
22 loan; provided that those additional loans are in conformity with the
23 selection criteria established pursuant to this section.

24 h. Net earnings received from the investment or deposit of monies
25 in the compliance fund by the authority shall be redeposited in the fund
26 for use for the purposes of this section.

27 (cf: P.L.1993, c.102, s.4)

28

29 2. Section 5 of P.L.1993, c.102 (C.34:7B-24) is amended to read
30 as follows:

31 5. a. The authority shall establish and maintain a special
32 nonlapsing revolving fund to be known as the "Public School Facilities
33 Loan Assistance Fund," hereinafter the "facilities fund," which shall be
34 credited with: (1) not less than \$105,000,000 from the amount of
35 capital funding appropriated for school facilities pursuant to the annual
36 appropriations act for the State fiscal year ending June 30, 1994,
37 P.L.1993 c.155 ; (2) the \$20,000,000 allocated from the Economic
38 Recovery Fund pursuant to paragraph (2) of subsection d. of section
39 4 of P.L.1992, c.16 (C.34:1B-7.13); (3) any monies that shall be
40 received by the authority from the repayment of loans made from the
41 facilities fund and interest thereon; and (4) any other moneys which the
42 authority determines to deposit therein.

43 b. The authority may use the moneys in the facilities fund to
44 provide for low interest loans to finance not less than 25%, and not
45 more than 50%, of the total cost of any project, in accordance with the
46 criteria set forth in this section, for the purpose of renovation, repair

1 or other alteration of existing school buildings, for construction of new
2 school buildings or for the conversion of existing school buildings to
3 other instructional purposes, whether or not that renovation, repair,
4 alteration, construction or conversion is required to bring buildings
5 that, at the time of application do not meet State health and safety
6 code requirements, into compliance with those requirements.

7 c. Upon application by any school district to the authority for a
8 loan to be made pursuant to subsection b. of this section, the authority
9 shall, in consultation with the commissioner, determine whether to
10 grant approval for the loan based upon the appropriate authorization
11 for the loan pursuant to subsection (d) of N.J.S.18A:20-4.2, or the
12 project pursuant to P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as the
13 case may be, the relationship of the project to the enhancement of the
14 school's academic programs, the ability of the school district to begin
15 and complete the project in an expeditious manner, the ability of the
16 school district to proceed with the funding of the balance of the
17 moneys needed for the project, and the extent to which approval of the
18 project would contribute to the equitable distribution of monies in the
19 facilities fund.

20 d. The balance of the moneys needed for a project for which an
21 application for a loan is made pursuant to subsection b. of this section
22 may be funded by the school district by: (1) the issuance of bonds, or
23 other borrowing, excluding lease-purchase agreements, pursuant to the
24 provisions of subsection (d) of N.J.S.18A:20-4.2, N.J.S.18A:24-5 et
25 seq., or P.L.1991, c.139 (C.18A:7A-46.1 et seq.) as appropriate; (2)
26 if the borrowing of money or the issuance of bonds is authorized
27 pursuant to subsection (d) of N.J.S.18A:20-4.2 or N.J.S.18A:24-5 et
28 seq., as the case may be, or if the project is approved pursuant to
29 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate, borrowing
30 from the "Public Schools Small Projects Loan Assistance Fund"
31 established pursuant to section 7 of **[this 1993 amendatory and
32 supplementary act] P.L.1993, c.102 (C. 34:1B-7.25)**, if the total cost
33 of the project does not exceed \$5,000,000; (3) monies of the school
34 district not necessary for the completion of any other specific projects;
35 and (4) any other lawful source; except that no project funded or
36 approved to be funded by school district bonds authorized, pursuant
37 to law, prior to December 31, 1992 shall be funded pursuant to **[this
38 1993 amendatory and supplementary act] P.L.1993, c.102 (C.34:1B-
39 7.20 et al.)**.

40 e. (1) The authority shall establish the terms of the loan which shall
41 include, but not be limited to, the rate of interest, a schedule for
42 drawing down loan funds, and a repayment schedule. The repayments
43 shall be treated by the school district as net debt service for school aid
44 purposes. In addition to the amount of taxes determined by the legal
45 voters of the district at the annual school election, the secretary of the
46 board of education shall certify the amount required for the repayment

1 of the interest and principal of the loan in the same manner required
2 for interest and debt redemption charges pursuant to N.J.S.18A:22-33,
3 and the amount so certified shall be included in the taxes assessed,
4 levied and collected in the municipality or municipalities comprising
5 the school district for such purposes.

6 (2) All repayments, and interest thereon, shall be deposited by the
7 authority in the facilities fund for use in the manner provided for in this
8 section, except insofar as the authority may direct that such amounts
9 be deposited in the small projects fund established pursuant to section
10 7 of ~~["this 1993 amendatory and supplementary act"]~~ P.L.1993, c.102
11 (C.34:1B-7.25).

12 (3) Notwithstanding any provision of this section to the contrary,
13 on and after the effective date of P.L. , c. (C.) (now pending
14 before the Legislature as this bill), any loan repayments and interest
15 thereon on deposit or deposited into the facilities fund shall be paid by
16 the authority to the State Treasurer for deposit into the General Fund
17 of the State, provided that the payment shall not violate any existing
18 agreement of the authority with bondholders.

19 f. Net earnings received from the investment or deposit of monies
20 in the facilities fund by the authority shall be redeposited in the fund
21 for use for the purposes of this section.

22 (cf: P.L.1993, c.102, s.5)

23
24 3. (New section) The amount of loan repayments and interest
25 thereon paid by the authority from the compliance fund and the
26 facilities fund to the State Treasurer for deposit into the General Fund
27 of the State pursuant to the provisions of P.L. , c. (C.) (now
28 pending before the Legislature as this bill) shall not exceed
29 \$20,500,000. At such time as the authority has paid to the State
30 Treasurer an amount equal to \$20,500,000 for deposit into the General
31 Fund, loan repayments and the interest thereon shall be applied as set
32 forth in paragraph (2) of subsection d. of section 4 of P.L.1993, c.102
33 (C.34:1B-7.23) and paragraph (2) of subsection e. of section 5 of
34 P.L.1993, c.102 (C.34:1B-7.24).

35
36 4. This act shall take effect immediately.

37
38
39 STATEMENT

40
41 This bill amends the "Public School Capital Finance Assistance
42 Act," P.L.1993, c.102, to provide that repayment of loans made to
43 public school districts from the Public School Facilities Code
44 Compliance Loan Fund and the Public School Facilities Loan
45 Assistance Fund, in an amount not to exceed \$20.5 million, shall be
46 paid to the State Treasurer for deposit into the General Fund. Once

1 the amount of transferred funds reaches \$20.5 million, loan repayments
2 will again be applied for the purposes specified in the original act.

3 The Fiscal Year 1997 budget recommends transferring \$20.5
4 million of the amount which has accumulated in these revolving loan
5 fund accounts.

6

7

8

9

10 Authorizes the transfer of certain public school facilities loan fund
11 repayments into the General Fund.

ASSEMBLY, No. 33

STATE OF NEW JERSEY

INTRODUCED JUNE 17, 1996

By Assemblyman GREGG

1 AN ACT concerning the deposit of certain public school facilities loan
2 fund repayments into the General Fund and amending and
3 supplementing P.L.1993, c.102.

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

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8 1. Section 4 of P.L.1993, c.102 (C.34:1B-7.23) is amended to read
9 as follows:

10 4. a. The authority shall establish and maintain a special
11 nonlapsing revolving fund to be known as the "Public School Facilities
12 Code Compliance Loan Fund," hereinafter the "compliance fund,"
13 which shall be credited with: (1) the \$25 million allocated from the
14 Economic Recovery Fund pursuant to paragraph (1) of subsection d.
15 of section 4 of P.L.1992, c.16 (C.34:1B-7:13); (2) any moneys that
16 shall be received by the authority from the repayment of loans made
17 from the compliance fund and interest thereon; and (3) any other
18 moneys which the authority determines to deposit therein.

19 b. The authority may use the moneys in the compliance fund to
20 finance not less than 25%, and not more than 50%, of the total cost of
21 any project, in accordance with the criteria set forth in this section, for
22 the purpose of providing low-interest loans to school districts, to
23 finance the renovation, repair or other alteration of existing school
24 buildings, the construction of new school buildings or the conversion
25 of existing school buildings to other instructional purposes, if such
26 renovation, repair, alteration, construction or conversion is required
27 to bring buildings that, at the time of application, do not meet State
28 health and safety code requirements, into compliance with those
29 requirements.

30 c. Upon application by a school district for a low-interest loan, the
31 commissioner is authorized and empowered to determine whether the
32 renovations, repairs, alterations, conversion or construction are
33 necessary to meet State health and safety code requirements. If the
34 commissioner determines that such work is necessary, the

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.

1 commissioner shall certify that the school district is eligible for a
2 low-interest loan pursuant to this section to finance the renovation,
3 repair, alteration, conversion or construction described in the
4 application.

5 d. (1) Upon certification, the commissioner shall waive the holding
6 of a referendum or the requirement for approval by a board of school
7 estimate pursuant to subsection (d) of N.J.S.18A:20-4.2 or
8 N.J.S.18A:24-5 et seq., as the case may be, or the requirement for
9 approval of the project by a capital projects control board pursuant to
10 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate, and the
11 school district may, upon receiving the certification and waiver, apply
12 to the authority for a loan pursuant to this section. The terms of the
13 loan and the repayment schedule shall be established by the authority.
14 The repayments to the authority by the school districts shall be treated
15 as net debt service by the school districts for school aid purposes. In
16 addition to the amount of taxes determined by the legal voters of the
17 district at the annual school election, the secretary of the board of
18 education shall certify the amount required for the repayment of the
19 interest and principal of the loan in the same manner required for
20 interest and debt redemption charges pursuant to N.J.S.18A:22-33,
21 and the amount so certified shall be included in the taxes assessed,
22 levied and collected in the municipality or municipalities comprising
23 the school district for such purposes.

24 (2) All repayments, and interest thereon, shall be deposited by the
25 authority in the compliance fund, for use in the manner provided for
26 in this section, except insofar as the authority may direct that such
27 amounts be deposited in the small projects fund established pursuant
28 to section 7 of 【this 1993 amendatory and supplementary act】
29 P.L.1993, c.102 (C.34:1B-7.25).

30 (3) Notwithstanding any provision of this section to the contrary,
31 on and after the effective date of P.L. , c. (C.) (now pending
32 before the Legislature as this bill), any loan repayments and interest
33 thereon on deposit or deposited into the compliance fund shall be paid
34 by the authority to the State Treasurer for deposit into the General
35 Fund of the State, provided that the payment does not violate any
36 existing agreement of the authority with bondholders.

37 e. The authority, in consultation with the commissioner shall, in
38 determining whether to grant approval of any loan application
39 pursuant to this section, take into consideration the severity of the
40 need for the particular project, the ability of the school district to
41 begin and complete the project in an expeditious manner, the ability of
42 the school district to proceed with the funding of the balance of the
43 funds for the project, and the extent to which the approval of the
44 project contributes to the equitable distribution of monies in the
45 compliance fund.

46 f. The balance of the moneys needed for a project for which an

1 application for a loan is made pursuant to this section may be funded
2 by the school district by: (1) the issuance of bonds, or other
3 borrowing, excluding lease-purchase agreements, pursuant to the
4 provisions of subsection (d) of N.J.S.18A:20-4.2, N.J.S.18A:24-5 et
5 seq., or P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate;
6 except that the commissioner shall waive the holding of a referendum
7 or the requirement for approval by a board of school estimate pursuant
8 to subsection (d) of N.J.S.18A:20-4.2, or N.J.S.18A:24-5 et seq., as
9 the case may be, or the requirement for approval of the project by a
10 capital projects control board pursuant to P.L.1991, c.139
11 (C.18A:7A-46.1 et seq.), as appropriate; (2) borrowing from the
12 "Public Schools Small Projects Loan Assistance Fund" established
13 pursuant to section 7 [of this 1993 amendatory and supplementary act]
14 of P.L.1993, c.102 (C.34:1B-7.25), if the total cost of the project does
15 not exceed \$5,000,000, and in any such case the commissioner shall
16 waive the holding of a referendum or the requirement for approval by
17 a board of school estimate pursuant to subsection (d) of
18 N.J.S.18A:20-4.2 or N.J.S.18A:24-5 et seq., as the case may be, or
19 approval of the project by a capital projects control board pursuant to
20 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate; (3) monies
21 of the school district not necessary for the completion of any other
22 specific projects; and (4) any other lawful source; except that no
23 project funded or approved to be funded by school district bonds
24 authorized, pursuant to law, prior to December 31, 1992 shall be
25 funded pursuant to [this 1993 amendatory and supplementary act]
26 P.L.1993, c.102 (C.34:1B-7.20 et al.).

27 g. Any school district shall be eligible to receive additional loans
28 pursuant to this section even if the district has received a previous
29 loan; provided that those additional loans are in conformity with the
30 selection criteria established pursuant to this section.

31 h. Net earnings received from the investment or deposit of monies
32 in the compliance fund by the authority shall be redeposited in the fund
33 for use for the purposes of this section.

34 (cf: P.L.1993, c.102, s.4)

35

36 2. Section 5 of P.L.1993, c.102 (C.34:7B-24) is amended to read
37 as follows:

38 5. a. The authority shall establish and maintain a special
39 nonlapsing revolving fund to be known as the "Public School Facilities
40 Loan Assistance Fund," hereinafter the "facilities fund," which shall be
41 credited with: (1) not less than \$105,000,000 from the amount of
42 capital funding appropriated for school facilities pursuant to the annual
43 appropriations act for the State fiscal year ending June 30, 1994,
44 P.L.1993 c.155 ; (2) the \$20,000,000 allocated from the Economic
45 Recovery Fund pursuant to paragraph (2) of subsection d. of section
46 4 of P.L.1992, c.16 (C.34:1B-7.13); (3) any monies that shall be

1 received by the authority from the repayment of loans made from the
2 facilities fund and interest thereon; and (4) any other moneys which the
3 authority determines to deposit therein.

4 b. The authority may use the moneys in the facilities fund to
5 provide for low interest loans to finance not less than 25%, and not
6 more than 50%, of the total cost of any project, in accordance with the
7 criteria set forth in this section, for the purpose of renovation, repair
8 or other alteration of existing school buildings, for construction of new
9 school buildings or for the conversion of existing school buildings to
10 other instructional purposes, whether or not that renovation, repair,
11 alteration, construction or conversion is required to bring buildings
12 that, at the time of application do not meet State health and safety
13 code requirements, into compliance with those requirements.

14 c. Upon application by any school district to the authority for a
15 loan to be made pursuant to subsection b. of this section, the authority
16 shall, in consultation with the commissioner, determine whether to
17 grant approval for the loan based upon the appropriate authorization
18 for the loan pursuant to subsection (d) of N.J.S.18A:20-4.2, or the
19 project pursuant to P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as the
20 case may be, the relationship of the project to the enhancement of the
21 school's academic programs, the ability of the school district to begin
22 and complete the project in an expeditious manner, the ability of the
23 school district to proceed with the funding of the balance of the
24 moneys needed for the project, and the extent to which approval of the
25 project would contribute to the equable distribution of monies in the
26 facilities fund.

27 d. The balance of the moneys needed for a project for which an
28 application for a loan is made pursuant to subsection b. of this section
29 may be funded by the school district by: (1) the issuance of bonds, or
30 other borrowing, excluding lease-purchase agreements, pursuant to the
31 provisions of subsection (d) of N.J.S.18A:20-4.2, N.J.S.18A:24-5 et
32 seq., or P.L.1991, c.139 (C.18A:7A-46.1 et seq.) as appropriate; (2)
33 if the borrowing of money or the issuance of bonds is authorized
34 pursuant to subsection (d) of N.J.S.18A:20-4.2 or N.J.S.18A:24-5 et
35 seq., as the case may be, or if the project is approved pursuant to
36 P.L.1991, c.139 (C.18A:7A-46.1 et seq.), as appropriate, borrowing
37 from the "Public Schools Small Projects Loan Assistance Fund"
38 established pursuant to section 7 of **[this 1993 amendatory and
39 supplementary act] P.L.1993, c.102 (C. 34:1B-7.25)**, if the total cost
40 of the project does not exceed \$5,000,000; (3) monies of the school
41 district not necessary for the completion of any other specific projects;
42 and (4) any other lawful source; except that no project funded or
43 approved to be funded by school district bonds authorized, pursuant
44 to law, prior to December 31, 1992 shall be funded pursuant to**[this
45 1993 amendatory and supplementary act] P.L.1993, c.102 (C.34:1B-
46 7.20 et al.)**.

1 e. (1) The authority shall establish the terms of the loan which shall
2 include, but not be limited to, the rate of interest, a schedule for
3 drawing down loan funds, and a repayment schedule. The repayments
4 shall be treated by the school district as net debt service for school aid
5 purposes. In addition to the amount of taxes determined by the legal
6 voters of the district at the annual school election, the secretary of the
7 board of education shall certify the amount required for the repayment
8 of the interest and principal of the loan in the same manner required
9 for interest and debt redemption charges pursuant to N.J.S.18A:22-33,
10 and the amount so certified shall be included in the taxes assessed,
11 levied and collected in the municipality or municipalities comprising
12 the school district for such purposes.

13 (2) All repayments, and interest thereon, shall be deposited by the
14 authority in the facilities fund for use in the manner provided for in this
15 section, except insofar as the authority may direct that such amounts
16 be deposited in the small projects fund established pursuant to section
17 7 of ~~【this 1993 amendatory and supplementary act】~~ P.L.1993, c.102
18 (C.34:1B-7.25).

19 (3) Notwithstanding any provision of this section to the contrary,
20 on and after the effective date of P.L. , c. (C.) (now pending
21 before the Legislature as this bill), any loan repayments and interest
22 thereon on deposit or deposited into the facilities fund shall be paid by
23 the authority to the State Treasurer for deposit into the General Fund
24 of the State, provided that the payment shall not violate any existing
25 agreement of the authority with bondholders.

26 f. Net earnings received from the investment or deposit of monies
27 in the facilities fund by the authority shall be redeposited in the fund
28 for use for the purposes of this section.
29 (cf: P.L.1993, c.102, s.5)

30
31 3. (New section) The amount of loan repayments and interest
32 thereon paid by the authority from the compliance fund and the
33 facilities fund to the State Treasurer for deposit into the General Fund
34 of the State pursuant to the provisions of P.L. , c. (C.) (now
35 pending before the Legislature as this bill) shall not exceed
36 \$20,500,000. At such time as the authority has paid to the State
37 Treasurer an amount equal to \$20,500,000 for deposit into the General
38 Fund, loan repayments and the interest thereon shall be applied as set
39 forth in paragraph (2) of subsection d. of section 4 of P.L.1993, c.102
40 (C.34:1B-7.23) and paragraph (2) of subsection e. of section 5 of
41 P.L.1993, c.102 (C.34:1B-7.24).

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43 4. This act shall take effect immediately.

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STATEMENT

This bill amends the "Public School Capital Finance Assistance Act," P.L.1993, c.102, to provide that repayment of loans made to public school districts from the Public School Facilities Code Compliance Loan Fund and the Public School Facilities Loan Assistance Fund, in an amount not to exceed \$20.5 million, shall be paid to the State Treasurer for deposit into the General Fund. Once the amount of transferred funds reaches \$20.5 million, loan repayments will again be applied for the purposes specified in the original act.

The Fiscal Year 1997 budget recommends transferring \$20.5 million of the amount which has accumulated in these revolving loan fund accounts.

Authorizes the transfer of certain public school facilities loan fund repayments into the General Fund.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 33

STATE OF NEW JERSEY

DATED: JUNE 20, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 33.

Assembly Bill No. 33 amends the "Public School Capital Finance Assistance Act," P.L.1993, c.102, to provide that repayment of loans made to public school districts from the Public School Facilities Code Compliance Loan Fund and the Public School Facilities Loan Assistance Fund, in an amount not to exceed \$20.5 million, will be paid to the State Treasurer for deposit into the General Fund. Once the amount of transferred funds reaches \$20.5 million, loan repayments will again be applied for the purposes specified in the original act.

FISCAL IMPACT:

The Governor's Fiscal Year 1997 recommended budget includes a transfer of \$20.5 million from the from the Public School Facilities Code Compliance Loan Fund and the Public School Facilities Loan Assistance Fund to the General Fund.

STATE OF NEW JERSEY

BUDGET



FISCAL YEAR 1996 - 1997

Christine Todd Whitman
Governor

Brian W. Clymer
State Treasurer

Elizabeth L. Pugh
Director

James A. Archibald
Deputy State Treasurer

Peter R. Lawrance
Deputy Director

Russell Mullen, Jr.
Assistant Director

Michael R. Ferrara
Associate Director

Linda Grissell
Assistant Director

JANUARY 29, 1996



DEDICATED FUNDS AND GENERAL PROVISIONS

This section includes the expenditures and appropriation recommendations for four Special Revenue Funds (the Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund and Gubernatorial Elections Fund.) These funds receive revenue from dedicated sources and expenditures from these funds are restricted to specific purposes. This section also includes the General Language provisions which provide certain restrictions on the use of appropriations.

GENERAL FUND PROVISIONS

There are appropriated, subject to the approval of the Director of the Division of Budget and Accounting, from interest earnings of the various bond funds, such sums as may be necessary for the State to comply with the federal "Tax Reform Act of 1986," Pub. L.99-514 (26 U.S.C. 1 et seq.) which requires issuers of tax-exempt debt obligations to rebate any arbitrage earnings to the federal government.

In order to provide effective cash flow management for revenues and expenditures of the General Fund and the Property Tax Relief Fund to implement the fiscal year 1997 annual appropriations act, there are appropriated from the General Fund such sums as may be required to pay the principal of and interest on tax and revenue anticipation notes including notes in the form of commercial paper (hereinafter collectively referred to as short-term notes), together with any costs or obligations relating to the issuance thereof of contracts related thereto, according to the terms set forth herein. Provided further that, to the extent that short-term notes are issued for cash flow management purposes in connection with the Property Tax Relief Fund, there are appropriated from the Property Tax Relief Fund such sums as may be required to pay the principal of those short-term notes.

The State Treasurer is authorized to issue short-term notes, which notes shall not constitute a general obligation of the State or a debt or a liability within the meaning of the State Constitution and the State Treasurer is authorized to pay any costs or obligations relating to the issuance of such short-term notes or contracts relating thereto. Such short-term notes shall be issued in such amounts and at such times as the State Treasurer shall deem necessary for the above stated purposes and for the payment of related costs, and on such terms and conditions, sold in such manner and at such prices, bearing interest at such fixed or variable rate or rates, renewable at such time or times, and entitled to such security, and using such paying agents as shall be determined by the State Treasurer. The State Treasurer is authorized to enter into such contracts and to take such other actions, all as determined by the State Treasurer to be appropriate to carry out the above cash flow management purposes. The State Treasurer shall give consideration to New Jersey-based vendors in entering into such contracts. Whenever the State Treasurer issues such short-term notes, the State Treasurer shall report on each such issuance to the Chairman of the Senate Budget and Appropriations Committee and the Chairman of the Assembly Appropriations Committee.

Such sums as may be necessary are appropriated to fund the costs of auditors, attorneys subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Budget and Accounting shall provide the Joint Budget Oversight Committee or its successor, with written reports on the detailed appropriation and expenditure of such sums within each agency.

None of the funds appropriated to the Executive Branch of State government for Information Processing, Development, Telecommunications, and Related Services (External), Information Processing-Internal, and Information Processing and Telecommunications Equipment shall be available to pay for any information processing services or equipment without the review of the Office of Telecommunications and Information Systems and compliance with statewide policies and standards; authorization and approval by the Office of Telecommunications and Information Systems is required for expenditure of amounts in excess of the current Direct Purchase Authorization (DPA) threshold.

There are appropriated such sums as may be required to pay interest liabilities to the federal government as required by the Treasury/State agreement pursuant to the provisions of the Cash Management Improvement Act of 1990, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances as of June 30, 1996 in accounts that are funded by Interfund Transfers are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L. 1990, c.44 (C.52:9H-14 et seq.), balances in the Surplus Revenue Fund may be appropriated to offset reductions in federal funds.

Notwithstanding the provisions of P.L. 1983, c.303 (C.52:27H-60), each of the municipalities in which an enterprise zone is designated whose separate account in enterprise zone assistance fund was reduced in the FY 1995 shall be entitled to receive such additional sums, not to exceed 100% of the annual sales tax revenue collected by certified vendors in their individual zones, to be distributed in a cumulative amount not to exceed: Bridgeton (\$690,000), Camden (\$225,000), Elizabeth (\$3,300,000), Jersey City (\$3,870,000), Kearny (\$780,000), Millville (\$285,000), Newark (\$1,680,000), Orange (\$285,000), Plainfield (\$435,000), Trenton (\$795,000), and Vineland (\$2,655,000), subject to the approval of the Director of the Division of Budget and Accounting.

Whenever any county, municipality, or school district entitled to receive State aid from appropriations made herein withholds funds from State agencies entitled to payment for services, the Director of the Division of Budget and Accounting is authorized to withhold State aid payments to such county, municipality, or school district and transfer the same as payment for funds so withheld.

If the sum provided in this Act for a State aid payment pursuant to formula is insufficient to meet the full requirements of the formula, all recipients of State aid shall have their allocation proportionately reduced, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated, from loan repayments to the Economic Development Authority, \$20,500,000 from the Public School Capital Facilities Code Compliance Loan Fund and the Public School Facilities Loan Assistance Fund for transfer to the General Fund as State revenue, subject to the enactment of enabling legislation.

There is appropriated \$11,330,000 from the Sanitary Landfill Facility Contingency Fund for transfer to the General Fund as State revenue.

There is appropriated \$3,250,000 from the New Home Warranty Security Fund for transfer to the General Fund as State revenue.

