

40A:4-3.4

**LEGISLATIVE HISTORY CHECKLIST**  
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Municipal finance--adoption of new  
fiscal year--Reports by Division of  
Local Government Services to

NJSA: 40A:4-3.4

LAWS OF: 1992 CHAPTER: 26

BILL NO: A390

SPONSOR(S): Heck

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Local Government  
SENATE: Community Affairs

AMENDED DURING PASSAGE: Yes Amendments during passage denoted  
by asterisks

DATE OF PASSAGE: ASSEMBLY: February 24, 1992  
SENATE: May 7, 1992

DATE OF APPROVAL: June 29, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT:

COMMITTEE STATEMENT: ASSEMBLY: Yes  
SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED: No

REPORTS: No

HEARINGS: No

KBG:pp

[SECOND REPRINT]  
ASSEMBLY, No. 390  
STATE OF NEW JERSEY

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PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Assemblywoman HECK and Assemblyman DeCROCE

1 AN ACT requiring the provision of certain information to the  
2 Legislature concerning the adoption of the new municipal fiscal  
3 year and supplementing P.L.1991, c.75 (C.40A:4-3.1 et al.).  
4

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

7 1. On or before <sup>1</sup>[September 15, 1991] October 15, 1992<sup>1</sup> and  
8 2, for five years<sup>2</sup> annually thereafter, the Director of the  
9 Division of Local Government Services in the Department of  
10 Community Affairs shall <sup>1</sup>issue a preliminary<sup>1</sup> report to the  
11 Legislature regarding which municipalities have adopted the  
12 State fiscal year, as authorized pursuant to P.L.1991, c.75  
13 (C.40A:4-3.1 et al.) <sup>1</sup>during that calendar year. On or before  
14 February 1, next succeeding that calendar year <sup>2</sup>and for five  
15 years annually thereafter<sup>2</sup>, the director shall issue a final report  
16 to the Legislature for that previous calendar year. Data for any  
17 municipality for which complete data are not reported in the  
18 February 1, final report, shall be reported in the succeeding  
19 October 15, preliminary report<sup>1</sup> <sup>2</sup>in those years in which a  
20 preliminary report is required to be issued, as set forth  
21 hereunder. On or before February 1, 1998 and annually  
22 thereafter, the division shall issue one annual report, which shall  
23 be included as part of the annual report of the Division of Local  
24 Government Services<sup>2</sup>. The director shall set forth in the  
25 <sup>1</sup>[report a list of] <sup>2</sup>[reports for<sup>1</sup>] report<sup>2</sup> those municipalities  
26 which have issued <sup>1</sup>or <sup>2</sup>[intend to issue<sup>1</sup>] in which an ordinance  
27 has been proposed authorizing the issuance of<sup>2</sup> "fiscal year  
28 adjustment bonds," as authorized pursuant to section 5 of that  
29 act, <sup>1</sup>[the amounts which have been issued by each individual  
30 municipality, a list of the bond counsels and financial consultants  
31 engaged by each municipality, and the duration of each bond  
32 issue. In addition, the report shall include the amount of debt  
33 incurred by the municipality since the issuance of the previous  
34 annual debt statement prepared pursuant to N.J.S.40A:2-40 and  
35 shall set forth the net debt calculated in accordance with that  
36 section prior to the issuance of "fiscal year adjustment bonds"  
37 and following their issuance] the following information:  
38 a. the amount of the proposed or issued "fiscal year  
39 adjustment bonds";  
40 b. the amount of the actual or proposed issuance costs;  
41 c. the amount of the actual or proposed total issue;  
42 d. the amount of the proposed interest costs;

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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly ALG committee amendments adopted February 3, 1992.

<sup>2</sup> Senate SCO committee amendments adopted March 30, 1992.

- 1 e. the proposed total costs of the issue;
- 2 f. the proposed or actual interest rate;
- 3 g. the proposed or actual term;
- 4 h. the current amount of tax anticipation notes outstanding;
- 5 i. the current credit ratings by Moody's Investors Service and
- 6 Standard & Poors Corporation;
- 7 <sup>2</sup>[h.] j.<sup>2</sup> whether there is bond insurance for the issue;
- 8 <sup>2</sup>[j.] k.<sup>2</sup> the method of issuance;
- 9 <sup>2</sup>[k.] l.<sup>2</sup> the amount of outstanding debt prior to issue;
- 10 <sup>2</sup>[l.] m.<sup>2</sup> the percentage of net debt prior to issue;
- 11 <sup>2</sup>[m.] n.<sup>2</sup> the percentage of net debt following issue;
- 12 <sup>2</sup>[n.] o.<sup>2</sup> the amounts paid or to be paid to the financial
- 13 advisor, the bond counsel, the local attorney, the accountant, the
- 14 auditor, and the underwriter;
- 15 <sup>2</sup>[o.] p.<sup>2</sup> the amounts paid or to be paid for any other issuance
- 16 costs; and
- 17 <sup>2</sup>[p.] q.<sup>2</sup> identification of the financial advisor, the bond
- 18 counsel, the local attorney, the accountant, the auditor, and the
- 19 underwriter<sup>1</sup>.

20 2. This act shall take effect immediately.

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Requires DCA to report to Legislature regarding adoption of new municipal fiscal year.

ASSEMBLY, No. 390  
STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1992 SESSION

By Assemblywoman HECK and Assemblyman DeCROCE

1 AN ACT requiring the provision of certain information to the  
2 Legislature concerning the adoption of the new municipal fiscal  
3 year and supplementing P.L.1991, c.75 (C.40A:4-3.1 et al.).  
4

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

7 1. On or before September 15, 1991 and annually thereafter,  
8 the Director of the Division of Local Government Services in the  
9 Department of Community Affairs shall report to the Legislature  
10 regarding which municipalities have adopted the State fiscal  
11 year, as authorized pursuant to P.L.1991, c.75 (C.40A:4-3.1 et  
12 al.). The director shall set forth in the report a list of those  
13 municipalities which have issued "fiscal year adjustment bonds,"  
14 as authorized pursuant to section 5 of that act, the amounts  
15 which have been issued by each individual municipality, a list of  
16 the bond counsels and financial consultants engaged by each  
17 municipality, and the duration of each bond issue. In addition,  
18 the report shall include the amount of debt incurred by the  
19 municipality since the issuance of the previous annual debt  
20 statement prepared pursuant to N.J.S.40A:2-40 and shall set  
21 forth the net debt calculated in accordance with that section  
22 prior to the issuance of "fiscal year adjustment bonds" and  
23 following their issuance.

24 2. This act shall take effect immediately.  
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STATEMENT  
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29 This bill requires that the Director of the Division of Local  
30 Government Services in the Department of Community Affairs  
31 report to the Legislature regarding those municipalities which  
32 change their local fiscal years, as authorized under P.L.1991, c.75.

33 Specifically, the bill requires the Director of the Division of  
34 Local Government Services to report annually to the Legislature  
35 regarding which municipalities have adopted the State fiscal  
36 year, as authorized pursuant to P.L.1991, c.75 (C.40A:4-3.1 et  
37 al.). The director is required to set forth in the report a list of  
38 those municipalities which have issued "fiscal year adjustment  
39 bonds," as authorized pursuant to section 5 of that act, the  
40 amounts which have been issued by each individual municipality,  
41 a list of the bond counsels and financial consultants engaged by  
42 each municipality, and the duration of each bond issue. In  
43 addition, the report is to include the amount of debt incurred by  
44 the municipality since the issuance of the previous annual debt

1 statement prepared pursuant to N.J.S.40A:2-40 and shall set  
2 forth the net debt calculated in accordance with that section  
3 prior to the issuance of "fiscal year adjustment bonds" and  
4 following their issuance.

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9 Requires DCA to report to Legislature regarding adoption of new  
10 municipal fiscal year.

ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 390**

with Assembly committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 30, 1992

The Assembly Local Government Committee reports favorably Assembly Bill No. 390 with committee amendments.

Assembly Bill No. 390, as amended by the committee, requires the Director of the Division of Local Government Services in the Department of Community Affairs to issue annual preliminary and final reports to the Legislature regarding those municipalities which have adopted the State fiscal year, as authorized under P.L.1991, c.75 (C.40A:4-3.1 et al.).

Specifically, the director is required to set forth in the reports for each municipality which adopted the State fiscal year during the calendar year data concerning "fiscal year adjustment bonds," as authorized pursuant to section 5 of P.L.1991, c.75 (C.40A:4-3.5). The data required to be reported includes the amounts of "fiscal year adjustment bonds" which have been issued by each individual municipality; a list of the bond counsels and financial consultants engaged by each municipality; and the duration of each bond issue. In addition, the preliminary and final reports are to include the amount of debt incurred by the municipality since the issuance of the previous annual debt statement prepared pursuant to N.J.S.40A:2-40 and must set forth the net debt calculated in accordance with that section both prior to the issuance of "fiscal year adjustment bonds" and following their issuance.

COMMITTEE AMENDMENTS

The committee amended the bill to require a preliminary report, due October 15, and a final report, due February 1. The amendments also specifically enumerate the data to be supplied in the preliminary and final reports. Any municipality for which complete data has not been reported by February 1, shall be relisted in the succeeding October 15, preliminary report.

Assembly Bill No. 390 was prefiled for introduction in the 1992-1993 Legislative session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

**ASSEMBLY, No. 390**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: MARCH 30, 1992

The Senate Community Affairs Committee favorably reports Assembly Bill No. 390 [1R] with Senate committee amendments.

Assembly Bill 390 [1R], as amended by the committee, requires the Director of the Division of Local Government Services in the Department of Community Affairs to issue a preliminary report to the Legislature on or before October 15, 1992 and annually for five years thereafter, regarding those municipalities which have adopted the State fiscal year, as authorized under P.L.1991, c.75 (C.40A:4-3.1 et al.). On February 1, 1993 and for the five years following, the director is required to issue a final report to the Legislature for that previous calendar year.

On or before February 1, 1998 and thereafter, the division shall issue one annual report to contain the information outlined in the bill as part of the division's annual report.

Specifically, the director is required to set forth in the report for each municipality which adopted the State fiscal year during the calendar year data concerning "fiscal year adjustment bonds," as authorized pursuant to section 5 of P.L.1991, c.75 (C.40A:4-3.5). The data required to be reported includes the amounts of "fiscal year adjustment bonds" which have been issued by each individual municipality; a list of the bond counsels and financial consultants engaged by each municipality; and the duration of each bond issue. In addition, the report is to include the amount of debt incurred by the municipality since the issuance of the previous annual debt statement prepared pursuant to N.J.S.40A:2-40 and must set forth the net debt calculated in accordance with that section both prior to the issuance of "fiscal year adjustment bonds" and following their issuance.

The committee amended the bill to require the filing of a preliminary report on October 15, 1992 and for five years annually thereafter and to similarly limit the requirement of a separate final report. Beginning on February 1, 1998, the reporting requirement established by the bill shall be fulfilled by the inclusion of the necessary information in the annual report of the Division of Local Government Services.