

49:2-2 to 49:2-7

LEGISLATIVE HISTORY CHECKLIST

NJSA: 49:2-2 to 49:2-7 (Public Obligation Registration Act)

LAWS OF: 1983

CHAPTER: 243

Bill No: S3286

Sponsor(s): Rodgers and others

Date Introduced: April 25, 1983

Committee: Assembly: _____

Senate: County and Municipal Government

Amended during passage: /// No Substituted for A3597 (not attached since identical to S3286)

Date of Passage: Assembly: June 30, 1983

Senate: June 23, 1983

Date of Approval: July 1, 1983

Following statements are attached if available:

Sponsor statement:		Yes	//
Committee statement:	Assembly	///	No
	Senate	Yes	//
Fiscal Note:		///	No
Veto Message:		///	No
Message on Signing:		///	<u>yes</u> No
Following were printed:			
Reports:		///	No
Hearings:		///	No

SENATE, No. 3286

STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1983

By Senators RODGERS, LYNCH, RAND and O'CONNOR

Referred to Committee on County and Municipal Government

AN ACT authorizing and providing for the issuance of obligations in registered form by the State, counties, municipalities, school and other districts, State agencies and other public authorities and agencies, and supplementing Title 49 of the Revised Statutes.

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

1 1. This act shall be known and may be cited as the "Public
2 Obligation Registration Act."

1 2. As used in this act:

2 a. "Book entry system" means a method of recording ownership
3 which identifies the owner of an interest in the obligation;

4 b. "Registered form" means an obligation which is registered as
5 to both principal and any stated interest, and (1) the transfer of
6 the obligation may be effected by the surrender of the old instru-
7 ment and either the reissuance by the issuer of the old instrument
8 to the new holder or the issuance by the issuer of a new instrument
9 to the new holder, or (2) the right to the principal of, and stated
10 interest on, the obligation may be transferred through a book entry
11 system;

12 c. "Obligation" means a bond, debenture, note, certificate or other
13 evidence of indebtedness issued by a public issuer; and

14 d. "Public issuer" means the State, or any county, municipality,
15 school district, body corporate and politic, district or public author-
16 ity, agency, commission or other public institution heretofore or
17 hereafter created by the State, any county or municipality or by
18 one or more counties or municipalities which is authorized to issue
19 obligations.

1 3. Obligations may be issued in registered form, and all or any
2 portion of an issue of obligations may be issued in the form of a
3 single bond or note to a bank, transfer agent, fiscal agent, registrar
4 or other holder appointed by resolution or ordinance of the public
5 issuer for the purpose of maintaining a book entry system.

1 4. Any public issuer, pursuant to ordinance or resolution, may
2 contract with any bank, trust company or national banking asso-
3 ciation, or other institution, depository or fiduciary, or any person,
4 firm or corporation located within or without the State, for services
5 with respect to the issuance, transfer, exchange, payment, authen-
6 tication, or other servicing of any of its obligations. The contracts
7 may be for a specified or unlimited period of time and on any
8 terms or conditions approved by the public issuer, shall be valid
9 and binding whether or not an appropriation with respect thereto
10 has been made prior to authorization or execution, and shall not
11 be subject to the provisions of the "Local Public Contracts Law"
12 P. L. 1971, c. 198 (C. 40A:11-1 et seq.), the "Public School Contracts
13 Law" N. J. S. 18A:18A-1 et seq., P. L. 1954, c. 48 (C. 48:52:34-6
14 et seq.), or any other laws requiring public bidding. Annual costs
15 and expenses under contracts shall be budgeted, met and provided
16 for by the public issuer in the same manner as is debt service on
17 its obligations which are the subject thereof. Initial or start-up
18 fees and costs under contracts shall be deemed to be costs of
19 issuance of the obligations which are the subject thereof.

1 5. Any obligation in registered form may be executed by the
2 officer or officers of the public issuer authorized to do so with a
3 facsimile signature in lieu of the manual signature of the author-
4 ized officer or officers, and the corporate seal of the public issuer,
5 or a facsimile thereof, may be printed, engraved or otherwise re-
6 produced on the obligation; provided that the obligation is authen-
7 ticated by the authorized manual signature of, or on behalf of, a
8 registrar, fiscal agent, transfer agent, trustee, paying agent or
9 the like.

1 6. The powers granted in this act shall be supplemental and
2 additional to any powers conferred by other laws upon public
3 issuers and not in derogation of any powers now existing. To the
4 extent the provisions of this act are inconsistent with any other
5 law, this act shall control.

1 7. This act shall take effect immediately.

STATEMENT

Recent federal tax legislation requires certain obligations to be in full-registered form, if the interest is to be exempt from federal income tax. Without conceding the constitutionality of the federal legislation, the Legislature wishes to provide New Jersey issuers of public debt with proper statutory authority to facilitate the issuance of their obligations in fully-registered form and make use of book entry systems.

53286(1983)

SENATE COUNTY AND MUNICIPAL GOVERNMENT
COMMITTEE

STATEMENT TO
SENATE, No. 3286

STATE OF NEW JERSEY

DATED: JUNE 16, 1983

Senate Bill No. 3286, the "Public Obligation Registration Act," provides authorization and procedures for the issuance of bonds or other obligations in registered form by the State, counties, municipalities, school and other districts, State agencies and other public authorities and agencies.

The bill is necessary if New Jersey governmental agencies and public bodies are to conform with recent federal tax legislation which requires certain obligations to be in full-registered form, if the interest is to be exempt from federal income tax. Without conceding the constitutionality of the federal legislation, the Legislature wishes to provide New Jersey issuers of public debt with proper statutory authority to facilitate the issuance of their obligations in fully-registered form and make use of book entry systems.

The requirement that obligations of State and local governments meet federal registration requirements for the purpose of certain tax treatment is contained in section 310 of the Tax Equity and Fiscal Responsibility Act of 1982 (Pub. L. 97-248, approved September 3, 1982.) As originally enacted, the registration requirement applied, with limited exceptions, to obligations issued after December 31, 1982. This date was changed to June 30, 1983 with the subsequent enactment of section 306(b)(2) of the Technical Corrections Act of 1982 (Pub. L. 97-448, approved January 12, 1983).

The Senate committee notes that expeditious action on this bill is necessary for the authorizing legislation to be in place by the June 30, 1983 deadline.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATE, JULY 1, 1983

CONTACT: CARL GOLDEN

Governor Thomas H. Kean today signed legislation to empower the Atlantic County Transportation Authority to regulate bus traffic into and through the county, as well as designate parking areas and license and regulate bus parking facilities.

The bill, S-1865, was sponsored by Senator William Gormley, R-Atlantic.

Under the proposal, the Authority would have the power to create, implement and enforce a plan for bus traffic management in the county. The plan also permits the authority to license a bus parking facility, except those which existed as of February 1 of 1983 and which are licensed by a municipality.

The Governor also signed A-660, sponsored by Assemblyman James Zangari, D-Essex, to provide that any claims against the trustee of the New Jersey School of the Arts be paid from the state tort claims fund.

Also signed was S-3286, sponsored by Senator Frank Rodgers, D-Hudson, to authorize all public entities to issue their obligations in registered form and use book entry system to comply with Federal law.

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