

ASSEMBLY, No. 419

STATE OF NEW JERSEY 209th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2000 SESSION

Sponsored by:

Assemblyman JOEL WEINGARTEN

District 21 (Essex and Union)

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SYNOPSIS

Requires 2/3 municipal approval of new county improvement authority debt exceeding lesser of \$10 million or 10% of total outstanding improvement authority debt in certain counties.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the municipal approval of debt of certain county
2 improvement authorities and supplementing chapter 37A of Title 40
3 of the Revised Statutes.

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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. a. Notwithstanding any law, rule or regulation to the contrary,
9 the resolution of the members of any county improvement authority
10 created pursuant to the "county improvement authorities law,"
11 P.L.1960, c.183 (C.40:37A-44 et seq.), by a county that does not
12 operate under the county executive form of the "Optional County
13 Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), or that is a
14 county of the fifth or sixth class, according to the latest federal
15 decennial census, authorizing an issue of new debt in excess of the
16 lesser of \$10 million or 10% of the total outstanding debt of the
17 improvement authority, shall not become effective unless approved in
18 accordance with the procedures in subsection b. of this section by the
19 governing bodies of at least two-thirds of the municipalities situate
20 within the county that created the authority.

21 b. Following the adoption by the members of the county
22 improvement of a resolution authorizing any new debt in excess of the
23 lesser of \$10 million or 10% of the total outstanding debt of the
24 county improvement authority, the secretary of the improvement
25 authority shall forthwith send a copy of the resolution to the clerk of
26 every municipality situated within the county that created the
27 improvement authority. A notice shall accompany the resolution
28 stating that the municipal governing body has 45 days from the mailing
29 or delivering of the resolution and notice to file a municipal resolution
30 approving or rejecting the debt authorization with the county clerk.
31 The notice shall also state that if the municipality shall fail to take
32 action within the time period, the municipality shall be deemed to
33 approve of the improvement authority debt resolution. If more than
34 one-third of the municipalities situated within the county file a
35 rejection of the improvement authority debt resolution within the 45-
36 day period, then the authority debt resolution shall be deemed null and
37 void.

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39 2. This act shall take effect immediately and shall be applicable to
40 any county improvement authority resolution authorizing new debt
41 that is adopted after the effective date of this act.

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STATEMENT

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45 This bill would give the municipalities situated within a county that
46 does not operate under the county executive form of the "Optional

1 County Charter Law," P.L.1972, c.154 (C.40:41A-1 et seq.), or that
2 is not a county of the fifth or sixth class, a veto over any new county
3 improvement authority debt, in excess of the lesser of \$10 million or
4 10% of the total outstanding debt of the improvement authority.
5 Although county improvement authorities generally issue revenue
6 bonds, upon the dissolution of the improvement authority the county
7 taxpayers are required to assume any outstanding indebtedness, even
8 though they had no voice in the approval of that debt. The county
9 improvement authority would be required to send a copy of any new
10 debt authorization resolution in excess of the lesser of \$10 million or
11 10% of the total outstanding debt of the improvement authority, to the
12 clerk of every municipality situate within the county. The municipal
13 governing bodies would have 45 days to file with the county clerk a
14 resolution approving or rejecting the new debt. If, within that time
15 period, more than one-third of the municipalities within the county
16 reject the county authority resolution creating the new debt, that
17 resolution would be null and void.

18 Currently, according to data compiled by the Department of
19 Community Affairs for the fiscal year ending June 30, 1996, the
20 counties that would be affected by this bill are Camden, Cumberland,
21 Gloucester, Middlesex, Salem, and Union. The remaining counties
22 either have a county executive with veto power over county authority
23 minutes, are counties of the fifth or sixth class or do not have county
24 improvement authorities. This bill is intended to provide a check to
25 the unbridled bonding power of county improvement authorities.