

ASSEMBLY, No. 267

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen BATEMAN and RUSSO

1 AN ACT concerning the qualifications of bond counsel employed in  
2 connection with the issuance of State bonds and supplementing  
3 Title 52 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. As used in this section:

9 "bond" means any bond, certificate of obligation, certificate of  
10 participation, or other instrument evidencing a proportionate interest  
11 in payments due to be paid by an issuer, or other obligation that is  
12 incurred by an issuer in the exercise of its borrowing power, which is  
13 represented by an instrument issued in bearer or registered form or the  
14 transfer of which is registered on books maintained for that purpose  
15 by, or on behalf of, the issuer, as well as a refunding of an existing  
16 bond issued by the issuer;

17 "bond counsel" means a person, firm or corporation of attorneys  
18 engaged by an issuer to advise and assist the issuer in legal financial  
19 and tax matters relating to a bond transaction;

20 "bond transaction" means any financial transaction by an issuer with  
21 respect to bonds; and

22 "issuer" means the State or any body corporate and politic, district,  
23 agency, authority or instrumentality thereof, but does not include any  
24 county, municipality, school district or local government agency,  
25 district or authority.

26 b. Notwithstanding the provisions of any other law to the contrary,  
27 a bond counsel shall not be employed by, or on behalf of, an issuer in  
28 connection with a bond transaction unless, in the case of a sole  
29 practitioner, that attorney, or, in the case of a firm or corporation, at  
30 least one member, shareholder or employee thereof, is admitted to the  
31 practice of law in the State of New Jersey.

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33 2. This act shall take effect immediately.

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STATEMENT

This bill would require that a bond counsel shall not be employed by the State or by any State agency or independent authority in connection with a bond transaction unless, in the case of a sole practitioner, that attorney, or in the case of a firm or corporation of attorneys, at least one member, shareholder or employee thereof, is admitted to the practice of law in the State of New Jersey.

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Establishes qualifications of bond counsel employed in connection with the issuance of State bonds.

WITHDRAWN