

ASSEMBLY, No. 1912

STATE OF NEW JERSEY

INTRODUCED MAY 6, 1996

By Assemblymen LeFEVRE and BLEE

1 AN ACT authorizing the creation of a debt of the State of New Jersey
2 by the issuance of bonds of the State in an aggregate principal
3 amount of \$275,000,000 for State and county correctional facilities,
4 their planning, erection, acquisition, extension, improvement,
5 construction, reconstruction, development, rehabilitation demolition
6 and equipment; authorizing the issuance of refunding bonds;
7 providing the ways and means to pay and discharge the principal of
8 and interest on the bonds and refunding bonds; providing for the
9 submission of this act to the people at a general election; and
10 making an appropriation therefor.

11

12 **BE IT ENACTED** by the Senate and General Assembly of the State
13 of New Jersey:

14

15 1. This act shall be known and may be cited as the "Correctional
16 Facilities Construction Bond Act of 1996."

17

18 2. The Legislature finds and declares that:

19 a. The State of New Jersey has made substantial progress in
20 dealing with the serious problem of prison overcrowding;

21 b. The State is implementing more stringent parole eligibility
22 requirements, and, as a result, the amount of time that inmates are
23 spending behind bars is increasing;

24 c. Because of this, the populations in State and county prisons are
25 continuing to expand, exacerbating the ongoing problem of
26 overcrowded prison facilities;

27 d. To address this problem, a \$275,000,000.00 bond issue is
28 required to finance the construction of State and county correctional
29 facilities.

30

31 3. As used in this act:

32 a. "Bonds" means the bonds authorized to be issued, or issued,
33 under this act;

34 b. "Commission" means the New Jersey Commission on Capital
35 Budgeting and Planning;

36 c. "Commissioner" means the Commissioner of the Department of
37 Corrections;

1 d. "Construction" means, the planning, erection, acquisition,
2 improvement, construction, reconstruction, development, extension,
3 rehabilitation, demolition and equipment of a correctional facility,
4 including all equipment and facilities necessary to the operation
5 thereof, and includes the acquisition of land necessary for those
6 purposes;

7 e. "Correctional facilities" means buildings, structures and facilities
8 under the supervision and control of the Department of Corrections or
9 under the supervision and control of any county, as the case may be;

10 f. "Cost" means the expenses incurred in connection with: the
11 acquisition by purchase, lease, or otherwise, and the construction of
12 any project authorized by this act; the acquisition by purchase, lease,
13 or otherwise, and the development of any real or personal property for
14 use in connection with a project authorized by this act, including any
15 rights or interests therein; the execution of any agreements and
16 franchises deemed by the department or county, as the case may be, to
17 be necessary or useful and convenient in connection with any project
18 authorized by this act; the procurement of engineering, inspection,
19 planning, legal, financial, or other professional services, including the
20 services of a bond registrar or an authenticating agent; the issuance of
21 bonds, or any interest or discount thereon; the administrative,
22 organizational, operating or other expenses incident to the financing,
23 completing, and placing into service of any project authorized by this
24 act; the establishment of a reserve fund or funds for working capital,
25 operating, maintenance, or replacement expenses and for the payment
26 or security of principal or interest on bonds, as the Director of the
27 Division of Budget and Accounting in the Department of the Treasury
28 may determine; and reimbursement to any fund of the State of moneys
29 which may have been transferred or advanced therefrom to any fund
30 created by this act, or any moneys which may have been expended
31 therefrom for or in connection with this act;

32 g. "Department" means the Department of Corrections;

33 h. "Government securities" means any bonds or other obligations
34 which as to principal and interest constitute direct obligations of, or
35 are unconditionally guaranteed by, the United States of America,
36 including obligations of any federal agency to the extent those
37 obligations are unconditionally guaranteed by the United States of
38 America, and any certificates or any other evidences of an ownership
39 interest in those obligations of, or unconditionally guaranteed by, the
40 United States of America or in specified portions of those obligations
41 which may consist of the principal of, or the interest on, those
42 obligations; and

43 i. "Project" means any work relating to correctional facilities.

44

45 4. The commissioner shall adopt, pursuant to the "Administrative
46 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and

1 regulations necessary to implement the provisions of this act. The
2 commissioner shall review and consider the findings and
3 recommendations of the commission in the administration of the
4 provisions of this act.

5

6 5. Bonds of the State of New Jersey are authorized to be issued in
7 an aggregate principal amount not exceeding \$275,000,000 for the
8 purpose of financing the cost of construction of correctional facilities
9 as defined herein. Of that total, not less than \$50,000,000.00 shall be
10 allocated for county correctional facilities. To the maximum extent
11 feasible and possible, public lands should be given preferential status
12 for utilization for the construction of a correctional facility.

13

14 6. The bonds authorized under this act shall be serial bonds, term
15 bonds, or a combination thereof, and shall be known as "Correctional
16 Facilities Construction Bonds." They shall be issued from time to time
17 as the issuing officials herein named shall determine, and may be issued
18 in coupon form, fully-registered form or book-entry form. The bonds
19 may be made subject to redemption prior to maturity and shall mature
20 and be paid not later than 35 years from the respective dates of their
21 issuance.

22

23 7. The Governor, the State Treasurer and the Director of the
24 Division of Budget and Accounting in the Department of the Treasury,
25 or any two of these officials, herein referred to as "the issuing
26 officials," are authorized to carry out the provisions of this act relating
27 to the issuance of bonds, and shall determine all matters in connection
28 therewith, subject to the provisions of this act. If an issuing official is
29 absent from the State or incapable of acting for any reason, the powers
30 and duties of that issuing official shall be exercised and performed by
31 the person authorized by law to act in an official capacity in the place
32 of that issuing official.

33

34 8. Bonds issued in accordance with the provisions of this act shall
35 be direct obligations of the State of New Jersey, and the faith and
36 credit of the State are pledged for the payment of the interest and
37 redemption premium thereon, if any, when due, and for the payment
38 of the principal thereof at maturity or earlier redemption date. The
39 principal of and interest on the bonds shall be exempt from taxation by
40 the State or by any county, municipality or other taxing district of the
41 State.

42

43 9. The bonds shall be signed in the name of the State by means of
44 the manual or facsimile signature of the Governor under the Great Seal
45 of the State, which seal may be by facsimile or by way of any other
46 form of reproduction on the bonds, and attested by the manual or

1 facsimile signature of the Secretary of State, or an assistant Secretary
2 of State, and shall be countersigned by the facsimile signature of the
3 Director of the Division of Budget and Accounting in the Department
4 of the Treasury and may be manually authenticated by an
5 authenticating agent or bond registrar, as the issuing officials shall
6 determine. Interest coupons, if any, attached to the bonds shall be
7 signed by the facsimile signature of the Director of the Division of
8 Budget and Accounting. The bonds may be issued notwithstanding
9 that an official signing them or whose manual or facsimile signature
10 appears on the bonds or coupons has ceased to hold office at the time
11 of issuance, or at the time of the delivery of the bonds to the purchaser
12 thereof.

13

14 10. a. The bonds shall recite that they are issued for the purposes
15 set forth in section 5 of this act, that they are issued pursuant to this
16 act, that this act was submitted to the people of the State at the
17 general election held in the month of November, 1996, and that this
18 act was approved by a majority of the legally qualified voters of the
19 State voting thereon at the election. This recital shall be conclusive
20 evidence of the authority of the State to issue the bonds and their
21 validity. Any bonds containing this recital shall, in any suit, action or
22 proceeding, involving their validity, be conclusively deemed to be fully
23 authorized by this act and to have been issued, sold, executed and
24 delivered in conformity herewith and with all other provisions of law
25 applicable hereto, and shall be incontestable for any cause.

26 b. The bonds shall be issued in such denominations and in such
27 form or forms, whether coupon, fully-registered or book-entry, and
28 with or without provisions for the interchangeability thereof, as may
29 be determined by the issuing officials.

30

31 11. When the bonds are issued from time to time, the bonds of
32 each issue shall constitute a separate series to be designated by the
33 issuing officials. Each series of bonds shall bear such rate or rates of
34 interest as may be determined by the issuing officials, which interest
35 shall be payable semiannually; except that, the first and last interest
36 periods may be longer or shorter, in order that the intervening
37 semiannual payments may be at convenient dates.

38

39 12. The bonds shall be issued and sold at such price or prices and
40 under such terms, conditions and regulations as the issuing officials
41 may prescribe, after notice of the sale, published at least once in at
42 least three newspapers published in this State, and at least once in a
43 publication carrying municipal bond notices and devoted primarily to
44 financial news, published in this State or in the city of New York, the
45 first notice to appear at least five days prior to the day of bidding. The
46 notice of sale may contain a provision to the effect that any bid in

1 pursuance thereof may be rejected. In the event of rejection or of
2 failure to receive any acceptable bid, the issuing officials, at any time
3 within 60 days from the date of the advertised sale, may sell the bonds
4 at a private sale at such price or prices and under such terms and
5 conditions as the issuing officials may prescribe. The issuing officials
6 may sell all or part of the bonds of any series as issued to any State
7 fund or to the federal government or any agency thereof, at a private
8 sale, without advertisement.

9
10 13. Until permanent bonds are prepared, the issuing officials may
11 issue temporary bonds in a form and with such privileges as to their
12 registration and exchange for permanent bonds as may be determined
13 by the issuing officials.

14
15 14. The proceeds from the sale of the bonds shall be paid to the
16 State Treasurer and be held by him in a separate fund, and be
17 deposited in such depositories as may be selected by him to the credit
18 of the fund, which fund shall be known as the "Correctional Facilities
19 Construction Fund of 1996."

20
21 15. a. The moneys in the "Correctional Facilities Construction
22 Fund of 1996" are specifically dedicated and shall be applied to the
23 cost of the purposes set forth in section 5 of this act, and all such
24 moneys are appropriated for those purposes, and no such moneys shall
25 be expended for those purposes, except as otherwise authorized by
26 this act, without the specific appropriation thereof by the Legislature,
27 but bonds may be issued as herein provided, notwithstanding that the
28 Legislature shall not have then adopted an act making a specific
29 appropriation of any of the moneys. Any act appropriating moneys
30 from the "Correctional Facilities Construction Fund of 1996" shall
31 identify the particular project to be funded by the moneys.

32 b. At any time prior to the issuance and sale of bonds under this
33 act, the State Treasurer is authorized to transfer from any available
34 moneys in any fund of the treasury of the State to the credit of the
35 "Correctional Facilities Construction Fund of 1996" such sums as he
36 may deem necessary. The sums so transferred shall be returned to the
37 same fund of the treasury of the State by the State Treasurer from the
38 proceeds of the sale of the first issue of bonds.

39 c. Pending their application to the purposes provided in this act,
40 the moneys in the "Correctional Facilities Construction Fund of 1996"
41 may be invested and reinvested as are other trust funds in the custody
42 of the State Treasurer, in the manner provided by law. Net earnings
43 received from the investment or deposit of funds shall be paid into the
44 General Fund.

45
46 16. If any coupon bond, coupon or registered bond is lost,

1 mutilated or destroyed, a new bond or coupon shall be executed and
2 delivered of like tenor, in substitution for the lost, mutilated or
3 destroyed bond or coupon, upon the owner furnishing to the issuing
4 officials evidence satisfactory to them of the loss, mutilation or
5 destruction of the bond or coupon, the ownership thereof, and
6 security, indemnity and reimbursement for expenses connected
7 therewith, as the issuing officials may require.

8
9 17. The accrued interest, if any, received upon the sale of the
10 bonds shall be applied to the discharge of a like amount of interest
11 upon the bonds when due. Any expense incurred by the issuing
12 officials for advertising, engraving, printing, clerical, authenticating,
13 registering, legal or other services necessary to carry out the duties
14 imposed upon them by the provisions of this act shall be paid from the
15 proceeds of the sale of the bonds by the State Treasurer, upon the
16 warrant of the Director of the Division of Budget and Accounting in
17 the Department of the Treasury, in the same manner as other
18 obligations of the State are paid.

19
20 18. Bonds of each series issued hereunder shall mature, including
21 any sinking fund redemptions, not later than 35 years following the
22 date of issue of that series, and in such amounts as shall be determined
23 by the issuing officials. The issuing officials may reserve to the State,
24 by appropriate provision in the bonds of any series, the power to
25 redeem any of the bonds prior to maturity at such price or prices and
26 upon such terms and conditions as may be provided in the bonds.

27
28 19. The issuing officials may issue refunding bonds in an amount
29 not to exceed the amount necessary to effectuate the refinancing of
30 any bonds issued pursuant to this act, at any time and from time to
31 time, for the purpose of refinancing any bond or bonds issued pursuant
32 to this act, subject to the following provisions:

33 a. Refunding bonds may be issued at such time prior to the
34 maturity or redemption of the bonds to be refinanced thereby as the
35 issuing officials shall determine.

36 b. Each series of refunding bonds may be issued in a sufficient
37 amount to pay or to provide for the payment of the principal of the
38 bonds to be refinanced thereby, together with any redemption premium
39 thereon, any interest accrued or to accrue on the bonds to be
40 refinanced to the date of payment of the outstanding bonds, the
41 expense of issuing the refunding bonds and the expenses, if any, of
42 paying the bonds to be refinanced.

43 c. No refunding bonds shall be issued unless the issuing officials
44 shall first determine that the present value of the aggregate principal
45 amount of and interest on the refunding bonds is less than the present
46 value of the aggregate principal of and interest on the bonds to be

1 refinanced thereby; provided that, for the purposes of this limitation,
2 present value shall be computed using a discount ratio equal to the
3 yield of the refunding bonds, and yield shall be computed using an
4 actuarial method based upon a 360-day year with semiannual
5 compounding and upon the price or prices paid to the State by the
6 initial purchasers of the refunding bonds.

7 d. Any refinancing authorized hereunder may be effected by the
8 sale of the refunding bonds and the application of the proceeds thereof
9 to the immediate payment of the principal of the bonds to be
10 refinanced thereby, together with any redemption premium thereon,
11 any interest accrued or to accrue on the bonds to be refinanced to the
12 date of payment of the bonds, the expenses of issuing the refunding
13 bonds and the expenses, if any, of paying those bonds to be refinanced,
14 or, to the extent not required for that immediate payment, shall be
15 deposited, together with any other moneys legally available therefor,
16 in trust with the with one or more trustees or escrow agents, which
17 trustees or escrow agents shall be trust companies or national or state
18 banks having powers of a trust company, located either within or
19 without the State, to be applied solely to the payment when due of the
20 principal of, redemption premium, if any, and interest due and to
21 become due on the bonds to be refinanced on or prior to the
22 redemption date or maturity date thereof, as the case may be. The
23 proceeds or moneys so held by the trustees or escrow agents may be
24 invested in government securities, including government securities
25 issued or held in book-entry form on the books of the Department of
26 the Treasury of the United States; provided, those government
27 securities shall not be subject to redemption prior to their maturity
28 other than at the option of the holder thereof. Except as otherwise
29 provided in this subsection, neither government securities nor moneys
30 so deposited with the trustee or escrow agents shall be withdrawn or
31 used for any purpose other than, and shall be held in trust for, the
32 payment of the principal of, redemption premium, if any, and interest
33 on the bonds to be refinanced thereby; provided that, any cash
34 received from the principal or interest payments on those government
35 securities deposited with the or trustees or escrow agents, to the
36 extent the cash will not be required at any time for that purpose, shall
37 be paid over to the trustees or escrow agents, and to the extent the
38 cash will be required for that purpose at a later date, shall, to the
39 extent practicable and legally permissible, be reinvested in government
40 securities maturing at times and in amounts sufficient to pay when due
41 the principal of, redemption premium, if any and interest to become
42 due on the bonds to be refinanced, on and prior to the redemption date
43 or maturity date thereof, as the case may be, and interest earned from
44 those reinvestments, to the extent not required for the payment of
45 bonds, shall be paid over to the State, as received by the trustees or
46 escrow agents. Notwithstanding anything to the contrary contained

1 herein:

2 (1) The trustees or escrow agents shall, if so directed by the issuing
3 officials, apply moneys on deposit with the trustees or escrow agents
4 pursuant to the provisions of this section, and redeem or sell
5 government securities so deposited with the trustees or escrow agents
6 and apply the proceeds thereof to (a) the purchase of the bonds which
7 were refinanced by the deposit with the trustees or escrow agents of
8 the moneys and government securities and immediately thereafter
9 cancel all outstanding bonds so purchased or (b) the purchase of
10 different government securities; provided however, that the moneys
11 and government securities on deposit with the trustees or escrow
12 agents after the purchase and cancellation of the outstanding bonds or
13 the purchase of different government securities shall be sufficient to
14 pay when due the principal of, redemption premium, if any, and
15 interest on all other bonds in respect of which the moneys and
16 government securities were deposited with the trustee or escrow
17 agents on or prior to the redemption date or maturity date thereof, as
18 the case may be; and

19 (2) In the event that on any date, as a result of any purchases and
20 cancellations of the outstanding bonds of any purchases of different
21 government securities as provided in this subsection, the total amount
22 of moneys and government securities remaining on deposit with the
23 trustees or escrow agents is in excess of the total amount which would
24 have been required to be deposited with the trustees or escrow agents
25 on that date in respect of the remaining bonds for which such deposit
26 was made in order to pay when due the principal of, redemption
27 premium, if any, and interest on those remaining bonds, the trustees or
28 escrow agents shall, if so directed by the issuing officials, pay the
29 amount of the excess to the State. Any amounts held by the State
30 Treasurer in a separate fund or funds for the payment of the principal
31 of, redemption premium, if any, and interest on bonds to be refinanced,
32 as provided herein, shall, if so directed by the issuing officials, be
33 transferred by the State Treasurer for deposit with one or more
34 trustees or escrow agents, as provided herein, to be applied to the
35 payment when due of the principal of, redemption premium, if any, and
36 interest to become due on those bonds to be refinanced, as provided
37 in this section, or be applied by the State Treasurer to the payment
38 when due of the principal of, redemption premium, if any, and interest
39 on refunding bonds issued hereunder to refinance those bonds. The
40 State Treasurer is authorized to enter into contracts with one or more
41 trust companies or national or state banks, as provided herein, to act
42 as trustees or escrow agents as provided herein, subject to the
43 approval of the issuing officials.

44 e. Notwithstanding the provisions of section 12 of this act, any
45 series of refunding bonds issued pursuant to this section shall mature
46 at any time or times not later than five years following the latest

1 scheduled final maturity date, determined without regard to any
2 redemptions prior thereto, of any of the bonds to be refunded thereby,
3 and in no event later than 35 years following the date of issuance of
4 that series of refunding bonds, and those refunding bonds may be sold
5 at public or private sale at prices and under those terms, conditions
6 and regulations as the issuing officials may prescribe. Refunding
7 bonds shall be entitled to all the benefits of this act and subject to all
8 its limitations, except as to sale provisions and to the extent therein
9 otherwise expressly provided.

10 f. Upon the decision by the issuing officials to issue refunding
11 bonds pursuant to this section, and prior to the sale of those bonds, the
12 issuing officials shall transmit to the Joint Budget Oversight
13 Committee, or its successor, a report that a decision has been made,
14 reciting the basis on which the decision was made, including an
15 estimate of the debt service savings to be achieved and the calculations
16 upon which the issuing officials relied when making the decision to
17 issue refunding bonds. The report shall also disclose the intent of the
18 issuing officials to issue and sell the refunding bonds at public or
19 private sale and the reasons therefor.

20 g. The Joint Budget Oversight Committee, or its successor, shall
21 have authority to approve or disapprove the sale of refunding bonds
22 as included in each report submitted in accordance with subsection f.
23 of this section. The committee shall notify the issuing officials in
24 writing of the approval or disapproval as expeditiously as possible.

25 h. No refunding bonds shall be issued unless the report has been
26 submitted to and approved by the Joint Budget Oversight Committee,
27 or its successor, as set forth in subsection g. of this section.

28 i. Within 30 days after the sale of the refunding bonds, the issuing
29 officials shall notify the Joint Budget Oversight Committee, or its
30 successor, of the result of that sale, including the prices and terms,
31 conditions and regulations concerning the refunding bonds, the actual
32 amount of debt service savings to be realized as a result of the sale of
33 refunding bonds, and the intended use of the proceeds from the sale of
34 those bonds.

35 j. The Joint Budget Oversight Committee, or its successor, shall,
36 however, review all information and reports submitted in accordance
37 with this section and may, on its own initiative, make observations and
38 recommendations to the issuing officials, or to the Legislature, or
39 both, as it deems appropriate.

40

41 20. Any bond or bonds issued hereunder shall no longer be deemed
42 to be outstanding, shall no longer constitute a direct obligation of the
43 State of New Jersey, and the faith and credit of the State shall no
44 longer be pledged to the payment of the principal of, redemption
45 premium, if any, and interest on the bonds, and the bonds shall be
46 secured solely by and payable solely from moneys and government

1 securities deposited in trust with one or more trustees or escrow
2 agents, which trustees and escrow agents shall be trust companies or
3 national or state banks having powers of a trust company, located
4 either within or without the State, as provided herein, whenever there
5 shall be deposited in trust with the trustees or escrow agents, as
6 provided herein, either moneys or government securities, including
7 government securities issued or held in book-entry form on the books
8 of the Department of Treasury of the United States, the principal of
9 and interest on which when due will provide money which, together
10 with the moneys, if any, deposited with the trustees or escrow agents
11 at the same time, shall be sufficient to pay when due the principal of,
12 redemption premium, if any, and interest due and to become due on
13 the bonds on or prior to the redemption date or maturity date thereof,
14 as the case may be; provided the government securities shall not be
15 subject to redemption prior to their maturity other than at the option
16 of the holder thereof. The State of New Jersey hereby covenants with
17 the holders of any bonds for which government securities or moneys
18 shall have been deposited in trust with the trustees or escrow agents
19 as provided in this section that, except as otherwise provided in this
20 section, neither the government securities nor moneys so deposited
21 with the trustees or escrow agents shall be withdrawn or used by the
22 State for any purpose other than, and shall be held in trust for, the
23 payment of the principal of, redemption premium, if any, and interest
24 to become due on the bonds; provided that, any cash received from the
25 principal or interest payments on the government securities deposited
26 with the trustees or escrow agents, to the extent the cash will not be
27 required at any time for that purpose, shall be paid over to the State,
28 as received by the trustees or escrow agents, free and clear of any
29 trust, lien, pledge or assignment securing the bonds; and to the extent
30 the cash will be required for that purpose at a later date, shall, to the
31 extent practicable and legally permissible, be reinvested in government
32 securities maturing at times and in amounts sufficient to pay when due
33 the principal of, redemption premium, if any, and interest to become
34 due on the bonds on and prior to the redemption date or maturity date
35 thereof, as the case may be, and interest earned from the reinvestments
36 shall be paid over to the State, as received by the trustees or escrow
37 agents, free and clear of any trust, lien or pledge securing the bonds.
38 Notwithstanding anything to the contrary contained herein:

39 a. The trustees or escrow agents shall, if so directed by the issuing
40 officials, apply moneys on deposit with the trustees or escrow agents
41 pursuant to the provisions of this section, and redeem or sell
42 government securities so deposited with the trustees or escrow agents,
43 and apply the proceeds thereof to (1) the purchase of the bonds which
44 were refinanced by the deposit with the trustees or escrow agents of
45 the moneys and government securities and immediately thereafter
46 cancel all bonds so purchased, or (2) the purchase of different

1 government securities; provided however, that the moneys and
2 government securities on deposit with the trustees or escrow agents
3 after the purchase and cancellation of the bonds or the purchase of
4 different government securities, shall be sufficient to pay when due the
5 principal of, redemption premium, if any, and interest on all other
6 bonds in respect of which the moneys and government securities were
7 deposited with the trustees or escrow agents on or prior to the
8 redemption date or maturity date thereof, as the case may be; and

9 b. In the event that on any date, as a result of any purchases and
10 cancellations of bonds or any purchases of different government
11 securities, as provided in this section, the total amount of moneys and
12 government securities remaining on deposit with the trustees or
13 escrow agents is in excess of the total amount which would have been
14 required to be deposited with the trustees or escrow agents on that
15 date in respect of the remaining bonds for which the deposit was made
16 in order to pay when due the principal of, redemption premium, if any,
17 and interest on the remaining bonds, the trustees or escrow agents
18 shall, if so directed by the issuing officials, pay the amount of the
19 excess to the State, free and clear of any trust, lien, pledge or
20 assignment securing the refunding bonds.

21

22 21. Refunding bonds issued pursuant to section 19 of this act may
23 be consolidated with bonds issued pursuant to section 6 of this act or
24 with bonds issued pursuant to any other act for purposes of sale.

25

26 22. To provide funds to meet the interest and principal payment
27 requirements for the bonds and refunding bonds issued under this act
28 and outstanding, there is appropriated in the order following:

29 a. Revenue derived from the collection of taxes under the "Sales
30 and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so much
31 thereof as may be required; and

32 b. If, at any time, funds necessary to meet the interest, redemption
33 premium, if any, and principal payments on outstanding bonds issued
34 under this act are insufficient or not available, there shall be assessed,
35 levied and collected annually in each of the municipalities of the
36 counties of this State, a tax on the real and personal property upon
37 which municipal taxes are or shall be assessed, levied and collected,
38 sufficient to meet the interest on all outstanding bonds issued
39 hereunder and on the bonds proposed to be issued under this act in the
40 calendar year in which the tax is to be raised and for the payment of
41 bonds falling due in the year following the year for which the tax is
42 levied. The tax shall be assessed, levied and collected in the same
43 manner and at the same time as other taxes upon real and personal
44 property. The governing body of each municipality shall pay to the
45 county treasurer of the county in which the municipality is located, on
46 or before December 15 in each year, the amount of tax herein directed

1 to be assessed and levied, and the county treasurer shall pay the
2 amount of the tax to the State Treasurer on or before December 20 in
3 each year.

4 If on or before December 31 in any year, the issuing officials, by
5 resolution, determine that there are moneys in the General Fund
6 beyond the needs of the State, sufficient to pay the principal of bonds
7 falling due and all interest and redemption premium, if any, payable in
8 the ensuing calendar year, the issuing officials shall file the resolution
9 in the office of the State Treasurer, whereupon the State Treasurer
10 shall transfer the moneys to a separate fund to be designated by the
11 State Treasurer, and shall pay the principal, redemption premium, if
12 any, and interest out of that fund as the same shall become due and
13 payable, and the other sources of payment of the principal, redemption
14 premium, if any, and interest provided for in this section shall not then
15 be available, and the receipts for that year from the tax specified in
16 subsection a. of this section shall be considered and treated as part of
17 the General Fund, available for general purposes.

18

19 23. Should the State Treasurer, by December 31 of any year, deem
20 it necessary, because of the insufficiency of funds collected from the
21 sources of revenues as provided in this act, to meet the interest and
22 principal payments for the year after the ensuing year, then the State
23 Treasurer shall certify to the Director of the Division of Budget and
24 Accounting in the Department of the Treasury the amount necessary
25 to be raised by taxation for those purposes, the same to be assessed,
26 levied and collected for and in the ensuing calendar year. The director
27 shall, on or before March 1 following, calculate the amount in dollars
28 to be assessed, levied and collected in each county as herein set forth.
29 This calculation shall be based upon the corrected assessed valuation
30 of each county for the year preceding the year in which the tax is to be
31 assessed, but the tax shall be assessed, levied and collected upon the
32 assessed valuation of the year in which the tax is assessed and levied.
33 The director shall certify the amount to the county board of taxation
34 and the treasurer of each county. The county board of taxation shall
35 include the proper amount in the current tax levy of the several taxing
36 districts of the county in proportion to the ratables as ascertained for
37 the current year.

38

39 24. For the purpose of complying with the provisions of the State
40 Constitution, this act shall be submitted to the people at the general
41 election to be held in the month of November, 1996. To inform the
42 people of the contents of this act, it shall be the duty of the Secretary
43 of State, after this section takes effect, and at least 60 days prior to the
44 election, to cause this act to be published at least once in one or more
45 newspapers of each county, if any newspapers be published therein and
46 to notify the clerk of each county of this State of the passage of this

1 act; and the clerks respectively, in accordance with the instructions of
2 the Secretary of State, shall have printed on each of the ballots the
3 following:

4 If you approve of the act entitled below, make a cross (X), plus (+),
5 or check (/) mark in the square opposite the word "Yes."

6 If you disapprove of the act entitled below, make a cross (X), plus
7 (+) or check (/) mark in the square opposite the word "No."

8 If voting machines are used, a vote of "Yes" or "No" shall be
9 equivalent to these markings respectively.

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17</p>	<p>YES</p>	<p style="text-align: center;">CORRECTIONAL FACILITIES CONSTRUCTION Bond Act of 1996</p> <p>Should the Correctional Facilities Construction Bond Act of 1996," which authorizes the State to issue bonds in the amount of \$275,000,000.00 for the purpose of financing the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition and equipping of State and county correctional facilities; and in a principal amount sufficient to refinance all or any of the bonds if the same will result in a present value savings; and providing the ways and means to pay the interest on the debt and also to pay and discharge the principal thereof, be approved?</p>
<p>18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41</p>	<p>NO</p>	<p style="text-align: center;">INTERPRETIVE STATEMENT</p> <p>Approval of this act would authorize the sale of \$275,000,000.00 in State bonds at least \$50,000,000.00 of which is for financing the construction and improvement of county correctional facilities, and the remaining amount is for financing the construction and improvement of State correctional facilities. The construction and improvement of these facilities is required as a result of more stringent parole eligibility requirements resulting in increased lengths of stay in New Jersey's State and county correctional facilities. Approval of the bond referendum will trigger the implementation of a bill that would enact these stricter requirements. The construction will address the present and anticipated deficit of bed spaces for State and County prisoners. The act also authorizes the issuance of bonds in a sufficient amount to refinance all or any of these bonds if the same will result in a present value savings.</p>

1 The fact and date of the approval or passage of this act, as the case
2 may be, may be inserted in the appropriate place after the title in the
3 ballot. No other requirements of law of any kind or character as to
4 notice or procedure, except as herein provided, need be adhered to.

5 The votes cast for and against the approval of this act, by ballot or
6 voting machine shall be counted and the result thereof returned by the
7 election officer, and a canvass of the election had in the same manner
8 as is provided for by law in the case of the election of a Governor, and
9 the approval or disapproval of this act so determined shall be declared
10 in the same manner as the result of an election for a Governor, and if
11 there is a majority of all votes cast for and against it at the election in
12 favor of the approval of this act, then all the provisions of this act not
13 made effective theretofore shall take effect forthwith.

14
15 25. There is appropriated the sum of \$5,000.00 to the Department
16 of State for expenses in connection with the publication of notice
17 pursuant to section 24 of this act.

18
19 26. The commissioner shall submit to the State Treasurer and the
20 commission with the department's annual budget request a plan for the
21 expenditure of funds from the "Correctional Facilities Construction
22 Fund of 1996" for the upcoming fiscal year. This plan shall include the
23 following information: a performance evaluation of the expenditures
24 made from the fund to date; a description of programs planned during
25 the upcoming fiscal year; a copy of the regulations in force governing
26 the operation of programs that are financed, in part or in whole, by
27 funds from the "Correctional Facilities Construction Fund of 1996;"
28 and an estimate of expenditures for the upcoming fiscal year.

29
30 27. Immediately following the submission to the Legislature of the
31 Governor's annual budget message, the commissioner shall submit to
32 the relevant standing committees of the Legislature, as designated by
33 the President of the Senate and the Speaker of the General Assembly,
34 and to the Joint Budget Oversight Committee, or its successor, a copy
35 of the plan called for under section 26 of this act, together with such
36 changes therein as may have been required by the Governor's budget
37 message.

38
39 28. Not less than 30 days prior to entering into any contract, lease,
40 obligation, or agreement to effectuate the purposes of this act, the
41 commissioner shall report to and consult with the Joint Budget
42 Oversight Committee, or its successor.

43
44 29. All appropriations from the "Correctional Facilities
45 Construction Fund of 1996" shall be by specific allocation for each
46 project, and any transfer of any funds so appropriated shall require the

1 approval of the Joint Budget Oversight Committee, or its successor.

2

3 30. This section and sections 24 and 25 of this act shall take effect
4 immediately and the remainder of this act shall take effect as and when
5 provided in section 24.

6

7

8

STATEMENT

9

10 This bill authorizes the State of New Jersey to issue \$275 million
11 in bonds for State and county prison construction. The funding may
12 be used for new construction, expansion or renovation of existing
13 facilities. Approval of the bond referendum will trigger the
14 implementation of a bill that would initiate more stringent parole
15 eligibility requirements for State's prison inmates, thus increasing the
16 lengths of stay in New Jersey's State and county correctional facilities.
17 The construction will address the present and anticipated deficit of bed
18 spaces for inmates denied earlier parole. Of the \$275 million
19 authorized, \$50 million is available for increased county correctional
20 facility bedspace expansions.

21

22

23

24

25 Authorizes \$275,000,000 sale of State bonds for State and county
26 correctional facilities.