

ASSEMBLY, No. 2737

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 27, 1997

By Assemblymen DORIA and JONES

1 AN ACT requiring an actuarial analysis of the issuance of bonds to
2 refinance the State's pension obligations and making an
3 appropriation.

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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. The Legislature finds and declares that:

9 a. the Governor has proposed issuing approximately \$3.4 billion
10 worth of bonds to refinance the State's pension obligations;

11 b. the complexity and novelty of this proposed borrowing are such
12 that the proposal requires the most serious evaluation by the
13 Legislature; and

14 c. the Legislature must have both the information and the time to
15 evaluate the merits of the Governor's proposal.

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17 2. Within 45 days after the effective date of this act, the State
18 Auditor shall, through competitive bidding, engage the services of an
19 actuary to perform a current actuarial analysis of the State-
20 administered retirement systems in order to assess the feasibility and
21 desirability of the Governor's proposal to issue bonds to refinance the
22 State's pension obligations and to assess whether implementing the
23 proposal will result in a savings to the State. Within 90 days after the
24 effective date of this act, the actuary shall deliver a completed
25 actuarial analysis to the State Auditor.

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27 3. Neither the Legislature nor any standing reference committee of
28 the Legislature shall consider any legislation implementing or
29 effectuating the Governor's proposal to issue bonds to refinance the
30 State's pension obligations until at least 10 days after the delivery of
31 the completed actuarial analysis to the State Auditor, during which
32 time the State Auditor shall distribute copies of the analysis to the
33 members of the Legislature.

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35 4. There is appropriated \$50,000 from the General Fund to the
36 Office of the State Auditor to engage the services of an actuary.

1 5. This act shall take effect immediately.

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STATEMENT

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6 The Governor has proposed issuing approximately \$3.4 billion
7 worth of bonds to refinance the State's pension obligations. The
8 complexity and novelty of this proposed borrowing are such that the
9 proposal requires the most serious evaluation by the Legislature. It is
10 crucial that the Legislature have both the information and the time to
11 evaluate the merits of the Governor's proposal.

12 This bill provides that within 45 days after the effective date of this
13 act, the State Auditor shall, through competitive bidding, engage the
14 services of an actuary to perform a current actuarial analysis of the
15 State-administered retirement systems in order to assess the feasibility
16 and desirability of the Governor's proposal to issue bonds to refinance
17 the State's pension obligations and to assess whether implementing the
18 proposal will result in a savings to the State. Within 90 days after the
19 effective date of this act, the actuary shall deliver a completed
20 actuarial analysis to the State Auditor. Neither the Legislature nor any
21 standing reference committee of the Legislature shall consider any
22 legislation implementing or effectuating the Governor's proposal to
23 issue bonds to refinance the State's pension obligations until at least
24 10 days after the delivery of the completed actuarial analysis to the
25 State Auditor, during which time the State Auditor shall distribute
26 copies of the analysis to the members of the Legislature.

27 The bill appropriates \$50,000 to the Office of the State Auditor to
28 engage the services of an actuary.

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33 Requires actuarial analysis of the Governor's pension obligation bond
34 proposal; appropriates \$50,000.