

CHAPTER 306

AN ACT concerning municipal bonds and amending P.L.2003, c.15.

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

1. Section 11 of P.L.2003, c.15 (C.40A:2-8.1) is amended to read as follows:

C.40A:2-8.1 Issuance of bond anticipation note; rules, regulations.

11. a. On and after the effective date of P.L.2003, c.15, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

(1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;

(2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and

(3) (a) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations; or

(b) for a bond ordinance approved prior to the effective date of P.L.2003, c.15, the governing body may choose to apply the following renewal requirements instead of the requirements of subparagraph (a) of this paragraph: no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before the third anniversary date, and if such notes are renewed beyond the fourth anniversary date of the original notes, a like amount is paid or retired on or before the fourth anniversary date from funds other than the proceeds of obligations.

b. The local finance board shall, in accordance with the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt such rules and regulations as are necessary to implement the provisions of this act.

2. This act shall take effect immediately.

Approved January 14, 2004.