

CHAPTER 68

AN ACT concerning county vocational school district school facilities projects, amending N.J.S.18A:54-31, and supplementing P.L.2000, c.72 (C.18A:7G-1 et al.).

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

C.18A:7G-5a County vocational school district, construction, issuance of bonds by county improvement authority to finance school facilities project.

1. a. Notwithstanding the provisions of P.L.2000, c.72 (C.18A:7G-1 et al.) or any other section of law to the contrary, the board of education of a county vocational school district may request a county improvement authority to construct a county vocational school district school facilities project and to issue its bonds to finance the local share of a project that is to be financed under section 15 of P.L.2000, c.72 (C.18A:7G-15), or to finance the total costs of a project that is not to be financed under section 15 of P.L.2000, c.72 (C.18A:7G-15). The bonds of a county improvement authority issued to finance the total costs of a county vocational school district school facilities project that is not to be financed under section 15 of P.L.2000, c.72 (C.18A:7F-15) shall be eligible for State debt service aid in accordance with the formula established under section 9 of P.L.2000, c.72 (C.18A:7G-9).

b. A county vocational school district may lease its lands or facilities to the county improvement authority which may construct the school facilities project through a design-build contract. Whenever a school facilities project is constructed by a county improvement authority through a design-build contract: (1) The county improvement authority shall follow the procedures established by the rules and regulations of the New Jersey Schools Development Authority for the procurement of design-build contracts; (2) The county improvement authority shall follow the design requirements and materials and system standards established by the development authority; (3) The provisions of the "Public School Contracts Law," (N.J.S.18A:18A-1 et seq.), and the "Local Public Contracts Law," P.L.1971, c.198 (C.40A:11-1 et seq.), shall not apply; and (4) A county vocational school district shall comply with the procedures for obtaining approval of the project under P.L.2000, c.72 (C.18A:7G-1 et al.), but shall not be required to comply with the provisions of N.J.S.18A:18A-16.

c. The county improvement authority shall lease the county vocational school district school facilities project to the county which shall then lease it for nominal consideration to the county vocational school district for as long as the county improvement authority bonds or refunding bonds are outstanding. Nothing in this section shall be construed to authorize a county to require a county vocational school district to bear any portion of the cost of the debt service on the county improvement authority bonds issued to fund the county vocational school district school facilities project or on any refunding bonds.

d. The county lease payments made to the county improvement authority pursuant to subsection c. of this section shall not be subject to any cap on appropriations or on spending or to any tax levy cap. The county lease payments shall be sufficient to pay debt service on the county improvement authority bonds issued to fund the county vocational school district school facilities project or on any refunding bonds, that remains after the application of any State debt service aid paid on those bonds pursuant to section 9 of P.L.2000, c.72 (C.18A:7G-9). The county lease payments shall be payable over the life of the bonds.

e. When the bonds issued by a county improvement authority are no longer outstanding, the leases and liens of the county and the county improvement authority shall expire and the county vocational school district school facilities project shall be solely vested in the county vocational school district. The county vocational school district shall be responsible for the

operation, maintenance, and improvement of the school facility upon the completion of the school facilities project.

2. N.J.S.18A:54-31 is amended to read as follows:

Raising of moneys for lands or buildings; bond issued.

18A:54-31. Whenever a board of education of a county vocational school district shall decide that it is necessary to sell bonds to raise money for any capital project, as defined in section 18A:21-1 of this Title, it shall prepare and deliver to each member of the board of school estimate a statement of the amount of money estimated to be necessary for such purpose or purposes.

The board of school estimate shall fix and determine the necessary amount and shall make two certificates thereof, one of which certificates shall be delivered to the board of education and the other to the board of chosen freeholders of the county in which the school district is situate.

The board of chosen freeholders, or the members of a county improvement authority at the request of the board of education pursuant to section 1 of P.L.2015, c.68 (C.18A:7G-5a), may appropriate such amount and borrow such amount for the purpose or purposes aforesaid, and secure the repayment of the sum so borrowed, together with interest thereon, by the issuance of bonds or notes of the county pursuant to the local bond law, notwithstanding any debt limitation or requirement for down payment therein provided for, or by the issuance of bonds or notes of the county improvement authority pursuant to the "county improvement authorities law," P.L.1960, c.183 (C.40:37A-44 et seq.). The proceeds of the sale of such obligations shall be paid to the treasurer of the county vocational school district, or in the case of bonds or notes issued by the county improvement authority to the chief financial officer of the authority if so directed by the treasurer, and shall be paid out only on the warrants or orders of the board of education of the school district, or in the case of bonds or notes issued by the county improvement authority on the orders of the chief financial officer of the authority. The treasurer of the board of education or the chief financial officer of the authority, as applicable, shall in no event disburse such proceeds, except to pay the expenses of issuing and selling such obligations and for the purpose or purposes for which such obligations were issued. If for any reason any part of such proceeds are not applied to or necessary for such purpose or purposes, the board of education of the county vocational school district may transfer the balance remaining unapplied to the general fund of the school district.

3. This act shall take effect immediately.

Approved June 26, 2015.