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SYNOPSIS

Authorizes county vocational school district to request county improvement authority to construct and issue bonds to finance school facilities project.

CURRENT VERSION OF TEXT

As introduced.

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

1. (New section) 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 shall construct the school facilities project through a design-build contract. 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 be applicable to a county vocational school district school facilities project constructed by a county improvement authority. In the case of a school facilities project constructed by a county improvement authority pursuant to this section, a county vocational school district shall be required to 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.

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

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
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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:

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. , c. (C. ) (pending before the
Legislature as this bill), 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 [by him] 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.
(cf: P.L.1993, c.83, s.25)

3. This act shall take effect immediately.

STATEMENT

This bill supplements the “Educational Facilities Construction
and Financing Act,” (EFCFA) P.L.2000, c.72 (C.18A:7G-1 et al.),
to allow a county vocational school district to request that a county
improvement authority construct and finance a county vocational
school district school facilities project that has been approved by
the Commissioner of Education in accordance with the provisions
of that act. The county improvement authority would issue its
bonds to finance either the local share of a project that will receive
an up-front grant for the State share of the project under section 15
of the EFCFA or the total costs of a project that is eligible to
receive State debt service aid under section 9 of the EFCFA. The
bill explicitly provides that bonds issued by a county improvement
authority to finance the total costs will be eligible for State debt
service aid in accordance with the provisions of that section.

The bill provides that a county vocational school district may
lease its lands or facilities to the county improvement authority
which will construct the project through a design build contract.
The bill stipulates that the provisions of the “Public School
Contracts Law, “ P.L.1971 c.198 (C.40A:11-1 et seq.), will not be
applicable to a county vocational school district school facilities
project that is constructed by a county improvement authority.

Under the bill’s provisions, the county improvement authority
will lease the county vocational school district school facilities
project to the county which will then lease it for nominal
consideration to the county vocational school district. The county
lease payments made to the county improvement authority will not
be subject to any cap on appropriations or spending or to any tax
levy cap. The county lease payments must be sufficient to pay the
debt service on the county improvement authority bonds that
remains after the application of any State debt service aid paid on
those bonds. When the bonds of the county improvement authority
are no longer outstanding, the leases and liens of the county and the
county improvement authority will expire and the school facilities
project will be solely vested in the county vocational school district.