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ASSEMBLY, No. 4501

STATE OF NEW JERSEY
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Sponsored by:

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District 37 (Bergen)

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District 35 (Bergen and Passaic)

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SYNOPSIS

Authorizes certain boards of education to issue bonds to repair damages caused by natural disasters in certain circumstances.

CURRENT VERSION OF TEXT

As reported by the Assembly State and Local Government Committee on December 14, 2023, with amendments.



(Sponsorship Updated As Of: 12/21/2023)

A4501 [1R] PARK, WIMBERLY

2

1 AN ACT concerning school district borrowing and supplementing
2 chapter 22 of Title 18A of the New Jersey Statutes.

3

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

6

7 1. a. Notwithstanding the provisions of N.J.S.18A:24-10 or any
8 other law, rule, or regulation to the contrary, the board of education
9 of a Type II school district without a board of school estimate may
10 issue bonds without the approval of the voters of the district in
11 order to finance costs related to repairs to school facilities and other
12 furnishings and equipment that were damaged due to a natural
13 disaster ¹【for which a state of emergency is declared pursuant to
14 P.L.1942, c.251 (C.App.A:9-33 et seq.)】¹, provided that the repairs
15 are deemed to be necessary in order to provide a thorough and
16 efficient system of education in the school district ¹【and that the
17 costs, or any portion of the costs thereof, stemming from such
18 repairs are eligible for reimbursement by the Federal Emergency
19 Management Agency. In the case of a Type I school district or a
20 Type II school district with a board of school estimate,
21 notwithstanding the provisions of N.J.S.18A:24-11,
22 N.J.S.18A:24-12, or any other law, rule, or regulation to the
23 contrary, such bonds may be issued by the board of education or the
24 governing body of the municipality comprised within the district
25 without the approval of the board of school estimate or the adoption
26 of a municipal ordinance as applicable】¹. In the case of a ¹Type II¹
27 school district ¹without a board of school estimate that is¹ under full
28 State intervention or partial State intervention in which the
29 governance component of school district effectiveness has not been
30 returned to the district, notwithstanding the provisions of P.L.1991,
31 c.139 (C.18A:7A-46.1 et seq.) or any other law, rule, or regulation
32 to the contrary, such bonds may be issued without the approval of
33 the capital project control board. ¹The provisions of this section
34 shall not be applicable to any Type II school district without a board
35 of school estimate that is an SDA district, as that term is defined
36 pursuant to section 3 of P.L.2000, c.72 (C.18A:7G-3).¹

37 As used in this section, “school facility” means and includes any
38 structure, building, or facility used wholly or in part for educational
39 purposes by a school district and facilities that physically support
40 such structures, buildings, and facilities, such as district wastewater
41 treatment facilities, power generating facilities, and steam
42 generating facilities, but shall exclude other facilities.

43 b. (1) The issuance of bonds pursuant to this section shall be
44 approved by the board of education of the school district, or the

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ASL committee amendments adopted December 14, 2023.

1 State district superintendent in the case of a school district under
2 full State intervention or partial State intervention in which the
3 governance component of school district effectiveness has not been
4 returned to the district. The approval shall be evidenced by the
5 adoption of a resolution by the board of education in a public
6 meeting upon an affirmative vote of two-thirds of its full
7 membership. If the school district is under full or partial State
8 intervention and the governance component of school district
9 effectiveness has not been returned to the district, the approval shall
10 be evidenced by a certification, affidavit, or other sworn statement
11 signed by the State district superintendent supporting the issuance.
12 The resolution or certification, affidavit, or other sworn statement
13 as applicable shall, at a minimum:

14 (a) certify support for the issuance of the bonds and authorize the
15 submission of an application to the Commissioner of Education
16 pursuant to subsection c. of this section;

17 (b) petition the commissioner to authorize the issuance of bonds
18 pursuant to this section;

19 (c) include the total estimated cost of the damage to school
20 facilities and other furnishings and equipment, caused by a natural
21 disaster ¹【for which a state of emergency is declared】¹;

22 (d) state the project or projects to be submitted to the
23 commissioner and the amounts to be raised for the project or
24 projects;

25 (e) the amount necessary to be raised by school bonds for repairs
26 to the damage to school facilities and other furnishings and
27 equipment; and

28 (f) the amount of funds¹, if any,¹ that the school district ¹has
29 been or¹ will be reimbursed by ¹【the Federal Emergency
30 Management Agency】 an applicable disaster relief agency¹.

31 (2) (a) In the event that the repairs for which bonds are to be
32 issued pursuant to this section are deemed to be a school facilities
33 project that is eligible for State debt service aid pursuant to
34 P.L.2000, c.72 (C.18A:7G-1 et al.), the board of education or State
35 superintendent as applicable shall apply to the commissioner
36 seeking approval for the school facilities project prior to the
37 adoption of a resolution or the signing of a certification, affidavit,
38 or other sworn statement pursuant to paragraph (1) of this
39 subsection. The application shall be reviewed by the commissioner
40 on an expedited basis pursuant to a process to be established by the
41 commissioner. The application shall include items to be required
42 by the commissioner including, but not limited to: a description of
43 the school facilities project; a schematic drawing of the project or,
44 at the option of the district, preliminary plans and specifications; a
45 delineation and description of each of the functional components of
46 the project; educational specifications detailing the programmatic
47 needs of each proposed space; the number of unhoused students to
48 be housed in the project; the area allowances per FTE student as

1 calculated pursuant to section 8 of P.L.2000, c.72 (C.18A:7G-8);
2 and the estimated cost to complete the project as determined by the
3 district. Notwithstanding the provisions of section 4 of P.L.2000,
4 c.72 (C.18A:7G-4) or section 5 of P.L.2000, c.72 (C.18A:7G-5) or
5 the provisions of any other law, rule, or regulation to the contrary,
6 the approval or disapproval of an application for a school facilities
7 project pursuant to this section shall not be contingent upon the
8 school facilities project being consistent or inconsistent with the
9 school district's long-range facilities plan required pursuant to
10 section 4 of P.L.2000, c.72 (C.18A:7G-4) or upon the fact that the
11 long-range facilities plan has not been amended to incorporate the
12 school facilities project.

13 (b) Upon approval of an application submitted pursuant to
14 subparagraph (a) of this paragraph, the applicant board of education
15 shall adopt a resolution approving the issuance of bonds in a public
16 meeting upon an affirmative vote of two-thirds of its full
17 membership. If the school district is under full or partial State
18 intervention and the governance component of school district
19 effectiveness has not been returned to the district, the approval shall
20 be evidenced by a certification, affidavit, or other sworn statement
21 signed by the State district superintendent supporting the issuance.
22 The resolution or certification, affidavit, or other sworn statement
23 as applicable shall include, in addition to the information required
24 pursuant to paragraph (1) of this subsection:

- 25 (i) the amount needed to be raised by school bonds;
26 (ii) the final eligible costs of the school facilities project as
27 approved by the commissioner;
28 (iii) the total costs;
29 (iv) the State share or State debt-service-aid percentage;
30 (v) the local share, if applicable; and
31 (vi) the excess costs, if applicable.

32 c. (1) Upon the adoption of a resolution or the signing of a
33 certification, affidavit, or other sworn statement pursuant to
34 subsection b. of this section, a board of education or State district
35 superintendent as applicable shall apply to the Commissioner of
36 Education for approval of the issuance of bonds for the purposes
37 laid out in subsection a. of this section. An application shall be
38 submitted in a manner and in accordance with procedures
39 prescribed by the commissioner. At a minimum, the application
40 shall:

41 (a) demonstrate the need to borrow and that borrowing is
42 necessary to provide a thorough and efficient system of education
43 and to meet an emergency caused by a natural disaster ¹【for which
44 a state of emergency is declared pursuant to P.L.1942, c.251
45 (C.App.A:9-33 et seq.)】¹;

46 (b) include the resolution adopted, or certification, affidavit, or
47 other sworn statement signed, pursuant to subsection b. of this
48 section;

1 ¹[(c) demonstrate that the repairs for which bonds will be issued
2 are eligible for reimbursement by the Federal Emergency
3 Management Agency;]¹ and

4 ¹[(d)] (c)¹ demonstrate that reasonable efforts have been made
5 to employ other methods provided by law to finance repairs to
6 school facilities and other furnishings and equipment that were
7 damaged due to a natural disaster ¹[for which a state of emergency
8 is declared pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.)]¹.

9 (2) A decision by the commissioner concerning the approval or
10 disapproval of an application shall be rendered to the applicant
11 board of education or State district superintendent within 15
12 business days of receipt of the application.

13 d. (1) Notwithstanding the provisions of any law, rule, or
14 regulation to the contrary, in the event that the commissioner
15 approves an application submitted pursuant to subsection c. of this
16 section, the principal of and interest on the bonds issued pursuant to
17 this section shall be repaid with funds of the school district.
18 ¹Notwithstanding the bond limitations on a school district pursuant
19 to the provisions of N.J.S.18A:24-19 or the provisions of any other
20 law, rule, or regulation to the contrary, a school bond may be issued
21 in a manner prescribed in this section even if the principal amount
22 of the bond, when added to the net school debt of the district,
23 exceeds the limitations enumerated under N.J.S.18A:24-19 or under
24 any other provision of law prescribing bond limitations on a Type II
25 school district without a board of school estimate. In the event that
26 a school district exceeds the applicable bond limitations after
27 issuance of a bond pursuant to this section, the commissioner shall,
28 along with the approval of an application provided under subsection
29 c. of this section, endorse the commissioner's consent and shall
30 record in writing that the borrowing is necessary for the school
31 district to provide a thorough and efficient system of education and
32 to meet an emergency caused by a natural disaster.

33 (2)¹ In addition to the amount of taxes determined by the legal
34 voters of the district at the annual school election, the secretary of
35 the board of education shall certify the amount required for the
36 repayment of the interest and principal of the bonds required to
37 fund the local share amount approved by the commissioner in the
38 same manner required for interest and debt redemption charges
39 pursuant to N.J.S.18A:22-33, and the amount so certified shall be
40 included in the taxes assessed, levied, and collected in the
41 municipality or municipalities comprising the school district for
42 those purposes.

43

44 2. This act shall take effect immediately.