

COMMUNITY AFFAIRS

(a)

DIVISION OF LOCAL GOVERNMENT SERVICES

LOCAL FINANCE BOARD

Local Bond Law

Pre-Proposed New Rule: N.J.A.C. 5:30-2.7

Authorized By: Local Finance Board, Melanie R. Walter, Chair.

Authority: N.J.S.A. 40A:2-22.1.

Pre-Proposal Number: PPR 2019-001.

Please submit written comments on the notice of pre-proposal by March 21, 2019, via e-mail to dllgs@dca.nj.gov or by regular mail to:

Patricia Parkin McNamara, Executive Secretary
Local Finance Board
Department of Community Affairs
PO Box 803
Trenton, NJ 08625-0803

For comments submitted via e-mail, please include the subject heading "NJAC 5:30-2.7: Director Useful Life Determination."

Take notice that the Local Finance Board seeks public input on a draft new rule pertaining to useful life determinations by the Director of the Division of Local Government Services (Director). The draft rule, and the background for same, is discussed in further detail below.

Summary

Where N.J.S.A. 40A:2-22 of the Local Bond Law establishes a period of usefulness for a particular improvement or purpose, municipalities and counties are prohibited from authorizing debt obligations whose terms extend beyond said period. N.J.S.A. 40A:2-22.1 authorizes a municipality or county to request that the Director of the Division of Local Government Services determine the period of usefulness of a capital improvement or property not included in N.J.S.A. 40A:2-22. The statute prohibits the Director from establishing a period of usefulness that exceeds 15 years. Requests are to be submitted in a form and manner determined by Local Finance Board rules. At its January 9, 2019 meeting, the Local Finance Board voted to issue a notice of pre-proposal pursuant to N.J.A.C. 1:30-5.3 to establish a regulatory framework for such requests.

N.J.A.C. 5:30-2.7(a) defines the terms "capital improvement" and "property" for purpose of making eligible useful life determination requests. N.J.A.C. 5:30-2.7(b) sets forth mandatory elements to be included in each request, and bars requests for which the useful life is less than five years. N.J.S.A. 40A:2-21 prohibits municipalities and counties from authorizing the issuance of debt obligations for any improvement or purpose having a period of usefulness of less than five years. Pursuant to subsection (c), the Director may apply any determination to all municipalities and counties upon publication in the New Jersey Register to establish a useful life determination for the same capital improvement or property. If the Director's useful life determination for a capital improvement or property has been published in the New Jersey Register, a municipality or county could only submit a request for the same item if the request is readily and clearly distinguishable from the published determination.

Full text of the pre-proposed new rule follows:

5:30-2.7 Request for determination of period of usefulness

(a) As used in this section, the terms set forth below shall have the following meanings:

1. "Capital improvement" means any of the following:
 - i. Development of land;
 - ii. Acquisition, construction, improvement, rehabilitation, and/or renovation of buildings, roads, structures, facilities, and infrastructure; and
 - iii. Major repairs, reconditioning, or overhaul that meaningfully extends the useful life of an existing capital asset.
2. "Property" means real property, or personal property of a substantial nature, such as vehicles or major equipment.

(b) For any capital improvement or property with a useful life of five years or more that is not included in N.J.S.A. 40A:2-22, a municipality or county may request that the Director of the Division of Local Government Services in the Department of Community Affairs determine a period of usefulness for the same, provided that the Local Bond Law or any other law does not expressly prohibit the authorization of obligations for the capital improvement or property. Any request to the Director shall:

1. Identify the subject capital improvement or property;
2. Request a useful life determination of not less than five years but not more than 15 years;
3. Provide a certification from an engineer, architect, or other appropriate professional that the physical useful life of the capital improvement or property meets, at a minimum, the period of usefulness being requested, including such supporting documentation and other information as may be needed;
4. State whether the issuance of an obligation for the capital improvement or property would require Local Finance Board approval; and
5. Supply such other information as may be required by the Director.

(c) Once the Director issues a period of usefulness determination, the Director may make said determination applicable to all municipalities and counties upon publication in the New Jersey Register. If the Director's useful life determination has been published in the New Jersey Register, a municipality or county may only submit a request for a determination for the same capital improvement or property if the request is readily and clearly distinguishable from the published determination.

LAW AND PUBLIC SAFETY

(b)

DIVISION OF CONSUMER AFFAIRS

STATE BOARD OF REAL ESTATE APPRAISERS

Rules of Real Estate Appraisers; Appraisal Management Company Rules

Proposed Amendments: N.J.A.C. 13:40A-1.1, 1.2, 2.2, 2A.2, 2A.4, 3.2, 7.1, 7.4 7.9, 7.11, and 8.1

Proposed New Rules: N.J.A.C. 13:40A-9

Authorized By: Board of Real Estate Appraisers, Charles Kirk, Executive Director.

Authority: N.J.S.A. 45:14F-8 and P.L. 2017, c. 72.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2019-022.

Submit written comments by April 20, 2019, to:

Charles Kirk, Executive Director
State Board of Real Estate Appraisers
PO Box 45032
Newark, New Jersey 07101

or electronically at: <http://www.njconsumeraffairs.gov/Proposals/Pages/default.aspx>.

The agency proposal follows:

Summary

On May 11, 2017, P.L. 2017, c. 72 was enacted, amending and supplementing the Real Estate Appraisers Act, P.L. 1961, c. 68 (N.J.S.A. 45:14F-1 et seq.). The new law amends the standards for licensure and certification by reciprocity and amends the crimes and offenses that disqualify applicants from licensure. In addition, the law establishes registration requirements for real estate appraisal management companies (AMCs) that employ, contract, retain, or otherwise utilize the services of licensed and certified real estate appraisers to provide appraisal services in New Jersey.

Appraisal management companies manage the process of having an appraisal done, which includes receiving appraisal orders and reports,