

Effective Date: May 15, 2017.
 Expiration Date: January 15, 2023.

Summary of Public Comment and Agency Response:
No comments were received on the notice of proposal to repeal N.J.A.C. 5:30-1.2, 1.5, 3.7, 10.1, and 16.3 and amend N.J.A.C. 5:30-1.8.

Federal Standards Statement

No Federal standards analysis is required because the adopted amendment and repeals are not being adopted in order to implement, comply with, or participate in any program established under Federal law or under a State law that incorporates or refers to Federal law, standards, or requirements.

Full text of the adopted amendment follows:

SUBCHAPTER 1. GENERAL PROVISIONS

- 5:30-1.2 (Reserved)
- 5:30-1.5 (Reserved)
- 5:30-1.8 Use of Local Finance Notices

(a) When necessary for the day-to-day administration of the responsibilities of the Board and the Division, the Director may issue such communications and directives as necessary to local units subject to the oversight of the Board and Division. Such communications and directives shall be known as Local Finance Notices (Notices), and shall be numbered in a scheme as determined necessary from time-to-time by the Director.

(b) (No change.)

SUBCHAPTER 3. ANNUAL BUDGET

- 5:30-3.7 (Reserved)

SUBCHAPTER 10. MUNICIPAL PORT AUTHORITIES

- 5:30-10.1 (Reserved)

SUBCHAPTER 16. AGENCY COMMUNICATIONS WITH LOCAL UNITS

- 5:30-16.3 (Reserved)

(a)

**DIVISION OF LOCAL GOVERNMENT SERVICES
 LOCAL FINANCE BOARD**

**Refunding of Bonds Meeting Certain Conditions
 Adopted Amendment: N.J.A.C. 5:30-2.5**

Adopted New Rule: N.J.A.C. 5:31-8.1

Proposed: December 19, 2016, at 48 N.J.R. 2659(a).
 Adopted: April 12, 2017, by the Local Finance Board, Timothy J. Cunningham, Chair.

Filed: April 18, 2017, as R.2017 d.098, **without change**.
 Authority: N.J.S.A. 18A:24-61.5(b), 40A:2-51(c), and 40A:5A-6.
 Effective Date: May 15, 2017.
 Expiration Dates: January 15, 2023, N.J.A.C. 5:30;
 July 18, 2018, N.J.A.C. 5:31.

Summary of Public Comment and Agency Response:
No comments were received on the notice of proposal to amend N.J.A.C. 5:30-2.5 and adopt new N.J.A.C. 5:31-8.1.

Federal Standards Statement

No Federal standards analysis is required because the new rule and amendment are not adopted in order to implement, comply with, or participate in any program established under Federal law or under a

State law that incorporates or refers to Federal law, standards, or requirements.

Full text of the adoption follows:

CHAPTER 30
 LOCAL FINANCE BOARD

SUBCHAPTER 2. LOCAL BOND LAW

5:30-2.5 Refunding of bonds meeting certain conditions
 (a) Notwithstanding the approvals and consents required of the Local Finance Board in connection with the authorization, sale, and issuance of refunding bonds pursuant to N.J.S.A. 40A:2-51 et seq., or 18A:24-61 et seq., any municipality, county, or school district meeting all of the conditions set forth below, may authorize and issue refunding bonds, including by adoption of any refunding bond ordinance or resolution in connection therewith, to refund long-term debt without prior approval of the Local Finance Board, where the issuance of those refunding bonds realizes debt service savings on the outstanding obligations, provided all of the following conditions are present:

1. (No change.)
 2. The new debt service schedule shall be structured, such that no annual debt service payment is more than it was under the original debt service schedule;
 3. The final maturity of the refunding bond does not extend past the budget year in which such final maturity was originally scheduled to mature; and
 4. (No change.)
- (b) (No change.)

CHAPTER 31
 LOCAL AUTHORITIES

SUBCHAPTER 8. FINANCING

5:31-8.1 Refunding of bonds meeting certain conditions
 (a) Any local unit subject to the Local Authorities Fiscal Control Law (N.J.S.A. 40A:5A-1 et seq.) meeting all of the conditions set forth below, may authorize and issue refunding bonds to refund long-term debt without prior approval of the Local Finance Board, where the issuance of said bonds realizes debt service savings on the outstanding obligations, provided all of the following conditions are present:

1. The present value savings is at least three percent;
2. The new debt service schedule shall be structured such that no annual debt service payment is more than it was under the original debt service schedule;
3. The final maturity of the refunding bond does not extend past the budget year in which such final maturity was originally scheduled to mature;
4. The debt savings are substantially level across the life of the refunding; and
5. The resolution allowing for the refunding is adopted by at least a two-thirds vote of the full membership of the governing body.

(b) The local unit shall, within 10 days of the closing on the refunding bond sale, file with the Local Finance Board a comparison of the initial and refunding debt service schedule showing annual present value savings; a summary of the refunding; an itemized accounting of all costs of issuance; a certification from the chief financial officer, or equivalent, for the local unit that all of the conditions of this section have been met; and a resolution that has been passed by at least two-thirds of the full membership of the governing body allowing for the refunding.