

5:31-8

LOCAL FINANCE BOARD

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.