

SENATE, No. 660

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SAMUEL D. THOMPSON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Establishes that passenger vehicles other than police vehicles have a useful life of five years and allows local units to bond for such vehicles.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the issuance by local units of bonds for
2 passenger vehicles and amending N.J.S.40A:2-22.

3

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

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7 1. N.J.S.40A:2-22 is amended to read as follows:

8 40A:2-22. The governing body of the local unit shall determine
9 the period of usefulness of any purpose according to its reasonable
10 life computed from the date of the bonds, which period shall not be
11 greater than the following:

12 a. Buildings and structures.

13 1. Bridges, including retaining walls and approaches, or
14 permanent structures of brick, stone, concrete or metal, or similar
15 durable construction, 30 years.

16 2. Buildings, including the original furnishings and equipment
17 therefor:

18 Class A: A building, of which all walls, floors, partitions, stairs
19 and roof are wholly of incombustible material, except the window
20 frames, doors, top flooring and wooden handrails on the stairs, 40
21 years;

22 Class B: A building, the outer walls of which are wholly of
23 incombustible material, except the window frames and doors, 30
24 years;

25 Class C: A building which does not meet the requirements of
26 Class A or Class B, 20 years.

27 3. Buildings or structures acquired substantially reconstructed
28 or additions thereto, one-half the period fixed in this subsection for
29 such buildings or structures.

30 4. Additional furnishings, five years.

31 b. Marine improvements.

32 1. Harbor improvements, docks or marine terminals, 40 years.

33 2. Dikes, bulkheads, jetties or similar devices of stone,
34 concrete or metal, 15 years; of wood or partly of wood, 10 years.

35 c. Additional equipment and machinery.

36 1. Additional or replacement equipment and machinery, 15
37 years.

38 2. Voting machines, 15 years.

39 d. Real property.

40 1. Acquisition for any public purpose of lands or riparian
41 rights, or both, and the original dredging, grading, draining or
42 planting thereof, 40 years.

43 2. Improvement of airport, cemetery, golf course, park,
44 playground, 15 years.

45 3. Stadia of concrete or other incombustible materials, 20
46 years.

47 e. Streets or thoroughfares.

48 1. Elimination of grade crossings, 35 years.

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.

1 2. Streets or roads:

2 Class A: Rigid pavement. A pavement of not less than eight
3 inches of cement concrete or a six-inch cement concrete base with
4 not less than three-inch bituminous concrete surface course, or
5 equivalent wearing surface, 20 years.

6 Flexible pavement. A pavement not less than 10 inches in depth
7 consisting of five-inch macadam base, three-inch modified
8 penetration macadam and three-inch bituminous concrete surface
9 course or other pavements of equivalent strength, in accordance
10 with the findings of the American Association of State Highway
11 Officials (AASHO) Road Test, 20 years.

12 Class B: Mixed surface-treated road. An eight-inch surface of
13 gravel, stone or other selected material under partial control mixed
14 with cement or lime and fly ash, six inches in compacted thickness
15 with bituminous surface treatment and cover, 10 years.

16 Bituminous penetration road. A five-inch gravel or stone base
17 course and a three-inch course bound with a bituminous or
18 equivalent binder, 10 years.

19 Class C: Mixed bituminous road. An eight-inch surface of
20 gravel, stone, or other selected material under partial control mixed
21 with bituminous material one inch or more in compacted thickness,
22 five years.

23 Penetration macadam road. A road of sand, gravel or water-
24 bound macadam, or surfacing with penetration macadam, five years.

25 3. Sidewalks, curbs and gutters of stone, concrete or brick, 10
26 years.

27 The period of usefulness in this subsection shall apply to
28 construction and reconstruction of streets and thoroughfares.

29 f. Utilities and municipal systems.

30 1. Sewerage system, whether sanitary or storm water, water
31 supply or distribution system, 40 years.

32 2. Electric light, power or gas systems, garbage, refuse or ashes
33 incinerator or disposal plant, 25 years.

34 3. Communication and signal systems, 10 years.

35 4. House connections to publicly-owned gas, water or sewerage
36 systems from the service main in the street to the curb or property
37 lines where not part of original installation, five years.

38 g. Vehicles and apparatus.

39 1. Fire engines, apparatus and equipment, when purchased
40 new, but not fire equipment purchased separately, 10 years.

41 2. Automotive vehicles, including passenger vehicles other
42 than police vehicles and including original apparatus and equipment
43 **[(other than passenger cars and stationwagons)]**, when purchased
44 new, five years.

45 3. Major repairs, reconditioning or overhaul of fire engines and
46 apparatus, which may reasonably be expected to extend for at least
47 five years the period of usefulness thereof, five years.

48 h. The closure of a sanitary landfill facility utilized, owned or

1 operated by a county or municipality, 15 years; provided that the
2 closure has been approved by the Board of Public Utilities and the
3 Department of Environmental Protection and Energy. For the
4 purposes of this subsection "closure" means all activities associated
5 with the design, purchase or construction of all measures required
6 by the Department of Environmental Protection and Energy,
7 pursuant to law, in order to prevent, minimize or monitor pollution
8 or health hazards resulting from sanitary landfill facilities
9 subsequent to the termination of operations at any portion thereof,
10 including, but not necessarily limited to, the costs of the placement
11 of earthen or vegetative cover, and the installation of methane gas
12 vents or monitors and leachate monitoring wells or collection
13 systems at the site of any sanitary landfill facility.

14 i. Any purpose, except vehicles, not included in the foregoing,
15 for which obligations may be issued, 15 years.

16 j. The prefunding of a claims account for environmental
17 liability claims by an environmental impairment liability insurance
18 pool pursuant to P.L.1993, c.269 (C.40A:10-38.1 et al.), 20 years.
19 (cf: P.L.1993, c.269, s.18)

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21 2. This act shall take effect immediately.

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23 STATEMENT

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25 This bill would amend N.J.S.40A:2-22 to establish that
26 passenger vehicles other than police vehicles have a useful life,
27 when purchased new, of five years. The result of this change would
28 be to allow counties and municipalities to bond for the purchase of
29 passenger vehicles.

30 Under current law, a local unit is not permitted to bond for any
31 improvement or purpose having a period of usefulness of less than
32 five years, according to N.J.S.40A:2-21. Because passenger
33 vehicles have been thought to have a useful life of less than five
34 years, counties and municipalities have not been able to bond for
35 their purchase. Instead, they have been required to include the full
36 purchase price of a passenger vehicle in the annual budget, thereby
37 disproportionately impacting upon that particular year's tax rate.

38 Improvements in the quality of new passenger vehicles in recent
39 years, however, suggest that their useful life is at least five years.
40 Typically, the passenger vehicles of a county or municipality last
41 for more than ten years, and most passenger vehicles when
42 purchased new carry warranties in excess of six years and sixty
43 thousand miles. In fact, many new passenger vehicles do not
44 require a tune-up until the vehicle has traveled 100,000 miles.
45 These factors support the contention that such vehicles have a
46 useful life of at least five years and that local units should be
47 permitted to bond for their purchase. This bill would make the
48 necessary changes in the law to allow such bonding to occur.