

*Office of the Governor*  
**NEWS RELEASE**

PO BOX 004  
TRENTON, NJ 08625

CONTACT: Gene Herman  
609-777-2600

RELEASE: April 9, 1999

Gov. Christie Whitman today signed the following pieces of legislation:

**S-57**, sponsored by Senator Walter J. Kavanaugh (R-Morris/Somerset) and Assembly Members Guy R. Gregg (R-Sussex/Hunterdon/Morris) and Richard A. Merkt (R-Morris), provides for the suspension of licenses, registrations or certifications for failure to repay student loans. The bill requires the Director of the Division of Consumer Affairs or the appropriate regulatory authority within the division to issue the suspensions as appropriate after a due process hearing. The Governor conditionally vetoed the original version of the bill because it did not ensure that the debtor would be afforded a proper due process hearing. Under the bill, a suspended license cannot be renewed until the director or the board receives a written release from the lender stating that the delinquent borrower has cured the default or is making payments pursuant to the repayment approved by the lender. The Division of Consumer Affairs governs the licensing of various professionals, including doctors, dentists, chiropractors, architects, nurses, real estate appraisers, and physicians' assistants. The bill also permits the New Jersey State Supreme Court to establish its own due process procedures in accordance with its rules for suspension of attorneys' licenses, a provision which the Governor recommended in her conditional veto of the original version of the bill on Jan. 12, 1999. This bill now incorporates all of the changes recommended in the Governor's conditional veto.

**SCS for S-808**, sponsored by Senators James S. Cafiero (R-Cape May/Atlantic/Cumberland) and Raymond J. Zane (D-Salem/Cumberland/Gloucester) and Assembly Members John C. Gibson (R-Cape May/Atlantic/Cumberland) and Gary W. Stuhltrager (Salem/Cumberland/Gloucester), provides limitations on the withholding of state funds from school districts by the commissioner of the Department of Education for violations of the Public School Contracts Law. As originally passed by the Legislature, the bill would have prevented the commissioner of the Department of Education from withholding or requiring the remittance of state funds as a penalty for a school district's violation of the unspendable services exception to the public advertisement and bidding requirements of the Contracts Law. The Governor vetoed the bill to give school officials "one free chance" with regard to a violation based on negligence or ignorance of the law's requirements. Further, the bill as originally passed, required the commissioner of education to return funds remitted by any school district prior to the effective date of the act, for any violation of the public advertising and bidding requirements as set forth in the Contracts Law. This provision would have applied unless the commissioner determined that there had been collusion or intent to evade the bidding requirement. The amended law puts the burden on the school districts to apply to the commissioner for restoration of funds, which the Governor recommended in her conditional veto. Based on the application, the commissioner will determine if there has been any collusion or intent to evade the bidding requirement. The bill adopts all of the changes recommended in the Governor's conditional veto.