

ASSEMBLY, No. 3517

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

SYNOPSIS

Eliminates five percent down payment requirement for bond ordinances approved by counties and municipalities.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the issuance of local bonds and amending
2 N.J.S.40A:2-11.

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:2-11 is amended to read as follows:

8 40A:2-11. a. **【No】** A bond ordinance **【shall be finally adopted**
9 **unless it appropriates】** may appropriate to the purpose, or ratably to
10 the respective purposes to be financed, in addition to the obligations
11 thereby authorized, a sum as a down payment which is **【not less**
12 **than 5%】** a percentage of the amount of the obligations authorized.

13 b. **【Said】** When a sum **【so】** is appropriated as a down
14 payment, then that sum must have been made available prior to final
15 adoption of the bond ordinance from any one or more of the
16 following:

17 1. by provision in a previously adopted budget or budgets of
18 the local unit for down payment or for capital improvement
19 purposes;

20 2. from moneys then actually held by the local unit and
21 previously contributed for such purpose other than by the local unit;
22 or

23 3. by emergency appropriation.

24 c. **【The provisions of this section shall not apply to a bond**
25 **ordinance which authorizes obligations solely for any purpose**
26 **referred to in paragraphs a., b., c., d., e. and h. of section 40A:2-7 or**
27 **for those bond ordinances which involve projects funded by State**
28 **grants such as Green Acres, Transportation Trust Fund, and other**
29 **similar programs, or for those bond ordinances which involve**
30 **environmental infrastructure projects, as defined in section 3 of**
31 **P.L.1985, c.334 (C.58:11B-3), funded by loans from the "New**
32 **Jersey Environmental Infrastructure Trust," created pursuant to**
33 **section 4 of P.L.1985, c.334 (C.58:11B-4), or the State, acting by**
34 **and through the Department of Environmental Protection.】** (Deleted
35 by amendment, P.L. , c.) (pending before the Legislature as this
36 bill)

37 (cf: P.L.2015, c.95, s.33)

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39 2. This act shall take effect immediately.

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STATEMENT

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44 This bill makes permissive the down payment requirement for
45 counties and municipalities to issue bonds. Under current law, most

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 bond ordinances require an appropriation of at least five percent of the
2 amount of the authorized obligation for final adoption of the bond
3 ordinance. Although this appropriation is excluded from the property
4 tax levy cap, relief from the requirement to make the down payment is
5 intended to free-up scarce resources for other purposes of the county
6 or municipality.