

[Second Reprint]

ASSEMBLY, No. 3971

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MAY 4, 2020

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Assemblywoman Jimenez, Assemblyman Chiaravalloti, Assemblywoman

Downey and Assemblyman Mejia

SYNOPSIS

Authorizes the issuance of "coronavirus relief bonds" by municipalities and counties.

CURRENT VERSION OF TEXT

As amended on August 24, 2020 by the General Assembly pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 8/27/2020)

1 AN ACT authorizing local units to issue coronavirus relief bonds
2 ²and amending various parts of the statutory law².

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 ²[1. a. (1) A local unit that requires moneys because of a loss
8 of revenue, unanticipated expenses, or both, which are directly
9 attributable to the COVID-19 pandemic may incur indebtedness,
10 borrow money, and authorize and issue bonds, entitled "coronavirus
11 relief bonds," in accordance with provisions governing refunding
12 bonds under the "Local Bond Law," N.J.S.40A:2-1 et seq., except
13 as otherwise provided in this act.

14 (2) A local unit shall authorize issuance of coronavirus relief
15 bonds by adoption of a refunding bond ordinance in the manner
16 prescribed for adoption of a bond ordinance, except that:

17 (a) no down payment shall be required; and

18 (b) Local Finance Board approval shall not be required, and the
19 provisions of subsection c. of N.J.S.40A:2-53, and of N.J.S.40A:2-
20 55, N.J.S.40A:2-56, and N.J.S.40A:2-57 shall not apply, unless:

21 (i) the local unit seeks to issue ¹**[debt]** bonds in an amount¹ that
22 exceeds ¹**[20%]** 30%¹ of the local unit's prior year budget; or

23 (ii) the local unit seeks to issue bonds with a longer repayment
24 term than otherwise permitted in this act.

25 (3) Coronavirus relief bonds shall be payable from, and secured
26 by a pledge of, ¹**[unlimited]**¹ ad valorem taxes ¹levied upon all the
27 taxable property within the local unit without limitation as to rate or
28 amount¹.

29 (4) In addition to the procedures for adoption of a bond
30 ordinance required under N.J.S.40A:2-17, after introduction and
31 first reading of a ¹refunding¹ bond ordinance authorizing the
32 issuance of coronavirus relief bonds, and at least one week prior to
33 the date for further consideration thereof, the local unit shall
34 prominently display on the home page of the local unit's website
35 the introduced ¹refunding¹ bond ordinance together with a summary
36 thereof, the notice of the introduction thereof, and of the date, time,
37 and place of further consideration for final passage.

38 (5) A ¹refunding¹ bond ordinance authorizing issuance of
39 coronavirus relief bonds may provide for the capitalization of the
40 interest thereon.

41 ¹**[(6) A bond ordinance authorizing issuance of**
42 **coronavirus relief bonds shall provide that bonds and notes issued**
43 **under this act may be paid in full prior to full maturity without**
44 **incurring a penalty for early repayment.]¹**

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted May 7, 2020.

²Assembly amendments adopted in accordance with Governor's recommendations August 24, 2020.

1 b. (1) Prior to authorizing the issuance of coronavirus relief
2 bonds, a local unit shall ¹thoroughly investigate, and¹ apply for
3 ¹financial assistance that may be available to the local unit
4 from the federal government, the State, and other sources to address
5 revenue shortfalls and expenditures due to the COVID-19 pandemic
6 ¹, if any¹.

7 (2) The total amount of coronavirus relief bonds that a local unit
8 may issue shall not exceed, after subtracting all amounts of
9 assistance ¹anticipated by, available to, or¹ provided to, the local
10 unit from the federal government, the State, and other sources to
11 address revenue shortfalls and expenditures due to the COVID-19
12 pandemic:

13 (a) the amount of lost or delayed tax and other revenues
14 experienced by the local unit due to the public health hazard created
15 by COVID-19 prior to the end of the 24th month next following the
16 end of the Public Health Emergency and State of Emergency
17 declared in the State of New Jersey due to the public health hazard
18 created by COVID-19, and

19 (b) the amount of unanticipated expenses that are incurred by
20 the local unit due to the public health hazard created by COVID-19
21 prior to the end of the 24th month next following the end of the
22 Public Health Emergency and State of Emergency declared in the
23 State of New Jersey due to the public health hazard created by
24 COVID-19.

25 c. ¹The ¹In addition to the amount determined pursuant to
26 paragraph (2) of subsection b. of this section, the¹ total amount of
27 coronavirus relief bonds that a local unit may issue under
28 subsection b. of this section shall not exceed an amount that ¹is the
29 lesser of:

30 (1) an amount that¹ will ¹not¹ cause the local unit to exceed
31 its net debt limitation under N.J.S.40A:2-6, unless otherwise
32 permitted by subsection d. of N.J.S.40A:2-7 ¹; or

33 (2) an amount that will not cause the local unit to exceed the
34 maximum amount of tax anticipation notes the local unit may issue
35 under N.J.S.40A:4-66¹.

36 d. (1) A local unit may use the proceeds from the sale and
37 issuance of coronavirus relief bonds to address a revenue shortfall
38 experienced by the local unit which is directly attributable to the
39 COVID-19 pandemic and which occurred prior to the end of the
40 24th month next following the end of the Public Health Emergency
41 and State of Emergency declared in the State of New Jersey due to
42 the public health hazard created by COVID-19.

43 (2) A local unit may use the proceeds from the sale and issuance
44 of coronavirus relief bonds to cover the costs of unanticipated
45 expenses that are directly attributable to the COVID-19 pandemic,
46 and which were incurred by the local unit prior to the end of the
47 24th month next following the end of the Public Health Emergency

1 and State of Emergency declared in the State of New Jersey due to
2 the public health hazard created by COVID-19.

3 e. A local unit may, in anticipation of the issuance of
4 coronavirus relief bonds, borrow money and issue negotiable notes
5 from time to time, at public or private sale and may, from time to
6 time, renew these notes in accordance with the provisions of section
7 11 of P.L.2003, c.15 (C.40A:2-8.1), however, notwithstanding that
8 provision of law, a note issued in anticipation of the issuance of
9 coronavirus relief bonds may be issued for a period not exceeding
10 two years.

11 f. ¹~~["A coronavirus"]~~ Coronavirus¹ relief ¹~~["bond"]~~ bonds¹, or ¹~~["a~~
12 ~~note"]~~ notes¹ in anticipation thereof, shall be initially issued ¹in one
13 or more series¹ prior to the end of the 24th month next following
14 the end of the Public Health Emergency and State of Emergency
15 declared in the State of New Jersey due to the public health hazard
16 created by COVID-19.

17 g. Final maturity of a coronavirus relief bond shall occur no
18 more than ten years from the initial issuance of the bond ¹~~["or the~~
19 ~~initial issuance of a note in anticipation thereof"]~~¹, however, a local
20 unit may apply to the Local Finance Board for a longer repayment
21 term. If the local unit demonstrates a need for a longer repayment
22 term to the satisfaction of the Local Finance Board, the board may
23 authorize a longer repayment term. The maturity schedule may
24 include a combination of notes and bonds ¹, and such bonds shall
25 mature in amounts, each¹ as deemed appropriate by the local unit.

26 h. The Local Finance Board shall render a decision on an
27 application for approval submitted to it pursuant to this act within
28 45 days of the submission of a complete application to the board,
29 and failure of the board to do so shall result in an approval of the
30 application.

31 i. The Division of Local Government Services may issue
32 guidelines necessary or appropriate to implement the provisions of
33 this act.

34 ¹j. To the extent any provision governing refunding bonds under
35 the "Local Bond Law," N.J.S.40A:2-1 et seq., conflicts with the
36 provisions of this act, the provisions of this act shall govern.

37 k. A county improvement authority may exercise its purpose and
38 power under sections 11 and 12 of P.L.1960, c.183 (C.40:37A-54
39 and C.40:37A-55) to pool loans for local governmental units within
40 the county or any beneficiary county that are refunding bonds for
41 the pooling of coronavirus relief bonds.¹²

42
43 ²1. N.J.S.40A:4-26 is amended to read as follows:

44 a. No miscellaneous revenues from any source shall be
45 included as an anticipated revenue in the budget in an amount in
46 excess of the amount actually realized in cash from the same
47 source during the next preceding fiscal year, unless the director

1 shall determine upon application by the governing body that the
2 facts clearly warrant the expectation that such excess amount will
3 actually be realized in cash during the fiscal year and shall certify
4 such determination, in writing, to the local unit.

5 b. Notwithstanding the provisions of subsection a. to the
6 contrary, when a public health emergency pursuant to the
7 “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et
8 seq.), or a state of emergency, pursuant to P.L.1942, c.251
9 (C.App.A.9-33 et seq.), or both, has been declared by the Governor
10 in response to COVID-19, the Director of the Division of Local
11 Government Services may promulgate general guidance modifying
12 the standard for anticipated revenues when the amount realized in
13 cash from the same source during the next preceding fiscal year
14 experienced reductions due to COVID-19.

15 As used in this subsection, “COVID-19” means the coronavirus
16 disease 2019, as announced by the World Health Organization on
17 February 11, 2020, and first identified in Wuhan, China.²

18 (cf: N.J.S.40A:4-26)

19
20 ²2. N.J.S.40A:4-53 is amended to read as follows:

21 40A:4-53. A local unit may adopt an ordinance authorizing
22 special emergency appropriations for the carrying out of any of the
23 following purposes:

- 24 a. Preparation of an approved tax map.
- 25 b. Preparation and execution of a complete program of
26 revaluation of real property for the use of the local assessor, or of
27 any program to update and make current any previous revaluation
28 program when such is ordered by the county board of taxation.
- 29 c. Preparation of a revision and codification of its ordinances.
- 30 d. Engagement of special consultants for the preparation, and
31 the preparation of a master plan or plans, when required to conform
32 to the planning laws of the State.
- 33 e. Preparation of drainage maps for flood control purposes.
- 34 f. Preliminary engineering studies and planning necessary for
35 the installation and construction of a sanitary sewer system.
- 36 g. Authorized expenses of a consolidation commission
37 established pursuant to the "Municipal Consolidation Act,"
38 P.L.1977, c.435 (C.40:43-66.35 et seq.) or sections 25 through 29 of
39 the "Uniform Shared Services and Consolidation Act," P.L.2007,
40 c.63 (C.40A:65-25 through C.40A:65-29).
- 41 h. Contractually required severance liabilities resulting from
42 the layoff or retirement of employees. Such liabilities shall be paid
43 without interest and, at the sole discretion of the local unit, may be
44 paid in equal annual installments over a period not to exceed five
45 years.
- 46 i. Preparation of a sanitary or storm system map.

1 j. Liabilities incurred to the Department of Labor and
2 Workforce Development for the reimbursement of unemployment
3 benefits paid to former employees.

4 k. Subject to approval by the Director of the Division of Local
5 Government Services, non-recurring expenses incurred by a
6 municipality to implement a consolidation with another
7 municipality, or municipalities, pursuant to the "Municipal
8 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.); the
9 sparsely populated municipalities law, P.L.1995, c.376 (C.40:43-
10 66.78 et seq.); sections 25 through 29 of the "Uniform Shared
11 Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-25
12 through C.40A:65-29); or N.J.S.40A:7-1 et seq., in the case of a
13 consolidation effectuated through the annexation of land comprising
14 an entire municipality or entire municipalities, to another
15 municipality. The director shall approve the ordinance if he or she
16 determines that the non-recurring expenses are reasonable and
17 permissible by law and that the consolidation will result in long-
18 term savings for the municipality.

19 A copy of all ordinances or resolutions as adopted relating to
20 special emergency appropriations shall be filed with the director.

21 l. The immediate preparation, response, recovery, and
22 restoration of public services during such time as a public health
23 emergency, pursuant to the "Emergency Health Powers Act,"
24 P.L.2005, c.222 (C.26:13-1 et seq.), declared in response to
25 COVID-19 remains in effect.

26 m. Notwithstanding the provisions of any law or regulation to
27 the contrary, a deficit in prior year operations experienced by any
28 municipality, utility, or enterprise during, or in the fiscal year
29 immediately following, a fiscal year in which a public health
30 emergency pursuant to the "Emergency Health Powers Act,"
31 P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency,
32 pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, has
33 been declared by the Governor in response to COVID 19, the
34 adoption of which shall be subject to approval of the Director. The
35 deficit in operations shall be certified by the chief financial officer
36 of the local unit to be directly attributable to COVID-19. The local
37 unit shall apply for any financial assistance that may be available to
38 the local unit from the federal government, the State, and other
39 sources to offset any operating deficit directly attributable to
40 COVID-19, and any such financial assistance obtained by the local
41 unit shall be utilized to offset any operating deficit. The chief
42 financial officer of a local unit seeking approval pursuant to this
43 subsection shall submit a certification approved by a majority vote
44 of the full governing body. The director shall provide a form,
45 application, schedule and process for review, approval or denial,
46 and reconsideration of the application.

47 The director shall approve or deny, in writing, any application
48 submitted pursuant to this subsection within 45 days, or the next

1 business day following the 45th day if the 45th day falls on a
2 Saturday, Sunday, or holiday. If a written decision is not rendered
3 within this time period, the application shall be deemed to be
4 approved, and the local unit may proceed to adopt the appropriate
5 resolution or ordinance. If an application is denied, the local unit
6 may resubmit the application with such changes as the local unit
7 deems appropriate, with submission and review subject to the same
8 procedures set forth in this subsection.

9 As used in this subsection, "Deficit in operations" means a
10 deficit balance reported on a local unit's "Results of Operation"
11 schedule of the annual financial statement.

12 As used in subsections l. and m., "COVID-19" means the
13 coronavirus disease 2019, as announced by the World Health
14 Organization on February 11, 2020, and first identified in Wuhan,
15 China.²

16 (cf: P.L.2017, c.101, s.1)

17

18 ²3. N.J.S.40A:4-55 is amended to read as follows:

19 After the adoption of an ordinance or resolution for special
20 emergency appropriations, the local unit shall by 2/3 vote of the
21 full governing body adopt a resolution setting forth:

22 a. The amount appropriated.

23 b. (1) Provision for the borrowing of money and the issuance
24 of "Special Emergency Notes" which may be renewed from time
25 to time, but at least 1/5 of all such notes, and the renewals thereof,
26 shall mature and be paid in each year, so that all notes and renewals
27 shall have matured and have been paid not later than the last day of
28 the fifth year following the date of the emergency resolution.

29 (2) In the case of special emergency appropriations authorized
30 pursuant to subsection m. of N.J.S.40A:4-53, a local unit shall
31 appropriate one-fifth (1/5) of the portion of the special emergency
32 directly attributable to COVID-19 in each year beginning in the
33 year after the year in which the resulting deferred charge appears in
34 the local unit's unaudited annual financial statement, such that, for
35 example, a deferred charge included in the 2021 unaudited annual
36 financial statement would have its first one-fifth (1/5) appropriation
37 in the 2022 budget, with the final one-fifth (1/5) portion of the
38 special emergency fully appropriated by no later than the last day of
39 the sixth fiscal year following the end of the fiscal year that is the
40 subject of the application. If a local unit's application for
41 certification of the special emergency under subsection m. of
42 N.J.S.40A:4-53 demonstrates that full appropriation of the COVID-
43 19 related special emergency appropriation by the last day of the
44 sixth fiscal year will cause significant fiscal distress, including, but
45 not limited to, if it would directly cause an increase in the tax levy
46 greater than 2%, an increase of greater than \$50 per average
47 assessed home in each year deferred charges appear in the local
48 unit's budget, or in the case of a utility, at least a 5% increase in

1 user fees or charges, the Local Finance Board may permit the local
2 unit to extend the repayment period up to a total of ten years on a
3 schedule determined by the Board.

4 (3) A local unit shall not borrow moneys under this section that
5 may be considered duplicative of financial assistance provided to
6 the local unit from the federal government, the State, or other
7 sources, to address the COVID-19 deficit in operations or COVID-
8 19 emergency appropriations. As used in this section, "COVID 19"
9 means the coronavirus disease 2019, as announced by the World
10 Health Organization on February 11, 2020, and first identified in
11 Wuhan, China.

12 The provisions of this chapter relating to tax anticipation notes
13 shall apply to special emergency notes.

14 c. A local unit may finance such appropriation from surplus
15 funds available or borrow money in the manner prescribed above.
16 Where any appropriation is financed from surplus funds available,
17 at least 1/5 of the amount thereof shall be included in each
18 annual budget until the appropriation has been fully provided for.
19 In the case of special emergency appropriations authorized pursuant
20 to subsection m. of N.J.S.40A:4-53, a local unit shall appropriate
21 one-fifth (1/5) of the portion of the special emergency directly
22 attributable to COVID-19 in each year beginning in the year after
23 the year in which the resulting deferred charge appears in the local
24 unit's unaudited annual financial statement, such that, for example,
25 a deferred charge included in the 2021 unaudited annual financial
26 statement would have its first one-fifth (1/5) appropriation in the
27 2022 budget, with the final one-fifth (1/5) portion of the special
28 emergency fully appropriated by no later than the last day of the
29 sixth fiscal year following the end of the fiscal year that is the
30 subject of the application. If a local unit's application for
31 certification of the special emergency under subsection m. of
32 N.J.S.40A:4-53 demonstrates that full appropriation of the COVID-
33 19 related special emergency appropriation by the last day of the
34 sixth fiscal year will cause significant fiscal distress, including, but
35 not limited to, if it would directly cause an increase in the tax levy
36 greater than 2%, an increase of greater than \$50 per average
37 assessed home in each year deferred charges appear in the local
38 unit's budget, or in the case of a utility, at least a 5% increase in
39 user fees or charges, the Local Finance Board may permit the local
40 unit to extend the repayment period up to a total of ten years on a
41 schedule determined by the Board.²

42 (cf: N.J.S.40A:4-55)

43

44 ²4. N.J.S.40A:4-78 is amended to read as follows:

45 40A:4-78. a. If the director finds that all requirements of law
46 and of the regulations of the local government board have been
47 met, he shall approve the budget, otherwise he shall refuse to
48 approve it.

1 The director, in refusing to approve a budget, shall not substitute
2 his discretion with respect to the amount of an appropriation when
3 such amount is not made mandatory because of the requirements of
4 law.

5 b. Notwithstanding the provisions of N.J.S.40A:4-10 and
6 N.J.S.40A:4-76 through 40A:4-79, the Local Finance Board is
7 authorized to adopt rules, pursuant to the "Administrative Procedure
8 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to exempt certain
9 municipalities from the requirement that the director approve their
10 annual budgets and to provide instead for a system of local
11 examination and approval of such budgets by municipal officials,
12 provided that:

13 (1) the director finds that such municipalities are fiscally sound
14 and that their fiscal practices are conducted in accordance with law
15 and sound administrative practice;

16 (2) the director shall examine the budgets of such municipalities
17 in accordance with the provisions of N.J.S.40A:4-10 and
18 N.J.S.40A:4-76 through 40A:4-79, at least every third year;

19 (3) the governing body and chief financial officer of each such
20 municipality shall each file a certification with the director stating
21 that, with reference to the adopted budget of the municipality, they
22 have:

23 (a) examined the budget in the manner prescribed under
24 N.J.S.40A:4-76;

25 (b) determined that the budget complies with the requirements
26 set forth in N.J.S.40A:4-77; and

27 (c) determined that the budget complies with all other
28 provisions of law, including, but not limited to, the "Local Budget
29 Law," N.J.S.40A:4-1 et seq., P.L.1976, c.68 (C.40A:4-45.1 et seq.),
30 and the regulations of the Local Finance Board;

31 (4) all budget documents required by law or the regulations
32 adopted by the Local Finance Board shall be filed with the director
33 on a timely basis;

34 (5) other criteria and responsibilities as established by the
35 regulations adopted by the Local Finance Board are met.

36 c. The director shall act to require immediate compliance with
37 the "Local Budget Law," N.J.S.40A:4-1 et seq., if the director finds
38 that any such exemption impairs the fiscal integrity or solvency of
39 any such municipality. Any appeal of a governing body's action in
40 adopting an annual budget shall be made to the director.

41 d. If a municipality has received approval for a special
42 emergency appropriation pursuant to subsection m. of N.J.S.40A:4-
43 53, that municipality shall not be eligible for local examination and
44 approval pursuant to subsection b. of this section until the fiscal
45 year after the final appropriation is made.²

46 (cf: P.L.1996, c.113, s.13)

1 ²5. (New section) Notwithstanding the provisions of
2 N.J.S.40A:2-51 to the contrary, a local unit may incur indebtedness,
3 borrow money, and authorize and issue negotiable refunding bonds,
4 in any amount determined to be necessary by the local unit and
5 approved by the Local Finance Board to effect a refunding for the
6 purpose of repaying a Federal Emergency Management Agency
7 Community Disaster Loan for which the local unit executed a
8 promissory note in 2013 under the authority of section 5 of
9 P.L.1951, c.72 (C.App.A:9-62), in addition to the other purposes for
10 which it may do the same under N.J.S.40A:2-51.²

11
12 ²6. Section 2 of P.L.1969, c.130 (C.18A:24-61.2) is amended to
13 read as follows:

14 2. Notwithstanding the provisions of any other law or any debt
15 limitation or requirement for down payment or for referendum or
16 other action by legal voters, refunding bonds may be authorized and
17 issued for the purpose of paying, funding or refunding: any
18 refunded bonds; the cost of retiring the present value of the
19 unfunded accrued liability due and owing by a board of education,
20 as calculated by the system actuary for a date certain upon the
21 request of a board of education, for early retirement incentive
22 benefits granted by the board of education pursuant to P.L.1991,
23 c.231, P.L.1993, c.163 and P.L.2003, c.129; the repayment of a
24 Federal Emergency Management Agency Community Disaster Loan
25 for which the board of education executed a promissory note in
26 2013 under the authority of section 5 of P.L.1951, c.72 (C.App.A:9-
27 62); the cost of COVID-19 expenditures incurred for immediate
28 preparation, response, recovery, and restoration of public services,
29 for a period not to exceed five years; and the cost or expense of
30 issuing refunding bonds including printing, advertising, accounting,
31 financial, legal or other expense in connection therewith.
32 Obligations to be paid, funded or refunded with respect to which an
33 ordinance authorizing the issuance of refunding bonds has been
34 adopted pursuant to this act and not otherwise deductible shall be
35 excluded in calculating the net school debt of a municipality or a
36 district. Refunding bonds shall be authorized (a) in the case of any
37 county or municipality by a refunding bond ordinance enacted in
38 the manner or mode of procedure provided for adoption of a
39 refunding bond ordinance pursuant to the Local Bond Law,
40 constituting chapter 2 of Title 40A, Municipalities and Counties, of
41 the New Jersey Statutes, and (b) in the case of a Type II school
42 district by an ordinance (herein called the "refunding bond
43 ordinance") adopted by the board of education of such school
44 district as provided in this chapter. As used in this section,
45 "COVID-19" means the coronavirus disease 2019, as announced by
46 the World Health Organization on February 11, 2020, and first
47 identified in Wuhan, China.²

48 (cf: P.L.2003, c.129, s.12)

1 ²7. Section 6 of P.L.1983, c.313 (C.40A:5A-6) is amended to
2 read as follows:

3 6. Prior to the adoption of a bond resolution by an authority, or
4 the adoption of an ordinance or resolution of a local unit or units
5 authorizing a service contract that is part of a project financing, the
6 proposed project financing shall be submitted to the Local Finance
7 Board for its review. The Local Finance Board may adopt rules and
8 regulations, pursuant to the "Administrative Procedure Act,"
9 P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to
10 proceed without such application and review if the project financing
11 is a refunding that will result in debt service savings on outstanding
12 bond debt. The Local Finance Board shall, in the course of its
13 review, give consideration to:

14 a. The nature, purpose, and scope of the proposed project
15 financing;

16 b. The engineering and feasibility studies prepared in
17 connection therewith;

18 c. The terms and provisions of the proposed service contracts,
19 bond resolutions and, in the instance of a negotiated offering, the
20 proposed or maximum terms and conditions of sale;

21 d. An estimate of the proposed or maximum schedule of debt
22 service payments required, and the impact thereof on the budget and
23 financial condition of the authority and of the local unit;

24 e. The estimate of the annual cost of operating and maintaining
25 the project as set forth in the engineering report or feasibility
26 studies; and

27 f. The initial rate, rent, fee, or charge schedule proposed by the
28 authority, or any other proposed method of raising the amounts
29 required to finance the operations and payments of debt service on
30 the obligations of the authority.

31 Notwithstanding any other provision of law to the contrary, an
32 authority may, upon application to, and review and approval by, the
33 Local Finance Board, incur indebtedness, borrow money, and
34 authorize and issue negotiable refunding bonds to cover the cost of
35 COVID-19 expenditures incurred for immediate preparation,
36 response, recovery, and restoration of public services for a period
37 not to exceed five years. As used herein, "COVID-19" means the
38 coronavirus disease 2019, as announced by the World Health
39 Organization on February 11, 2020, and first identified in Wuhan,
40 China.

41 The Local Finance Board may examine the estimates,
42 computations or calculations made in connection with the
43 submission, may require the production of papers, documents,
44 witnesses or information, may make or cause to be made an audit or
45 investigation and may take any other action which it may deem
46 necessary to its review of the submission.²

47 (cf: P.L.2015, c.95, s.17)

1 ²8. Section 11 of P.L.1960, c.183 (C.40:37A-54) is amended to
2 read as follows:

3 11. a. The purposes of every authority shall be (a) provision
4 within the county or any beneficiary county of public facilities for
5 use by the State, the county or any beneficiary county, or any
6 municipality in any such county, or any two or more or any
7 subdivisions, departments, agencies or instrumentalities of any of
8 the foregoing for any of their respective governmental purposes, (b)
9 provision within the county or any beneficiary county of public
10 facilities for use as convention halls, or the rehabilitation,
11 improvement or enlargement of any convention hall, including
12 appropriate and desirable appurtenances located within the
13 convention hall or near, adjacent to or over it within boundaries
14 determined at the discretion of the authority, including but not
15 limited to office facilities, commercial facilities, community service
16 facilities, parking facilities, hotel facilities and other facilities for
17 the accommodation and entertainment of tourists and visitors, (c)
18 provision within the county or any beneficiary county of structures,
19 franchises, equipment and facilities for operation of public
20 transportation or for terminal purposes, including development and
21 improvement of port terminal structures, facilities and equipment
22 for public use in counties in, along or through which a navigable
23 river flows, (d) provision within the county or any beneficiary
24 county of structures or other facilities used or operated by the
25 authority or any governmental unit in connection with, or relative to
26 development and improvement of, aviation for military or civilian
27 purposes, including research in connection therewith, and including
28 structures or other facilities for the accommodation of passengers,
29 (e) provision within the county or any beneficiary county of a
30 public facility for a combination of governmental and
31 nongovernmental uses; provided that not more than 50% of the
32 usable space in any such facility shall be made available for
33 nongovernmental use under a lease or other agreement by or with
34 the authority, (f) acquisition of any real property within the county
35 or any beneficiary county, with or without the improvements
36 thereof or thereon or personal property appurtenant or incidental
37 thereto, from the United States of America or any department,
38 agency or instrumentality heretofore or hereafter created,
39 designated or established by or for it, and the clearance,
40 development or redevelopment, improvement, use or disposition of
41 the acquired lands and premises in accordance with the provisions
42 and for the purposes stated in this act, including the construction,
43 reconstruction, demolition, rehabilitation, conversion, repair or
44 alteration of improvements on or to said lands and premises, and
45 structures and facilities incidental to the foregoing as may be
46 necessary, convenient or desirable, (g) acquisition, construction,
47 maintenance and operation of garbage and solid waste disposal
48 systems for the purpose of collecting and disposing of garbage,

1 solid waste or refuse matter, whether owned or operated by any
2 person, the authority or any other governmental unit, within or
3 without the county or any beneficiary county, (h) the improvement,
4 furtherance and promotion of the tourist industries and recreational
5 attractiveness of the county or any beneficiary county through the
6 planning, acquisition, construction, improvement, maintenance and
7 operation of facilities for the recreation and entertainment of the
8 public, which facilities may include, without being limited to, a
9 center for the performing and visual arts, (i) provision of loans and
10 other financial assistance and technical assistance for the
11 construction, reconstruction, demolition, rehabilitation, conversion,
12 repair or alteration of buildings or facilities designed to provide
13 decent, safe and sanitary dwelling units for persons of low and
14 moderate income in need of housing, including the acquisition of
15 land, equipment or other real or personal properties which the
16 authority determines to be necessary, convenient or desirable
17 appurtenances, all in accordance with the provisions of this act, as
18 amended and supplemented, (j) planning, initiating and carrying out
19 redevelopment projects for the elimination, and for the prevention
20 of the development or spread of blighted, deteriorated or
21 deteriorating areas and the disposition, for uses in accordance with
22 the objectives of the redevelopment project, of any property or part
23 thereof acquired in the area of such project, (k) any combination or
24 combinations of the foregoing or following, and (l) subject to the
25 prior approval of the Local Finance Board, the planning, design,
26 acquisition, construction, improvement, renovation, installation,
27 maintenance and operation of facilities or any other type of real or
28 personal property within the county for a corporation or other
29 person organized for any one or more of the purposes described in
30 subsection a. of N.J.S.15A:2-1 except those facilities or any other
31 type of real or personal property which can be financed pursuant to
32 the provisions of P.L.1972, c.29 (C.26:2I-1 et seq.) as amended. A
33 county improvement authority shall also have as its purpose the
34 pooling of loans for any local governmental units within the county
35 or any beneficiary county that are refunding bonds in order to
36 achieve more favorable interest rates and terms for those local
37 governmental units.

38 b. In a fiscal year in which a public health emergency, pursuant
39 to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1
40 et seq.), a state of emergency, pursuant to P.L.1942, c.251
41 (C.App.A.9-33 et seq.), or both has been declared by the Governor
42 in response to COVID-19 and during the next following fiscal year,
43 a county improvement authority shall also have as its purpose the
44 pooling of special emergency notes issued by the county or any
45 beneficiary county, or by any local governmental unit within the
46 county or any beneficiary county, pursuant to N.J.S.40A:4-55 for

1 purposes of financing a special emergency appropriation authorized
2 for the purpose set forth in subsections l. and m. of N.J.S.40A:4-
3 53.²

4 (cf: P.L.2002, c.42, s.8)

5

6 ²9. Section 37 of P.L.1960, c.183 (C.40:37A-80) is amended to
7 read as follows:

8 37. a. For the purpose of aiding an authority in the planning,
9 undertaking, acquisition, construction, financing or operation of any
10 facility which the authority is authorized to undertake pursuant to
11 section 11 of P.L.1960, c.183 (C.40:37A-54), the county or any
12 beneficiary county may, pursuant to resolution duly adopted by its
13 governing body, or any municipality in the county or beneficiary
14 county may, by ordinance of its governing body, in the manner
15 provided for adoption of a bond ordinance as provided in the local
16 bond law and with or without consideration and upon such terms
17 and conditions as may be agreed to by and between the county or
18 beneficiary county or the municipality and the authority,
19 unconditionally guarantee the punctual payment of the principal of
20 and interest on any bonds of the authority. Any guaranty of bonds
21 of an authority made pursuant to this section shall be evidenced by
22 endorsement thereof on such bonds, executed in the name of the
23 county or beneficiary county or the municipality and on its behalf
24 by such officer thereof as may be designated in the resolution or
25 ordinance authorizing such guaranty, and such county or
26 municipality shall thereupon and thereafter be obligated to pay the
27 principal of and interest on said bonds in the same manner and to
28 the same extent as in the case of bonds issued by it. Any such
29 guaranty of bonds of an authority may be made, and any resolution
30 authorizing such guaranty may be adopted, notwithstanding any
31 statutory debt or other limitations, including particularly any
32 limitation or requirement under or pursuant to the local bond law,
33 but the principal amount of bonds so guaranteed, shall, after their
34 issuance, be included in the gross debt of such county or
35 municipality for the purpose of determining the indebtedness of
36 such county or municipality under or pursuant to the local bond
37 law. The principal amount of said bonds so guaranteed and
38 included in gross debt shall be deducted and is hereby declared to
39 be and to constitute a deduction from such gross debt under and for
40 all the purposes of said local bond law (a) from and after the time of
41 issuance of said bonds until the end of the fiscal year beginning
42 next after the completion of acquisition or construction of the
43 facility to be financed from the proceeds of such bonds and (b) in
44 any annual debt statement filed pursuant to said local bond law as
45 of the end of said fiscal year or any subsequent fiscal year if the
46 revenues or other receipts or moneys of the authority in such year
47 are sufficient to pay its expenses of operation and maintenance in
48 such year and all amounts payable in such year on account of the

1 principal and interest on all such guaranteed bonds, all bonds of any
2 such county or any municipality issued as provided in section 36 of
3 P.L.1960, c.183 (C.40:37A-79), and all bonds of the authority
4 issued under this act.

5 b. For the purpose of aiding an authority in the issuance of
6 bonds pursuant to subsection b. of section 11 of P.L.1960, c.183
7 (C.40:37A-54), the county or any beneficiary county may, pursuant
8 to a resolution duly adopted by its governing body, unconditionally
9 guarantee the punctual payment of the principal of and interest on
10 any bonds of the authority issued for purposes of the pooling of
11 notes issued pursuant to subsection b. of N.J.S.40A:4-55. Any
12 guaranty of bonds of an authority made pursuant to this subsection
13 shall be evidenced by endorsement thereof on such bonds, executed
14 in the name of the county or beneficiary county and on its behalf by
15 such officer thereof as may be designated in the resolution or
16 ordinance authorizing such guaranty, and such county shall
17 thereupon and thereafter be obligated to pay the principal of and
18 interest on said bonds in the same manner and to the same extent as
19 in the case of bonds issued by it. Any such guaranty of bonds of an
20 authority may be made, and any resolution authorizing such
21 guaranty may be adopted, notwithstanding any statutory debt or
22 other limitations, including particularly any limitation or
23 requirement under or pursuant to the local bond law, but the
24 principal amount of bonds so guaranteed, shall, after their issuance,
25 be included in the gross debt of such county for the purpose of
26 determining the indebtedness of such county under or pursuant to
27 the local bond law. The principal amount of the notes guaranteed
28 and included in gross debt pursuant to this subsection shall be
29 deducted and is hereby declared to be and to constitute a deduction
30 from such gross debt under and for all the purposes of the local
31 bond law.²

32 (cf: P.L.1994, c.76, s.10)

33

34 ²[2.] 10.² This act shall take effect immediately.