

SENATE, No. 1472

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Senator NILSA CRUZ-PEREZ

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.

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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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41 STATEMENT

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43 This bill makes permissive the down payment requirement for
44 counties and municipalities to issue bonds. Under current law, most
45 bond ordinances require an appropriation of at least five percent of the

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.

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