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Approp.

P.L. 2023, CHAPTER 68, *approved June 30, 2023*
Senate, No. 3980

1 AN ACT concerning the “New Jersey Debt Defeasance and
2 Prevention Fund,” and making an appropriation.

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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. There shall be credited \$400,000,000 from the General Fund
8 to the “New Jersey Debt Defeasance and Prevention Fund,”
9 established pursuant to section 1 of P.L.2021, c.125 (C.52:9H-2.2).

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11 2. There is appropriated from the “New Jersey Debt Defeasance
12 and Prevention Fund” \$90,000,000 to the Department of
13 Corrections for the design and construction of a new facility to
14 replace the Edna Mahan Correctional Facility for Women, subject
15 to the approval of the Director of the Division of Budget and
16 Accounting.

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18 3. There is appropriated from the “New Jersey Debt Defeasance
19 and Prevention Fund” \$120,000,000 to the Department of Law and
20 Public Safety for the design and construction of a State Police
21 Training Center, subject to the approval of the Director of the
22 Division of Budget and Accounting.

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24 4. There is appropriated from the “New Jersey Debt Defeasance
25 and Prevention Fund” \$24,000,000 to the South Jersey Port
26 Corporation for the purpose of funding capital projects, including
27 maintenance, repair, and technology projects, subject to the
28 approval of the Director of the Division of Budget and Accounting.

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30 5. a. There is appropriated from the “New Jersey Debt
31 Defeasance and Prevention Fund” \$137,000,000 to the Department
32 of Transportation, which shall be allocated, expended, and
33 administered by the Department of Transportation, subject to the
34 approval of the Director of the Division of Budget and Accounting.
35 The amount herein appropriated to the Department of
36 Transportation shall be used to pay all or any portion of the State
37 match required as a condition of receiving federal funds made
38 available to an eligible entity for a transportation project, as
39 determined by the Commissioner of the Department of
40 Transportation.

1 b. As used in this section:

2 “Eligible entity” means any office, department, board,
3 commission, bureau, division, agency, or instrumentality of the
4 State, including a bi-state agency and the National Passenger
5 Railroad Corporation, eligible to receive federal funds.

6 “Federal funds” means federal formula or competitive funds
7 available for award to applicants under the Infrastructure
8 Investment and Jobs Act, Pub.L.117-58, or the Inflation Reduction
9 Act of 2022, Pub.L.117-169.

10 “State match” means the amount of State funds a successful
11 grantee is required to contribute to a transportation project as a
12 condition of receiving federal funds.

13 “Transportation project” means a capital project for public
14 highways, approach roadways and other necessary land-side
15 improvements, ramps, signal systems, roadbeds, transit lanes or
16 rights of way, pedestrian walkways and bridges connecting to
17 passenger stations and servicing facilities, bridges, and grade
18 crossings undertaken by an eligible entity awarded federal funds
19 and located in New Jersey.

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21 6. a. Notwithstanding the provisions of section 3 of P.L.2021,
22 c.125, there is appropriated from the “New Jersey Debt Defeasance
23 and Prevention Fund” such amounts remaining therein after the
24 appropriations required pursuant to sections 2 through 5 of this act,
25 as determined by the State Treasurer, including any amounts
26 previously deposited therein, for the purpose of retiring and
27 defeasing debts of the State of New Jersey, and the costs thereof, in
28 such manner and at such times as the State Treasurer shall direct. If
29 money is used for debt retirement or defeasance, the State Treasurer
30 shall submit to the Joint Budget Oversight Committee a report
31 describing the manner in which debt retirement and defeasance has
32 been accomplished, including a description of the amounts to be
33 saved and an attestation that describes the manner in which the
34 retired debt benefits the State.

35 b. Notwithstanding the provisions of section 4 of P.L.2021,
36 c.125, there is appropriated from the “New Jersey Debt Defeasance
37 and Prevention Fund” such amounts remaining therein after the
38 appropriations required pursuant to sections 2 through 5 of this act,
39 as determined by the State Treasurer, including any amounts
40 previously deposited therein, for the purpose of funding capital
41 construction projects for which State debt is already authorized by
42 law, or for which funding would have been derived from future
43 State bond issuances, thereby constituting debt avoidance, subject
44 to the approval of the Director of the Division of Budget and
45 Accounting. The State Treasurer shall submit a list of proposed
46 capital projects to the Joint Budget Oversight Committee for
47 approval. The Joint Budget Oversight Committee shall meet not
48 less frequently than quarterly, with the first quarter of the fiscal

1 year beginning on July 1 and ending on September 30, to consider
2 lists of proposed capital projects submitted by the State Treasurer.
3 The Joint Budget Oversight Committee shall meet during the third
4 month of the first quarter of the fiscal year. In the event that the
5 Joint Budget Oversight Committee fails to meet during a given
6 quarter, any recommendation submitted to the Joint Budget
7 Oversight Committee more than 45 days prior to the last day of the
8 quarter shall be deemed approved.

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10 7. This act shall take effect immediately.

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STATEMENT

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15 This bill adds \$400 million from the General Fund to the “New
16 Jersey Debt Defeasance and Prevention Fund,” and appropriates a
17 total of \$371 million in the following manner:

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- \$90 million to the Department of Corrections for the design and construction of a new facility to replace the Edna Mahan Correctional Facility for Women;
- \$120 million to the Department of Law and Public Safety for the design and construction of a State Police Training Center;
- \$24 million to the South Jersey Port Corporation for the purpose of funding capital projects, including maintenance, repair, and technology projects; and
- \$137 million to the Department of Transportation to pay all or any portion of the State match required as a condition of receiving federal funds made available to certain eligible entities for transportation projects.

The bill also authorizes balances remaining in the fund, including amounts previously credited to the fund, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

Finally, the bill establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects recommended by the State Treasurer. If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

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Credits \$400 million to “New Jersey Debt Defeasance and Prevention Fund”; appropriates \$371 million to DOC, DLPS, South Jersey Port Corporation, and DOT; establishes process for authorizing future appropriations for debt defeasance and capital projects.