

SENATE, No. 3980

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 27, 2023

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator TROY SINGLETON

District 7 (Burlington)

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Senator Zwicker and Assemblyman Wimberly

SYNOPSIS

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.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2023)

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

3

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

6

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).

10

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.

17

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.

23

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.

29

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.

41 b. As used in this section:

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

46 “Federal funds” means federal formula or competitive funds
47 available for award to applicants under the Infrastructure

1 Investment and Jobs Act, Pub.L.117-58, or the Inflation Reduction
2 Act of 2022, Pub.L.117-169.

3 “State match” means the amount of State funds a successful
4 grantee is required to contribute to a transportation project as a
5 condition of receiving federal funds.

6 “Transportation project” means a capital project for public
7 highways, approach roadways and other necessary land-side
8 improvements, ramps, signal systems, roadbeds, transit lanes or
9 rights of way, pedestrian walkways and bridges connecting to
10 passenger stations and servicing facilities, bridges, and grade
11 crossings undertaken by an eligible entity awarded federal funds
12 and located in New Jersey.

13

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

28 b. Notwithstanding the provisions of section 4 of P.L.2021,
29 c.125, there is appropriated from the “New Jersey Debt Defeasance
30 and Prevention Fund” such amounts remaining therein after the
31 appropriations required pursuant to sections 2 through 5 of this act,
32 as determined by the State Treasurer, including any amounts
33 previously deposited therein, for the purpose of funding capital
34 construction projects for which State debt is already authorized by
35 law, or for which funding would have been derived from future
36 State bond issuances, thereby constituting debt avoidance, subject
37 to the approval of the Director of the Division of Budget and
38 Accounting. The State Treasurer shall submit a list of proposed
39 capital projects to the Joint Budget Oversight Committee for
40 approval. The Joint Budget Oversight Committee shall meet not
41 less frequently than quarterly, with the first quarter of the fiscal
42 year beginning on July 1 and ending on September 30, to consider
43 lists of proposed capital projects submitted by the State Treasurer.
44 The Joint Budget Oversight Committee shall meet during the third
45 month of the first quarter of the fiscal year. In the event that the
46 Joint Budget Oversight Committee fails to meet during a given
47 quarter, any recommendation submitted to the Joint Budget

1 Oversight Committee more than 45 days prior to the last day of the
2 quarter shall be deemed approved.

3

4 7. This act shall take effect immediately.

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STATEMENT

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

- 12 • \$90 million to the Department of Corrections for the design
13 and construction of a new facility to replace the Edna Mahan
14 Correctional Facility for Women;
- 15 • \$120 million to the Department of Law and Public Safety for
16 the design and construction of a State Police Training
17 Center;
- 18 • \$24 million to the South Jersey Port Corporation for the
19 purpose of funding capital projects, including maintenance,
20 repair, and technology projects; and
- 21 • \$137 million to the Department of Transportation to pay all
22 or any portion of the State match required as a condition of
23 receiving federal funds made available to certain eligible
24 entities for transportation projects.

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

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