

ASSEMBLY, No. 2179

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

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

Introduced Pending Technical Review by Legislative Counsel.



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 five percent] a percentage of the amount of the obligations
13 authorized.

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

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

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

24 3. by emergency appropriation.

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

38 (cf: P.L.2021, c.80, s.1)

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40 2. This act shall take effect immediately.

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STATEMENT

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45 This bill makes permissive the down payment requirement for
46 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.

A2179 MOEN

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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.