

P.L. 2025, CHAPTER 164, *approved December 19, 2025*
Senate, No. 4472

1 AN ACT concerning local bond requirements for certain projects
2 and amending N.J.S.40A:2-11 and N.J.S.40A:2-26.

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

6
7 1. N.J.S.40A:2-11 is amended to read as follows:

8 40A:2-11. a. No bond ordinance shall be finally adopted unless
9 it appropriates to the purpose, or ratably to the respective purposes
10 to be financed, in addition to the obligations thereby authorized, a
11 sum as a down payment which is not less than five percent of the
12 amount of the obligations authorized.

13 b. **[Said]** The sum so appropriated as a down payment **[must]**
14 shall have been made available prior to final adoption of the bond
15 ordinance from any one or more of the following:

16 **[1.] (1)** by provision in a previously adopted budget or
17 budgets of the local unit for down payment or for capital
18 improvement purposes;

19 **[2.] (2)** from moneys then actually held by the local unit and
20 previously contributed for such purpose other than by the local unit;
21 or

22 **[3.] (3)** by emergency appropriation.

23 c. The provisions of this section shall not apply to a bond
24 ordinance which authorizes obligations solely for any purpose
25 referred to in paragraphs a., b., c., d., e., and h. of N.J.S.40A:2-7 or
26 for those bond ordinances which involve projects funded by State
27 grants such as Green Acres, Transportation Trust Fund, and other
28 similar programs, or for those bond ordinances which involve
29 environmental infrastructure projects or transportation projects, as
30 defined in section 3 of P.L.1985, c.334 (C.58:11B-3), or hazard
31 mitigation and resilience projects pursuant to section 5 of P.L.2023,
32 c.63 (C.58:11B-5a), funded by loans from the "New Jersey
33 Infrastructure Bank," created pursuant to section 4 of P.L.1985,
34 c.334 (C.58:11B-4), or the State, acting by and through the
35 Department of Environmental Protection.

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

37
38 2. N.J.S.40A:2-26 is amended to read as follows:

39 40A:2-26. Maturities of all bonds shall be as determined by
40 bond ordinance or by subsequent resolution and within the
41 following limitations:

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.

- 1 a. All bonds shall mature within the period or average period
2 of usefulness determined in the bond ordinance.
- 3 b. All bonds shall mature in annual installments, the first of
4 which shall be payable not more than one year from the date of the
5 bonds. No annual installment shall exceed by more than 100
6 percent the amount of the smallest prior installment.
- 7 c. The first installment of bonds to finance a municipal public
8 utility may be made payable not later than the end of the second
9 year's operation, computed from the estimated date of completion,
10 as fixed in the project report submitted pursuant to this chapter.
- 11 d. Bonds to finance that part of the cost of a local improvement
12 which is to be assessed on property shall mature in annual
13 installments not exceeding in number the number of annual
14 installments or average thereof fixed in the bond ordinance for the
15 payment of special assessments. The first annual installment of
16 such bonds shall be payable not more than two years from the date
17 of the bonds, and no annual installment shall exceed the amount of
18 the smallest prior installment.
- 19 e. A governing body which has concluded that the limitations
20 as to maturities or amounts of annual installments will adversely
21 affect the financial position of the local unit, may make written
22 application to the Local Finance Board setting forth its conclusion
23 and the reasons therefor and the desired maturities or the amounts
24 of annual installments for bonds about to be issued. If the Local
25 Finance Board finds **[such]** the conclusion to be well founded, it
26 may, by order, fix the maturities or amounts of annual installments
27 of **[such]** the bonds as desired by the local unit, or fix any **[such]**
28 other maturities or amounts of annual installments which the
29 circumstances warrant. Application to the Local Finance Board
30 shall not be required if the maturities or the amounts of annual
31 installments have been determined by (1) the "New Jersey
32 Infrastructure Bank," created pursuant to section 4 of P.L.1985,
33 c.334 (C.58:11B-4), in connection with a loan made by the trust
34 relating to the financing of one or more environmental
35 infrastructure projects or transportation projects as defined in
36 section 3 of P.L.1985, c.334 (C.58:11B-3) or hazard mitigation and
37 resilience projects pursuant to section 5 of P.L.2023, c.63
38 (C.58:11B-5a), or (2) the State, acting by and through the
39 Department of Environmental Protection, in connection with a loan
40 made by the State, relating to the financing of one or more
41 environmental infrastructure projects as defined in section 3 of
42 P.L.1985, c.334 (C.58:11B-3).
- 43 f. The governing body, by resolution, may provide for a single
44 and combined issue of bonds not exceeding the aggregate amount of
45 bonds authorized by two or more bond ordinances. The bonds of
46 such issue shall mature within the average period of usefulness
47 which shall be determined in said resolution, taking into
48 consideration the respective amount of bonds authorized by each of

1 the bond ordinances and the period or average period of usefulness
2 therein determined. The provisions of this chapter applicable to the
3 sale and issuance of a single issue of bonds shall apply to the sale
4 and issuance of such combined issue of bonds.

5 g. The governing body, by resolution, may allow the
6 adjustment of, or otherwise delegate to a finance officer the
7 authority to adjust, the maturity schedule of the bonds, up to 24
8 hours prior to the time advertised for the receipt of bids and within
9 24 hours after the award of bids; provided that no maturity schedule
10 adjustment shall exceed 10 percent of the principal for any maturity
11 with the aggregate adjustment to maturity not to exceed 10 percent
12 of the principal for the overall issue. When an adjustment has been
13 made to a maturity schedule previously approved by the Local
14 Finance Board, a copy of the final maturity schedule which meets or
15 complies with the limitations in this subsection shall be filed with
16 the board within 30 days of the sale and shall be conclusively
17 deemed to have been approved by the board.

18 (cf: P.L.2021, c.80, s.2)

19
20 3. This act shall take effect immediately.

21 22 23 STATEMENT

24
25 This bill amends the local bond law to exempt a local
26 government from appropriating an amount equal to five percent of
27 the amount of obligations for local bond ordinances involving
28 hazard mitigation and resilience projects.

29 The bill also exempts a local government from applying to the
30 local finance board concerning the maturity and amount of annual
31 installment payments related to the financing of local bond
32 ordinances involving hazard mitigation and resilience projects.

33 The bill also makes technical corrections to existing law.
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38 Eliminates five percent down payment requirement for local
39 bond ordinances involving hazard mitigation and resilience
40 projects.