

**SENATE, No. 3119**

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**STATE OF NEW JERSEY**

**221st LEGISLATURE**

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INTRODUCED APRIL 15, 2024

**Sponsored by:**

**Senator NILSA I. 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.



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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 or**  
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.**

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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.