

SENATE, No. 4566

STATE OF NEW JERSEY
222nd LEGISLATURE

INTRODUCED SEPTEMBER 28, 2026

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.



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. The sum so appropriated as a down payment shall have been
15 made available prior to final adoption of the bond ordinance from
16 any one or more of the following:

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

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

23 (3) by emergency appropriation.

24 c. **[The provisions of this section shall not apply to a bond**
25 **ordinance which authorizes obligations solely for any purpose**
26 **referred to in paragraphs a., b., c., d., e., and h. of N.J.S.40A:2-7;**
27 **for those bond ordinances which involve projects funded by State**
28 **grants such as Green Acres, Transportation Trust Fund, and other**
29 **similar programs; or for those bond ordinances which involve**
30 **environmental infrastructure projects or transportation projects, as**
31 **defined in section 3 of P.L.1985, c.334 (C.58:11B-3), or hazard**
32 **mitigation and resilience projects pursuant to section 5 of P.L.2023,**
33 **c.63 (C.58:11B-5a), funded by loans from the "New Jersey**
34 **Infrastructure Bank," created pursuant to section 4 of P.L.1985,**
35 **c.334 (C.58:11B-4), or the State, acting by and through the**
36 **Department of Environmental Protection.]** (Deleted by amendment,
37 P.L. , c.) (pending before the Legislature as this bill)
38 (cf: P.L.2025, c.164, s.1)

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40 2. This act shall take effect immediately.

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43 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
47 bond ordinances require an appropriation of at least five percent of the

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.

S4566 CRUZ-PEREZ

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1 amount of the authorized obligation for final adoption of the bond
2 ordinance. Although this appropriation is excluded from the property
3 tax levy cap, relief from the requirement to make the down payment is
4 intended to free-up scarce resources for other purposes of the county
5 or municipality.