

# ASSEMBLY, No. 4175

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 28, 2020

**Sponsored by:**

**Assemblywoman ELIANA PINTOR MARIN**

**District 29 (Essex)**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Co-Sponsored by:**

**Assemblywoman Jasey**

**SYNOPSIS**

“New Jersey COVID-19 Emergency Bond Act,” authorizes issuance of State bonds totaling \$5 billion and authorizes borrowing from federal government.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/4/2020)

1 AN ACT authorizing the creation of a debt of the State of New  
2 Jersey by the issuance of bonds of the State in the aggregate  
3 principal amount of \$5,000,000,000 for the purpose of  
4 responding to the fiscal exigencies caused by the COVID-19  
5 Pandemic; authorizing the Governor to apply for and receive  
6 federal stimulus loans for the benefit of the State; authorizing the  
7 Governor to apply for and receive federal stimulus loans for the  
8 benefit of local government units; authorizing the issuance of  
9 refunding bonds and emergency liquidity notes; and providing  
10 the ways and means to pay and discharge the principal of and  
11 interest on the bonds.

12

13 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
14 *of New Jersey:*

15

16 1. This act shall be known and may be cited as the “New Jersey  
17 COVID-19 Emergency Bond Act.”

18

19 2. The Legislature finds and declares that:

20 a. Due to the increase in the number of SARS-CoV-2 novel  
21 coronavirus (“COVID-19”) cases in New Jersey, the surrounding  
22 region and across the globe, the Governor of the State of New  
23 Jersey (the “Governor”) issued Executive Order No. 103 declaring a  
24 public health emergency and a state of emergency in the State of  
25 New Jersey (the “State”) on March 9, 2020. The declaration allows  
26 for certain executive actions to respond to the increasing number of  
27 COVID-19 cases in the State.

28 b. On March 11, 2020, the World Health Organization declared  
29 the COVID-19 outbreak a pandemic, and on March 13, 2020, the  
30 President of the United States proclaimed that the COVID-19  
31 outbreak constituted a national emergency.

32 c. On March 16, 2020, the Governor issued Executive Order  
33 No. 104, whereby the Governor ordered restrictions, including that  
34 all K-12 schools be closed (with limited exceptions); all universities  
35 and colleges in the State cease in-person instruction; casinos,  
36 racetracks, in-person sports wagering, gyms and fitness centers, and  
37 entertainment centers be closed; non-essential businesses cease  
38 operations from 8:00 p.m. to 5:00 a.m., and when open, adhere to  
39 limited occupancy restrictions; and all restaurants and bars close  
40 except for delivery or take-out services.

41 d. On March 19, 2020, the Governor issued Executive Order  
42 No. 105, whereby the Governor, among other things, ordered that  
43 certain local elections scheduled during the rest of March and in  
44 April be moved to May 12, 2020, and that all elections on May 12,  
45 2020, take place via mail-in ballot only.

46 e. On March 19, 2020, the Governor issued Executive Order  
47 No. 106, whereby the Governor, among other things, ordered that  
48 no lessee, tenant, homeowner or any other person shall be removed

1 from a residential property by foreclosure or eviction; and that  
2 enforcement of all judgments for possession, warrants for removal,  
3 and writs of possession are stayed while Executive Order No. 106 is  
4 in effect, unless the court hearing the matter determines that  
5 enforcement is necessary in the interests of justice.

6 f. On March 21, 2020, the Governor issued Executive Order  
7 No. 107, which superseded the operative paragraphs of Executive  
8 Order No. 104 and whereby the Governor ordered that for the most  
9 part all State residents remain home or at their place of residence  
10 except for certain very limited exceptions. The Governor also  
11 ordered that all non-essential retail businesses be closed to the  
12 public.

13 g. On March 21, 2020, the Governor issued Executive Order  
14 No. 108, whereby the Governor ordered that any county or  
15 municipal restriction imposed in response to COVID-19 that in any  
16 way conflicts with the provisions of Executive Order No. 107 is  
17 invalidated; and no municipality, county or any agency or political  
18 subdivision of the State may enact any order, rule, regulation,  
19 ordinance, or resolution which would conflict with Executive Order  
20 No. 107.

21 h. On March 23, 2020, the Governor issued Executive Order  
22 No. 109, whereby the Governor ordered all elective surgeries  
23 suspended as of March 27, 2020.

24 i. On March 25, 2020, the Governor issued Executive Order  
25 No. 110, whereby the Governor ordered all child care centers to  
26 close, except those certified to care for the children of essential  
27 persons, including essential government employees; health care  
28 workers; law enforcement personnel; fire and emergency services  
29 personnel; staff at correctional facilities; individuals employed at  
30 emergency child care centers operating on or after April 1, 2020;  
31 group home and shelter staff; essential government employees who  
32 are unable to work from home, including child protection services  
33 workers, child welfare workers, foster care workers, unemployment  
34 compensation processing staff, and public health employees; and  
35 certain critical workers at essential retail business.

36 j. On March 28, 2020, the Governor issued Executive Order  
37 No. 111, whereby the Governor ordered health care facilities to  
38 report data concerning their capacity and supplies on a daily basis.

39 k. On April 1, 2020, the Governor issued Executive Order No.  
40 112, whereby the Governor ordered the removal of various statutory  
41 barriers applicable to various health care professionals and provided  
42 immunity to health care professionals and health care facilities  
43 aiding in the response by the State to the COVID-19 Pandemic.

44 l. On April 2, 2020, the Governor issued Executive Order No.  
45 113, whereby the Governor authorized the State Director of  
46 Emergency Management, who is the Superintendent of State Police,  
47 to use the Governor's full authority to reallocate medical resources  
48 to the regions and health care facilities affected by COVID-19, to

1 take or use, subject to the compensation provisions of the New  
2 Jersey Civilian Defense and Disaster Control Act, personal services  
3 and/or real or personal property, including medical resources, for  
4 the purpose of protecting or promoting the public health, safety, or  
5 welfare.

6 m. On April 3, 2020, the Governor issued Executive Order No.  
7 114, whereby the Governor ordered that the flags of the United  
8 States of America and of New Jersey shall be flown at half-staff at  
9 all State buildings in recognition and mourning of all those who  
10 have lost their lives and have been affected by COVID-19.

11 n. On April 6, 2020, the Governor issued Executive Order No.  
12 115, whereby the Governor authorized, for the duration of the  
13 public health emergency and the state of emergency, the return by  
14 retirees of government agencies to employment without having to  
15 re-enroll in any retirement system.

16 o. On April 7, 2020, the Governor issued Executive Order No.  
17 116, whereby the Governor extended the deadline to June 9, 2020,  
18 for the governing body of each municipality, after consultation with  
19 the school board of education, to present and to certify a tax levy to  
20 the county board of taxation; school districts that were scheduled to  
21 have their annual board of education elections on April 21, 2020,  
22 but which were postponed to May 12, 2020, have until June 5, 2020  
23 to provide notice to non-tenured teaching staff members as to  
24 whether they will be employed for the next succeeding year and  
25 such non-tenured teaching staff members have until June 22, 2020  
26 to accept such employment offers by such school districts; the terms  
27 of school board of education members whose terms were set to  
28 expire at the first organizational meeting following the postponed  
29 April 21, 2020 election shall be extended to the first organizational  
30 meeting following the May 12, 2020 election; and the terms of such  
31 school board of education members elected at the May 12, 2020  
32 election shall run as though they had taken office at the first  
33 organizational meeting following the originally scheduled April 21,  
34 2020 election.

35 p. On April 7, 2020, the Governor issued Executive Order No.  
36 117, whereby the Governor, among other things, waived and  
37 cancelled the eighth-grade student assessment for the 2019-2020  
38 school year; waived and cancelled the twelfth-grade student  
39 assessment for any student who is expected to graduate in the class  
40 of 2020, but who had not, as of March 18, 2020, met such  
41 graduation assessment requirement; waived the requirement that  
42 student growth data be used as a measure of educator effectiveness  
43 in the overall evaluation of any educator; and waived the  
44 requirement of three observations and evaluations for all non-  
45 tenured teaching staff for the 2019-2020 school year.

46 q. On April 7, 2020, the Governor issued Executive Order No.  
47 118, whereby the Governor ordered that all State parks and forests  
48 and all county parks be closed to the public.

1       r. On April 7, 2020, the Governor issued Executive Order No.  
2 119, whereby the Governor ordered that all executive orders, and all  
3 Executive Branch department and agency actions, including any  
4 administrative orders adopted in whole or in part based on the  
5 authority under the Emergency Health Powers Act, P.L.2005, c.222  
6 (C.26:13-1, et seq.), remain in full force in effect.

7       s. On April 8, 2020, the Governor issued Executive Order No.  
8 120, whereby the Governor ordered the federal and State primary  
9 elections scheduled for June 2, 2020, be postponed and rescheduled  
10 for July 7, 2020; and any other election scheduled for a date on or  
11 between May 13, 2020, and July 7, 2020, be postponed and  
12 rescheduled for July 7, 2020.

13       t. On April 8, 2020, the Governor issued Executive Order No.  
14 121, whereby the Governor authorized motor vehicles transporting  
15 relief supplies necessary for the response to the COVID-19  
16 Pandemic public health emergency and state of emergency via  
17 certain interstate highways and toll roads in the State to receive  
18 special permits from the Department of Transportation to increase  
19 the maximum motor vehicle weight on a vehicle with a minimum of  
20 five axles.

21       u. On April 8, 2020, the Governor issued Executive Order No.  
22 122, whereby the Governor ordered: (1) essential retail businesses  
23 that are permitted to maintain in-person operations pursuant to  
24 Executive Order No. 107, to limit occupancy to fifty percent of the  
25 stated maximum store capacity, establish hours of operation that  
26 permit access solely to high-risk individuals as defined by the  
27 Centers for Disease Control and Prevention, install physical barriers  
28 between customers and cashiers/baggers to ensure six feet of  
29 distance between those individuals, require infection control  
30 practices for employees and provide employees break time for  
31 repeated handwashing throughout the workday, arrange for  
32 contactless pay, pickup and delivery options, provide sanitization  
33 materials to staff and customers, require frequent sanitization of  
34 high-touch areas such as restrooms, credit card machines, keypads,  
35 counters and shopping carts, demarcate six feet of spacing in check-  
36 out lines, and require employees and customers to wear cloth face  
37 coverings while on premises; (2) all non-essential construction  
38 projects to cease; (3) all manufacturing businesses, warehousing  
39 businesses and businesses engaged in essential construction projects  
40 (as defined in the Executive Order) to limit the number of persons  
41 at the worksite concurrently and to adopt social distancing and  
42 infection control, mitigation and sanitization policies to prevent the  
43 spread of COVID-19; (4) all manufacturing businesses,  
44 warehousing businesses and businesses engaged in essential  
45 construction projects to adopt policies to address situations where  
46 an employee appears to demonstrate COVID-19 symptoms during  
47 the work day, to notify employees of potential exposure to COVID-  
48 19, to clean and disinfect worksite areas, and to maintain a clean

1 and safe workplace environment; and (5) businesses authorized to  
2 maintain in-person operations pursuant to Executive Order No. 107,  
3 to adopt certain cleaning protocols where operations are conducted.

4 v. On April 9, 2020, the Governor issued Executive Order No.  
5 123, whereby the Governor ordered certain insurance companies not  
6 to cancel policies during the emergency grace periods as a result of  
7 nonpayment of premiums; and authorized the Commissioner of  
8 Banking and Insurance to extend the emergency grace periods  
9 further as necessary to protect the interests of policyholders,  
10 beneficiaries and the public.

11 w. On April 10, 2020, the Governor issued Executive Order No.  
12 124, whereby the Governor authorized a process for the release of  
13 inmates by means of parole or temporary emergency medical home  
14 confinement to reduce the threat to inmates posed by COVID-19 in  
15 a correctional setting.

16 x. On April 11, 2020, the Governor issued Executive Order No.  
17 125, whereby the Governor ordered New Jersey Transit, private  
18 New Jersey Transit-affiliated motor carriers, private unaffiliated  
19 motor carriers, and private paratransit carriers to establish infection  
20 control, mitigation and sanitization policies to prevent the spread of  
21 COVID-19; restaurants, cafeterias, dining establishments, food  
22 courts, bars, and other holders of liquor licenses with retail  
23 consumption privileges that are continuing to offer food delivery  
24 and/or take-out services pursuant to Executive Order No. 107 to  
25 adopt social distancing and infection control, mitigation and  
26 sanitization policies to prevent the spread of COVID-19.

27 y. On April 13, 2020, the Legislature passed P.L.2020, c.19,  
28 whereby the Legislature: (1) extended the due date for the filing of  
29 quarterly and annual returns and the payment of tax due pursuant to  
30 the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., or  
31 the "Corporation Business Tax Act (1945)," P.L.1945, c.162  
32 (C.54:10A-1 et seq.), from April 15, 2020 to July 15, 2020; and (2)  
33 for purposes of the State's general appropriation law, provided that  
34 the State fiscal year scheduled to end on June 30, 2020, shall end on  
35 September 30, 2020, and the subsequent fiscal year shall begin on  
36 October 1, 2020, and shall end on June 30, 2021.

37 z. On April 13, 2020, the Governor issued Executive Order No.  
38 126, whereby the Governor ordered that no cable or  
39 telecommunications provider that provides residential internet and  
40 voice services to State residents shall terminate such internet and  
41 voice services due to nonpayment during the public health  
42 emergency and state of emergency; authorized a cable or  
43 telecommunications provider to State residents to downgrade or  
44 reduce the quality of residential internet or voice services due to  
45 nonpayment only if acting according to a policy approved in writing  
46 by the New Jersey Board of Public Utilities; authorized a cable or  
47 telecommunications provider to State residents to collect a fee or  
48 charge imposed for late payments relating to residential internet

1 service or imposed for reconnection of voice services only if acting  
2 according to a policy approved in writing by the New Jersey Board  
3 of Public Utilities; and authorized reconnection of residential  
4 internet or voice services which were discontinued due to  
5 nonpayment after March 16, 2020, including where the  
6 disconnection was for unpaid bills incurred prior to March 16,  
7 2020, at no cost to the customer beyond the actual costs incurred by  
8 the provider.

9 aa. On April 14, 2020, the Governor issued Executive Order No.  
10 127, whereby the Governor ordered an extension of deadlines in  
11 contested cases and for filing of any recommended report or  
12 decision under the “Administrative Procedure Act,” P.L.1968, c.410  
13 (C.52:14B-1, et seq.), unless the contested case is proceeding as  
14 emergent or is on appeal to the Civil Service Commission from  
15 certain adverse actions; ordered an extension of the deadline for  
16 notices of rule proposal if the rule proposal was published in the  
17 New Jersey Register on or after April 15, 2019, and the notice of  
18 rule proposal would otherwise expire without the benefit of such an  
19 extension; ordered an extension of the deadline for any Executive  
20 Branch department or agency to act on any currently pending  
21 petition for rulemaking or on any petition for rulemaking filed  
22 during the public health emergency, or any Executive Branch  
23 department or agency rule prescribing procedures for the  
24 consideration and disposition of petitions for rulemaking; ordered  
25 an extension of the expiration date of any rule scheduled to expire  
26 during the public health emergency; authorized the further  
27 extension of any deadline or expiration date upon request of the  
28 Executive Branch department or agency and upon written approval  
29 of the Governor; and extended the deadline by which any State  
30 officer or employee is required to file a financial disclosure  
31 statement pursuant to Executive Order No. 2 (Murphy 2018 ) or a  
32 conflict of interest form pursuant to Executive Order No. 14  
33 (Corzine 2006) to July 31, 2020.

34 bb. On April 24, 2020, the Governor issued Executive Order No.  
35 128, whereby the Governor authorized the use of security deposits,  
36 upon the request from a tenant, to pay or be credited against rent  
37 payments due or to become due from the tenant during the public  
38 health emergency or up to sixty days after the public health  
39 emergency terminates.

40 cc. On April 27, 2020, the Governor issued Executive Order No.  
41 129, whereby the Governor ordered the extension of all retired  
42 officer carry permits that expire during the public health emergency  
43 for a period of 90 days after the end of the public health emergency,  
44 provided that the permit holder submits a renewal application prior  
45 to the expiration of their existing permit or prior to May 4, 2020,  
46 which is later, and the permit holder submits proof of qualification  
47 on the use of their weapon.

1 dd. On April 28, 2020, the Governor issued Executive Order No.  
2 130, whereby the Governor authorized the governing body of any  
3 municipality in the State to adopt a resolution instituting a grace  
4 period concluding on a date no later than June 1, 2020, for the  
5 payment of second-quarter property taxes for municipalities on a  
6 calendar year budget cycle and for the payment of fourth-quarter  
7 property taxes for municipalities on a State fiscal year (July 1 to  
8 June 30) budget cycle.

9 ee. On April 28, 2020, the Governor issued Executive Order No.  
10 131, whereby the Governor established the Governor's Restart and  
11 Recovery Commission to provide advice and guidance to the  
12 Governor for reopening the State economy in a way that is  
13 consistent with the State's public health efforts to slow the spread  
14 of COVID-19.

15 ff. On April 29, 2020, the Governor issued Executive Order No.  
16 132, whereby the Governor authorized electronic submission of  
17 initiative and referendum petitions to county clerks and municipal  
18 clerks in addition to hand delivery of such petitions; authorized  
19 county clerks and municipal clerks to also accept electronic  
20 signatures on such petitions via an online form; and suspended the  
21 statutory requirement for a notarized affidavit to be submitted  
22 attesting to the validity of signatures on such petitions.

23 gg. On April 29, 2020, the Governor issued Executive Order No.  
24 133, whereby the Governor ordered the reopening of State parks  
25 and forests for passive recreational activities in which social  
26 distancing can be readily achieved but ordered that certain other  
27 activities remain closed; set forth restrictions, recommendations and  
28 policies for social distancing at State parks and forests; ordered the  
29 opening of county parks; and ordered that social distancing  
30 restrictions, recommendations and policies be followed at county  
31 and municipal parks, and at golf courses that are opened to the  
32 public.

33 hh. The COVID-19 Pandemic has had a severe impact on the  
34 State's economy. The long-term and short-term capital markets  
35 have experienced significant deterioration in value and increased  
36 volatility, which can affect the liquidity and results of operations of  
37 businesses in the State and the State economy as a whole and which  
38 has significantly and materially adversely affected and continues to  
39 significantly and materially adversely affect the State's financial  
40 resources for Fiscal Year 2020 and Fiscal Year 2021.

41 ii. The impact of COVID-19 on the State, its economy, budget  
42 and finances is unpredictable and rapidly changing, but events  
43 surrounding COVID-19 will severely and negatively impact the  
44 State's economy and financial condition. Some of the negative  
45 impacts that the State has currently identified include:

46 (1) The State expects precipitous declines in revenues in Fiscal  
47 Year 2020 and Fiscal Year 2021, which include significant  
48 reductions in gross income tax revenues, corporation business tax



1 revenues, and sales and use tax revenues due to required business  
2 shutdowns; motor fuels taxes due to mandated “stay-at home”  
3 orders; casino-related taxes due to casino closures; and lottery sales  
4 which have already started to decline;

5 (2) The State expects that it will need to significantly revise the  
6 estimated revenues and projected appropriations for Fiscal Years  
7 2020 and 2021 contained in the Governor’s Budget Message for  
8 Fiscal Year 2021 on February 25, 2020, which was delivered before  
9 the outbreak of COVID-19 within the State; and

10 (3) The State may encounter future increases in the State’s  
11 actuarially recommended contributions to the State’s pension plans  
12 to the extent that the valuation of pension plans is affected by the  
13 deterioration in value in the investment markets.

14 jj. Events surrounding COVID-19 have caused and will  
15 continue to cause severe and negative impacts on the economy and  
16 financial condition of the State’s local government units and has  
17 increased and will continue to increase volatility in long-term and  
18 short-term capital markets on which local government units rely to  
19 meet operating expenses.

20 kk. From April 29, 2020 to the present, the Legislature and the  
21 Governor have continued to seek ways to restart the State economy  
22 and recover from the financial problems resulting from the COVID-  
23 19 Pandemic.

24 ll. It is necessary for the State to take action to ensure the  
25 continued viability of the State’s and local government units’  
26 financial condition and to assist the State’s population in dealing  
27 with the financial and economic problems resulting from the  
28 COVID-19 Pandemic through the issuance of general obligations  
29 bonds, and borrowings from the federal government pursuant to this  
30 act to provide financial resources for the State budget and for local  
31 government units’ budgets.

32 mm. This act authorizes the issuance of bonds, and borrowing  
33 from the federal government in accordance with Article VIII,  
34 Section II, paragraph 3, subparagraph e. of the Constitution of the  
35 State to respond to the fiscal exigencies caused by the COVID-19  
36 Pandemic and to maintain and preserve the fiscal integrity of the  
37 State and its local government units.

38

39 3. The following words or terms as used in this act shall have  
40 the following meanings unless a different meaning clearly appears  
41 from the context:

42 “Bonds” means any bonds, notes or other obligations authorized  
43 to be issued under this act.

44 “COVID-19” means the SARS-CoV-2 novel coronavirus.

45 “COVID-19 Pandemic” means the outbreak of COVID-19  
46 throughout the world, declared to be a pandemic by the World  
47 Health Organization on March 11, 2020.

1       “Director” means the Director of the Division of Local  
2 Government Services in the Department of Community Affairs.

3       “Emergency Liquidity Notes” means bonds authorized to be  
4 issued pursuant to subsection d. of section 4 of this act.

5       “Federal Government” means the United States of America, any  
6 agency or instrumentality of the United States of America and any  
7 other entity, including, without limitation, any facility or special  
8 purpose vehicle, that is authorized to make loans to the State or to  
9 the State on behalf of local government units pursuant to any  
10 federal stimulus law. The term “Federal Government” is to be  
11 interpreted broadly with the intent that the State shall be authorized  
12 to borrow from such lenders as may be necessary or desirable to  
13 enable the State to receive loans under or pursuant to federal  
14 stimulus laws to the fullest extent possible.

15       “Federal stimulus laws” means any federal laws enacted to  
16 address the fiscal and economic crisis resulting from the COVID-19  
17 Pandemic, including but not limited to the Coronavirus Aid, Relief  
18 and Economic Security Act (“CARES Act”), Pub.L.116-136,  
19 codified at 134 Stat. 281 or any other federal stimulus law related to  
20 the COVID-19 Pandemic, and any other federal laws that may  
21 authorize or support lending to the State or to the State on behalf of  
22 its local government units, including, but not limited to, Section  
23 13(3) of the Federal Reserve Act, which laws, among other things,  
24 provide for loans or grants to the State and to the State on behalf of  
25 its local government units to address the economic crisis.

26       “Financial assistance” means the provision of any loans to or the  
27 purchase of any local government securities from local government  
28 units for the purpose of providing monetary relief to local  
29 government units to address adverse fiscal impacts resulting from  
30 the COVID-19 Pandemic.

31       “Government securities” means any bonds or other obligations  
32 which as to principal and interest constitute direct obligations of, or  
33 are unconditionally guaranteed by, the United States of America,  
34 including obligations of any federal agency, to the extent those  
35 obligations are unconditionally guaranteed by the United States of  
36 America, and any certificates or any other evidences of an  
37 ownership interest in those obligations of, or unconditionally  
38 guaranteed by, the United States of America or in specified portions  
39 which may consist of the principal of, or the interest on, such  
40 obligations. Except for purposes of Sections 20 and 21 of this act,  
41 the term “government securities” shall also include local  
42 government securities.

43       “Local government unit” means a county, municipality, or other  
44 political subdivision of the State or any agency, authority, or other  
45 governmental entity thereof.

46       “Local government securities” means, securities, notes, warrants,  
47 bond anticipation notes, commercial paper, certificates of  
48 indebtedness, certificates of participation in any lease or sale, or

1 any other evidence of indebtedness that is a general obligation of, or  
2 an obligation guaranteed as to principal and interest by, an  
3 investment grade local government unit.

4 “New Jersey COVID-19 State Emergency Fund” means the fund  
5 by that name created and established pursuant to section 13 of this  
6 act.

7 “New Jersey COVID-19 State Emergency Liquidity Fund”  
8 means the fund by that name created and established pursuant to  
9 section 13 of this act.

10 “New Jersey COVID-19 State Stimulus Fund” means the fund by  
11 that name created and established pursuant to section 13 of this act.

12 “New Jersey COVID-19 Local Government Unit Emergency  
13 Fund” means the fund by that name created and established  
14 pursuant to section 13 of this act.

15 “Refund” or “Refunding” means providing for the payment of a  
16 bond on or prior to its maturity or upon redemption or prepayment  
17 prior to maturity, as authorized in this act.

18 “Refunding bonds” means any bonds issued under this act to  
19 refund bonds previously issued pursuant to this act.

20 “State” means the State of New Jersey.

21

22 4. a. Bonds of the State of New Jersey are authorized to be  
23 issued to address the State’s financial problems that have arisen as a  
24 consequence of the COVID-19 Pandemic. The bonds authorized  
25 pursuant to this subsection a. of section 4 of this act are authorized  
26 to be issued in the aggregate principal amount of \$5,000,000,000.

27 b. In addition to bonds authorized pursuant to subsection a. of  
28 this section 4, notwithstanding any other law to the contrary, the  
29 State, acting through the Governor or through the State Treasurer  
30 with the consent of the Governor, is hereby authorized to borrow  
31 from the federal government for the benefit of the State in such  
32 amounts and on such terms as the federal government sets forth in  
33 or pursuant to any federal stimulus law. Any such monies received  
34 shall be considered monies deposited with the State by the  
35 government of the United States for purposes of Article VIII,  
36 Section II, paragraph 3, subparagraph e. of the Constitution of the  
37 State. Any such borrowing shall be treated as a bond for the  
38 purposes of sections 7, 23, and 24 of this act.

39 c. In addition to bonds authorized pursuant to subsections a.  
40 and b. of this section 4, the State, acting through the Governor or  
41 through the State Treasurer with the consent of the Governor, is  
42 hereby authorized to borrow from the federal government in such  
43 amounts and on such terms as the federal government sets forth in  
44 or pursuant to any federal stimulus law for the purpose of providing  
45 financial assistance to local government units, provided, however,  
46 that the State shall not borrow from the federal government  
47 pursuant to this subsection c. for the purpose of providing financial  
48 assistance to local government units that are eligible on their own

1 behalf to borrow from the federal government pursuant to any  
2 federal stimulus law.

3 Any such monies received shall be considered monies deposited  
4 with the State by the government of the United States for purposes  
5 of Article VIII, Section II, paragraph 3, subparagraph e. of the  
6 Constitution of the State. Any such borrowing shall be treated as a  
7 bond for the purposes of sections 7, 23 and 24 of this act.  
8 Applications from local government units for financial assistance  
9 shall be received by the Director. Such financial assistance shall be  
10 allocated where needed to assist a local government unit suffering  
11 from serious fiscal distress due to the COVID-19 Pandemic to meet  
12 immediate budgetary needs and regain financial stability. Evidence  
13 of severe financial distress may include, but shall not be limited to:  
14 limited ability to raise supplemental non-property tax revenues,  
15 extraordinary demands for public safety appropriations, difficulties  
16 making payments of debt service on obligations of the local  
17 government unit, and other factors indicating a constrained ability  
18 to raise sufficient revenues to meet budgetary requirements that  
19 substantially jeopardizes the fiscal integrity of the local government  
20 unit. The Director shall promulgate rules and regulations pursuant  
21 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-  
22 1, et seq.), setting forth the application process, the criteria by  
23 which applications shall be considered, the terms of securing local  
24 government repayment obligations, and the terms and conditions of  
25 the financial assistance. These rules and regulations shall be  
26 adopted on an emergency basis by the Director in consultation with  
27 the State Treasurer.

28 d. In addition to bonds authorized pursuant to subsections a.,  
29 b., and c. of this section 4, bonds are authorized to be issued in the  
30 form of short term notes to provide effective cash flow management  
31 for revenues and expenditures of the General Fund and the Property  
32 Tax Relief Fund in the implementation of the annual appropriations  
33 acts for Fiscal Year 2020 and Fiscal Year 2021. Such short-term  
34 notes shall be issued in such amounts and at such times as the  
35 issuing officials herein named shall deem necessary for the above  
36 stated purposes and for the payment of related costs.

37 e. Refunding bonds are authorized to be issued to refund bonds  
38 previously issued under this act in whole or in part. Refunding  
39 bonds shall be issued in an amount not to exceed the amount  
40 necessary to pay or to provide for the payment of the principal of  
41 the outstanding bonds to be refunded, together with any redemption  
42 premium on the outstanding bonds, any interest accrued or to accrue  
43 on the outstanding bonds to be refunded to the date of payment of  
44 those outstanding bonds, the expenses of issuing the refunding  
45 bonds and the expenses, if any, of paying the outstanding bonds to  
46 be refunded. Refunding bonds may be issued hereunder without  
47 regard to the "Refunding Bond Act of 1985," P.L.1985, c.74, as  
48 amended by P.L.1992, c.182 (C.49:2B-1 et seq.).

1       5. The bonds authorized under this act shall be serial bonds,  
2 term bonds, notes, or a combination thereof. The bonds authorized  
3 under subsections a., b., and c. of section 4 of this act shall be  
4 known as “New Jersey COVID-19 General Obligation Emergency  
5 Bonds.” The bonds authorized under subsections b. and c. of  
6 section 4 of this act shall bear such additional designation as may be  
7 required by the federal government pursuant to the applicable  
8 federal stimulus laws. The bonds authorized under subsection d. of  
9 section 4 of this act shall be known as “New Jersey COVID-19  
10 General Obligation Emergency Liquidity Notes.” The bonds  
11 authorized under subsection e. of section 4 of this act shall be  
12 known as “New Jersey COVID-19 General Obligation Emergency  
13 Refunding Bonds.” All bonds shall be issued from time to time as  
14 the issuing officials shall determine, shall be issued in  
15 fully-registered form and may be certificated or in book-entry form.  
16 The bonds may be subject to redemption prior to maturity and shall  
17 mature and be paid not later than 35 years from the respective dates  
18 of their issuance. Bonds issued under this Act are authorized by and  
19 shall be issued under and in compliance with Article VIII, Section  
20 II, paragraph 3, subparagraph e. of the Constitution of the State

21  
22       6. The Governor, the State Treasurer, and the Director of the  
23 Division of Budget and Accounting in the Department of the  
24 Treasury, or any two of these officials, herein referred to as the  
25 “issuing officials,” are authorized to carry out the provisions of this  
26 act relating to the issuance of bonds, and shall determine all matters  
27 in connection therewith, subject to the provisions of this act. If an  
28 issuing official is absent from the State or incapable of acting for  
29 any reason, the powers and duties of that issuing official shall be  
30 exercised and performed by the person authorized by law to act in  
31 an official capacity in the place of that issuing official.

32  
33       7. Bonds issued in accordance with the provisions of this act  
34 shall be a direct obligation of the State, and the faith and credit of  
35 the State are pledged for the payment of the interest and redemption  
36 premium, if any, thereon when due, and for the payment of the  
37 principal thereof at maturity or earlier redemption date. The  
38 principal of and interest on the bonds shall be exempt from taxation  
39 by the State or by any county, municipality, or other taxing district  
40 of the State.

41  
42       8. The bonds shall be signed in the name of the State by means  
43 of the manual or facsimile signature of the Governor, and attested  
44 by the manual or facsimile signature of the Secretary of State or an  
45 Assistant Secretary of State, and shall be countersigned by the  
46 facsimile signature of the Director of the Division of Budget and  
47 Accounting in the Department of the Treasury and may be manually  
48 authenticated by an authenticating agent or bond registrar, as the

1 issuing officials shall determine. The bonds may be issued  
2 notwithstanding that an official signing them or whose manual or  
3 facsimile signature appears on the bonds has ceased to hold office  
4 at the time of issuance, or at the time of the delivery of the bonds to  
5 the purchasers thereof. The bonds may also be executed,  
6 authenticated, and delivered by electronic means.

7  
8 9. a. The bonds shall recite that they are issued for the purposes  
9 set forth in section 4 of this act, and that they are issued pursuant to  
10 this act. This recital shall be conclusive evidence of the authority of  
11 the State to issue the bonds and their validity. Any bonds  
12 containing this recital shall, in any suit, action, or proceeding  
13 involving their validity, be conclusively deemed to be fully  
14 authorized by this act and to have been issued, sold, executed, and  
15 delivered in conformity herewith and with all other provisions of  
16 laws applicable hereto, and shall be incontestable for any cause.

17 b. The bonds shall be issued in those denominations and in  
18 fully-registered form, and may be certificated or in book-entry  
19 form, and with or without provisions for interchangeability thereof,  
20 as may be determined by the issuing officials.

21  
22 10. When the bonds are issued from time to time, the bonds of  
23 each issue shall constitute a separate series to be designated by the  
24 issuing officials. Each series of bonds shall bear such rate or rates  
25 of interest as may be determined by the issuing officials, which  
26 interest shall be payable semiannually, except that the first and last  
27 interest periods may be longer or shorter, in order that intervening  
28 semiannual payments may be at convenient dates, or as otherwise  
29 may be required by the applicable federal stimulus law.

30  
31 11. a. The issuing officials may sell the bonds at a private sale,  
32 without advertisement, at such price or prices and under such terms  
33 and conditions as the issuing officials may prescribe. The issuing  
34 officials may also sell all or part of the bonds of any series to the  
35 federal government at a private sale, without advertisement. The  
36 bonds may also be issued and sold at public sale at the price or  
37 prices and under the terms, conditions and regulations as the issuing  
38 officials may prescribe, after notice of the sale, published at least  
39 once in at least three newspapers published in this State, the first  
40 notice to appear at least two days prior to the day of bidding. The  
41 notice of sale may contain a provision to the effect that any bid in  
42 pursuance thereof may be rejected.

43 b. In the event of any private sale of the bonds, the issuing  
44 officials are further authorized to enter into such loan agreements or  
45 similar documents as the purchaser may require. To the extent  
46 specified in any such loan or similar agreements, the terms and  
47 provisions thereof shall constitute additional provisions of the  
48 bonds and shall be entitled to the benefits of this act.

1       12. Until permanent bonds are prepared, the issuing officials  
2 may issue temporary bonds in the form and with those privileges as  
3 to their registration and exchange for permanent bonds as may be  
4 determined by the issuing officials.

5  
6       13. The proceeds from the sale of bonds as set forth in  
7 subsection a. of section 4 of this act shall be paid to the State  
8 Treasurer, shall be held by the State Treasurer in a separate fund,  
9 which fund shall be known as the “New Jersey COVID-19 State  
10 Emergency Fund,” and shall be deposited in such depositories as  
11 may be selected by the State Treasurer to the credit of the fund.

12       The proceeds of any loan by the federal government pursuant to  
13 a federal stimulus law as set forth in subsection b. of section 4 of  
14 this act shall be paid to the State Treasurer, shall be held by the  
15 State Treasurer in a separate fund, which fund shall be known as the  
16 “New Jersey COVID-19 State Stimulus Fund,” and shall be  
17 deposited in such depositories as may be selected by the State  
18 Treasurer to the credit of the fund.

19       The proceeds from the sale of emergency liquidity notes as set  
20 forth in subsection d. of section 4 of this act shall be paid to the  
21 State Treasurer, shall be held by the State Treasurer in a separate  
22 fund, which fund shall be known as the “New Jersey COVID-19  
23 State Emergency Liquidity Fund,” and shall be deposited in such  
24 depositories as may be selected by the State Treasurer to the credit  
25 of the fund.

26       The proceeds of any loan by the federal government pursuant to  
27 a federal stimulus law to provide financial assistance to the State for  
28 the benefit of local government units as set forth in subsection c. of  
29 section 4 of this act shall be paid to the State Treasurer, shall be  
30 held by the State Treasurer in a separate fund, which fund shall be  
31 known as the “New Jersey COVID-19 Local Government Unit  
32 Emergency Fund,” and shall be deposited in such depositories as  
33 may be selected by the State Treasurer to the credit of the fund.

34  
35       14. Amounts on deposit in the New Jersey COVID-19 State  
36 Emergency Fund and in the New Jersey COVID-19 State Stimulus  
37 Fund shall be withdrawn by the State Treasurer from time to time  
38 and are appropriated for deposit into the General Fund of the State.  
39 Amounts on deposit in the New Jersey COVID-19 State Emergency  
40 Liquidity Fund shall be withdrawn by the State Treasurer from time  
41 to time for deposit into the General Fund or the Property Tax Relief  
42 Fund of the State. However, no moneys in the New Jersey COVID-  
43 19 State Emergency Fund, the New Jersey COVID-19 State  
44 Stimulus Fund or the New Jersey COVID-19 State Emergency  
45 Liquidity Fund shall be expended from the New Jersey COVID-19  
46 State Emergency Fund, the New Jersey COVID-19 State Stimulus  
47 Fund or the New Jersey COVID-19 State Emergency Liquidity  
48 Fund except as otherwise authorized by this act.

1       15. Amounts on deposit in the New Jersey COVID-19 Local  
2 Government Unit Emergency Fund shall be withdrawn by the State  
3 Treasurer from time to time and are appropriated, and shall be  
4 applied to the provision of financial assistance to local government  
5 units as set forth in subsection c. of section 4 of this act. However,  
6 no moneys in the New Jersey COVID-19 Local Government Unit  
7 Emergency Fund shall be expended from the New Jersey COVID-  
8 19 Local Government Unit Emergency Fund except as authorized  
9 by this act.

10

11       16. a. At any time prior to the issuance and sale of bonds under  
12 this act, or borrowings from the federal government under this act,  
13 the State Treasurer is authorized to transfer from any available  
14 moneys in any fund of the treasury of the State to the credit of the  
15 New Jersey COVID-19 State Emergency Fund, the New Jersey  
16 COVID-19 State Stimulus Fund, the New Jersey COVID-19 State  
17 Emergency Liquidity Fund or the New Jersey COVID-19 Local  
18 Government Unit Emergency Fund those sums as the State  
19 Treasurer may deem necessary. The sums so transferred shall be  
20 returned to the same fund of the treasury of the State by the State  
21 Treasurer from the proceeds of the sale of bonds, a loan or loans by  
22 the federal government pursuant to a federal stimulus law as set  
23 forth in subsections b. and c. of section 4 of this act, or the sale of  
24 emergency liquidity notes, as the case may be.

25       b. Pending their application to the purposes provided in this act,  
26 the moneys in the New Jersey COVID-19 State Emergency Fund,  
27 the New Jersey COVID-19 State Stimulus Fund, the New Jersey  
28 COVID-19 State Emergency Liquidity Fund, and the New Jersey  
29 COVID-19 Local Government Unit Emergency Fund may be  
30 invested and reinvested as are other trust funds in the custody of the  
31 State Treasurer, in the manner provided by law and may be invested  
32 or reinvested in local government securities. Net earnings received  
33 from the investment, reinvestment, or deposit of moneys in the New  
34 Jersey COVID-19 State Emergency Fund, the New Jersey COVID-  
35 19 State Stimulus Fund, the New Jersey COVID-19 State  
36 Emergency Liquidity Fund, and the New Jersey COVID-19 Local  
37 Government Unit Emergency Fund shall be paid into the General  
38 Fund.

39

40       17. If any bond is lost, mutilated, or destroyed, a new bond shall  
41 be executed and delivered of like tenor, in substitution for the lost,  
42 mutilated, or destroyed bond, upon the owner furnishing to the  
43 issuing officials evidence satisfactory to them of the loss,  
44 mutilation, or destruction of the bond, the ownership thereof, and  
45 security, indemnity, and reimbursement for expenses connected  
46 therewith, as the issuing officials may require.



1       18. The accrued interest, if any, received upon the sale of the  
2 bonds shall be applied to the discharge of a like amount of interest  
3 upon the bonds when due. Any expense incurred by the issuing  
4 officials for advertising, engraving, printing, clerical,  
5 authenticating, registering, legal, or other services necessary to  
6 carry out the duties imposed upon them by the provisions of this act  
7 shall be paid from the proceeds of the sale of the bonds by the State  
8 Treasurer, upon the warrant of the Director of the Division of  
9 Budget and Accounting in the Department of the Treasury, in the  
10 same manner as other obligations of the State are paid.

11

12       19. Bonds of each series issued hereunder shall mature,  
13 including any sinking fund redemptions, not later than the 35th year  
14 from the date of issue of that series, and in amounts as shall be  
15 determined by the issuing officials. The issuing officials may  
16 reserve to the State by appropriate provision in the bonds of any  
17 series the power to redeem any of the bonds prior to maturity at the  
18 price or prices and upon the terms and conditions as may be  
19 provided in the bonds.

20

21       20. a. Proceeds derived from the sale of each series of refunding  
22 bonds shall be applied, together with any other moneys legally  
23 available therefor, to the payment of the expenses authorized by this  
24 act and to the immediate payment of the principal of, redemption  
25 premium, if any, and interest due on any outstanding bonds to be  
26 refunded by the refunding bonds, or, to the extent not required for  
27 that immediate payment, shall be deposited, together with any other  
28 moneys legally available therefor, in trust with the State Treasurer,  
29 to be held separate and apart from all other funds of the State, or, at  
30 the direction of the issuing officials, in trust with one or more  
31 trustees or escrow agents, which trustees or escrow agents shall be  
32 trust companies or national or state banks having powers of a trust  
33 company, located either within or without the State. Proceeds or  
34 moneys deposited in trust with the State Treasurer or with one or  
35 more trustees or escrow agents shall be applied solely to the  
36 payment when due of the principal of, redemption premium, if any,  
37 and interest due and to become due on those outstanding bonds to  
38 be refunded on or prior to the redemption date or maturity date of  
39 the outstanding bonds, as the case may be. Proceeds or moneys so  
40 held by the State Treasurer or deposited with trustees or escrow  
41 agents may be invested in government securities (including  
42 government securities issued or held in book-entry form on the  
43 books of the Department of the Treasury of the United States);  
44 except that those government securities shall not be subject to  
45 redemption prior to their maturity other than at the option of the  
46 holder thereof. Except as provided in subsection b. of this section  
47 20, neither government securities nor moneys so deposited with the  
48 State Treasurer or with trustees or escrow agents shall be withdrawn

1 or used for any purpose other than, and shall be held in trust for, the  
2 payment of the principal of, redemption premium, if any, and  
3 interest on the outstanding bonds to be refunded by the refunding  
4 bonds; except that any cash received from principal or interest  
5 payments on government securities deposited with the State  
6 Treasurer or with trustees or escrow agents: (1) to the extent that  
7 the cash will not be required at any time for that purpose, shall be  
8 paid over to the State as received by the State Treasurer or by the  
9 trustees or escrow agents, and (2) to the extent that cash will be  
10 required for that purpose at a later date, shall, to the extent  
11 practicable and legally permissible, be reinvested in government  
12 securities maturing at times and in amounts sufficient to pay when  
13 due the principal of, redemption premium, if any, and interest to  
14 become due on the outstanding bonds on and prior to the  
15 redemption date or maturity date of the outstanding bonds, as the  
16 case may be, and interest earned from those reinvestments to the  
17 extent not required for the payment of bonds shall be paid over to  
18 the State, as received by the State Treasurer or by the trustees or  
19 escrow agents.

20 b. Notwithstanding anything to the contrary contained in this  
21 section: (1) the State Treasurer or trustees or escrow agents shall, if  
22 so directed by the issuing officials, apply moneys on deposit with  
23 the State Treasurer or the trustees or escrow agents pursuant to the  
24 provisions of this section and redeem or sell government securities  
25 so deposited with the State Treasurer or the trustees or escrow  
26 agents and apply the proceeds thereof to: (a) the purchase of the  
27 outstanding bonds which were refunded by the deposit with the  
28 State Treasurer or the trustees or escrow agents of the moneys and  
29 government securities and immediately thereafter cancel all  
30 outstanding bonds so purchased or (b) the purchase of different  
31 government securities; except that the moneys and government  
32 securities on deposit with the State Treasurer or the trustees or  
33 escrow agents after the purchase and cancellation of the outstanding  
34 bonds or the purchase of different government securities shall be  
35 sufficient to pay, when due, the principal of, redemption premium,  
36 if any, and interest on all other outstanding bonds in respect of  
37 which the moneys and government securities were deposited with  
38 the State Treasurer or the trustees or escrow agents on or prior to  
39 the redemption date or maturity date of the outstanding bonds, as  
40 the case may be; and (2) if on any date, as a result of any purchases  
41 and cancellations of outstanding bonds or any purchases of different  
42 government securities as provided in this subsection, the total  
43 amount of moneys and government securities remaining on deposit  
44 with the State Treasurer or the trustees or escrow agents is in excess  
45 of the total amount which would have been required to be deposited  
46 with the State Treasurer or the trustees or escrow agents on that date  
47 in respect of the remaining outstanding bonds for which the deposit  
48 was made in order to pay when due the principal of, redemption

1 premium, if any, and interest on those remaining outstanding bonds,  
2 the State Treasurer or the trustees or escrow agents shall, if so  
3 directed by the issuing officials, pay the amount of that excess to  
4 the State.

5 c. Any amounts held by the State Treasurer in a separate fund  
6 for the payment of the principal of and interest on outstanding  
7 bonds to be refunded, as provided in this section, shall, if so  
8 directed by the issuing officials, be transferred by the State  
9 Treasurer for deposit with one or more trustees or escrow agents as  
10 provided in this section, to be applied to the payment when due of  
11 the principal of, redemption premium, if any, and interest to become  
12 due on those outstanding bonds, as provided in this section.

13 d. The State Treasurer is authorized, upon direction of the  
14 issuing officials, to enter into contracts with one or more trust  
15 companies or national or state banks, to act as trustees or escrow  
16 agents as provided in this section, on terms and conditions as shall  
17 be approved by the issuing officials.

18

19 21. Any bond or bonds issued hereunder that have been refunded  
20 shall no longer be deemed to be outstanding, shall no longer  
21 constitute a direct obligation of the State of New Jersey, and the  
22 faith and credit of the State shall no longer be pledged to the  
23 payment of the principal of, redemption premium, if any, and  
24 interest on such bonds, and such bonds shall be secured solely by  
25 and payable solely from moneys and government securities  
26 deposited in trust with one or more trustees or escrow agents, which  
27 trustees and escrow agents shall be trust companies or national or  
28 state banks having powers of a trust company, located either within  
29 or without the State, as provided herein, whenever there shall be  
30 deposited in trust with the trustees or escrow agents, as provided  
31 herein, either moneys or government securities, including  
32 government securities issued or held in book-entry form on the  
33 books of the Department of Treasury of the United States, the  
34 principal of and interest on which when due will provide money  
35 which, together with the moneys, if any, deposited with the trustees  
36 or escrow agents at the same time, shall be sufficient to pay when  
37 due the principal of, redemption premium, if any, and interest due  
38 and to become due on the bonds on or prior to the redemption date  
39 or maturity date thereof, as the case may be; provided the  
40 government securities shall not be subject to redemption prior to  
41 their maturity other than at the option of the holder thereof. The  
42 State of New Jersey hereby covenants with the holders of any bonds  
43 for which government securities or moneys shall have been  
44 deposited in trust with the trustees or escrow agents as provided in  
45 this section that, except as otherwise provided in this section,  
46 neither the government securities nor moneys so deposited with the  
47 trustees or escrow agents shall be withdrawn or used by the State  
48 for any purpose other than, and shall be held in trust for, the

1 payment of the principal of, redemption premium, if any, and  
2 interest to become due on the bonds; provided that any cash  
3 received from the principal or interest payments on the government  
4 securities deposited with the trustees or escrow agents, to the extent  
5 such cash will not be required at any time for that purpose, shall be  
6 paid over to the State, as received by the trustees or escrow agents,  
7 free and clear of any trust, lien, pledge, or assignment securing the  
8 bonds; and to the extent the cash will be required for that purpose at  
9 a later date, shall, to the extent practicable and legally permissible,  
10 be reinvested in government securities maturing at times and in  
11 amounts sufficient to pay when due the principal of, redemption  
12 premium, if any, and interest to become due on the bonds on and  
13 prior to the redemption date or maturity date thereof, as the case  
14 may be, and interest earned from the reinvestments shall be paid  
15 over to the State, as received by the trustees or escrow agents, free  
16 and clear of any trust, lien, or pledge securing the bonds.  
17 Notwithstanding anything to the contrary contained herein: a. the  
18 trustees or escrow agents shall, if so directed by the issuing  
19 officials, apply moneys on deposit with the trustees or escrow  
20 agents pursuant to the provisions of this section, and redeem or sell  
21 government securities so deposited with the trustees or escrow  
22 agents, and apply the proceeds thereof to (1) the purchase of the  
23 bonds which were refunded by the deposit with the trustees or  
24 escrow agents of the moneys and government securities and  
25 immediately thereafter cancel all bonds so purchased, or (2) the  
26 purchase of different government securities; provided however, that  
27 the moneys and government securities on deposit with the trustees  
28 or escrow agents after the purchase and cancellation of the bonds or  
29 the purchase of different government securities shall be sufficient to  
30 pay when due the principal of, redemption premium, if any, and  
31 interest on all other bonds in respect of which the moneys and  
32 government securities were deposited with the trustees or escrow  
33 agents on or prior to the redemption date or maturity date thereof,  
34 as the case may be; and b. in the event that on any date, as a result  
35 of any purchases and cancellations of bonds or any purchases of  
36 different government securities, as provided in this sentence, the  
37 total amount of moneys and government securities remaining on  
38 deposit with the trustees or escrow agents is in excess of the total  
39 amount then required to be on deposit with the trustees or escrow  
40 agents on that date in respect of the remaining bonds for which the  
41 deposit was made in order to pay when due the principal of,  
42 redemption premium, if any, and interest on the remaining bonds,  
43 the trustees or escrow agents shall, if so directed by the issuing  
44 officials, pay the amount of the excess to the State, free and clear of  
45 any trust, lien, pledge, or assignment securing the refunding bonds.

46

47 22. Refunding bonds issued pursuant to this act may be  
48 consolidated with other bonds issued pursuant to section 4 of this

1 act or with bonds or refunding general obligation bonds issued  
2 pursuant to any other act for purposes of sale.

3

4 23. To provide funds to meet the interest and principal payment  
5 requirements for the bonds, including refunding bonds, issued under  
6 this act and outstanding, there is appropriated in the order  
7 following:

8 a. Revenue derived from the collection of taxes under the  
9 "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or so  
10 much thereof as may be required; and

11 b. If, at any time, funds necessary to meet the interest,  
12 redemption premium, if any, and principal payments on outstanding  
13 bonds issued under this act are insufficient or not available, there  
14 shall be assessed, levied, and collected annually in each of the  
15 municipalities of the counties of this State, a tax on the real and  
16 personal property upon which municipal taxes are or shall be  
17 assessed, levied, and collected, sufficient to meet the interest on all  
18 outstanding bonds issued hereunder and on the bonds proposed to  
19 be issued under this act in the calendar year in which the tax is to be  
20 raised and for the payment of bonds falling due in the year  
21 following the year for which the tax is levied. The tax shall be  
22 assessed, levied, and collected in the same manner and at the same  
23 time as are other taxes upon real and personal property. The  
24 governing body of each municipality shall cause to be paid to the  
25 county treasurer of the county in which the municipality is located,  
26 on or before December 15 in each year, the amount of tax herein  
27 directed to be assessed and levied, and the county treasurer shall  
28 pay the amount of the tax to the State Treasurer on or before  
29 December 20 in each year.

30 If on or before December 31 in any year, the issuing officials, by  
31 resolution, determine that there are moneys in the General Fund  
32 beyond the needs of the State, sufficient to pay the principal of  
33 bonds falling due and all interest and redemption premium, if any,  
34 payable in the ensuing calendar year, the issuing officials shall file  
35 the resolution in the office of the State Treasurer, whereupon the  
36 State Treasurer shall transfer the moneys to a separate fund to be  
37 designated by the State Treasurer, and shall pay the principal,  
38 redemption premium, if any, and interest out of that fund as the  
39 same shall become due and payable, and the other sources of  
40 payment of the principal, redemption premium, if any, and interest  
41 provided for in this section shall not then be available, and the  
42 receipts for the year from the tax specified in subsection a. of this  
43 section shall be considered and treated as part of the General Fund,  
44 available for general purposes.

45

46 24. Should the State Treasurer, by December 31 of any year,  
47 deem it necessary, because of the insufficiency of funds collected  
48 from the sources of revenues as provided in this act, to meet the

1 interest and principal payments for the year after the ensuing year,  
2 then the State Treasurer shall certify to the Director of the Division  
3 of Budget and Accounting in the Department of the Treasury the  
4 amount necessary to be raised by taxation for those purposes, the  
5 same to be assessed, levied, and collected for and in the ensuing  
6 calendar year. The director shall, on or before March 1 following,  
7 calculate the amount in dollars to be assessed, levied, and collected  
8 in each county as herein set forth. This calculation shall be based  
9 upon the corrected assessed valuation of each county for the year  
10 preceding the year in which the tax is to be assessed, but the tax  
11 shall be assessed, levied, and collected upon the assessed valuation  
12 of the year in which the tax is assessed and levied. The director  
13 shall certify the amount to the county board of taxation and the  
14 treasurer of each county. The county board of taxation shall include  
15 the proper amount in the current tax levy of the several taxing  
16 districts of the county in proportion to the ratables as ascertained for  
17 the current year.

18

19 25. This act shall take effect immediately.

20

21

22

## STATEMENT

23

24 This bill, entitled the “New Jersey COVID-19 Emergency Bond  
25 Act,” authorizes the issuance of \$5,000,000,000 in State general  
26 obligation bonds to be used for the purpose of responding to the  
27 fiscal exigencies caused by the COVID-19 Pandemic. The bill also  
28 authorizes the Governor to apply for and receive federal stimulus  
29 loans for the benefit of the State, to apply for and receive federal  
30 stimulus loans for the benefit of local government units, and  
31 authorizes the issuance of refunding bonds and emergency liquidity  
32 notes.

33 The COVID-19 Pandemic has had a severe impact on the State’s  
34 economy. The long-term and short-term capital markets have  
35 experienced significant deterioration in value and increased  
36 volatility, which can affect the liquidity and results of operations of  
37 businesses in the State and the State economy as a whole and which  
38 has significantly and materially adversely affected and continues to  
39 significantly and materially adversely affect the State’s financial  
40 resources for Fiscal Year 2020 and Fiscal Year 2021.

41 The impact of COVID-19 on the State, its economy, budget and  
42 finances is unpredictable and rapidly changing, but events  
43 surrounding COVID-19 will severely and negatively impact the  
44 State’s economy and financial condition. Some of the negative  
45 impacts that the State has currently identified include:

46 (1) The State expects precipitous declines in revenues in Fiscal  
47 Year 2020 and Fiscal Year 2021, which include significant  
48 reductions in gross income tax revenues, corporate business tax

1 revenues, and sales tax revenues due to required business  
2 shutdowns, motor fuels taxes due to mandated “stay-at home”  
3 orders, casino-related taxes due to casino closures, and lottery sales  
4 which have already started to decline;

5 (2) The State expects that it will need to significantly revise the  
6 estimated revenues and projected appropriations for Fiscal Years  
7 2020 and 2021 contained in the Governor’s Budget Message for  
8 Fiscal Year 2021 on February 25, 2020, which was delivered before  
9 the outbreak of COVID-19 within the State; and

10 (3) The State may encounter future increases in the State’s  
11 actuarially recommended contributions to the State’s pension plans  
12 to the extent that the valuation of pension plans is affected by the  
13 deterioration in value in the investment markets.

14 Events surrounding COVID-19 have caused and will continue to  
15 cause severe and negative impacts on the economy and financial  
16 condition of the State’s local government units and has increased  
17 and will continue to increase volatility in long-term and short-term  
18 capital markets on which local government units rely to meet  
19 operating expenses.

20 It is necessary for the State to take action to ensure the continued  
21 viability of the State’s and local government units’ financial  
22 condition and to assist the State’s population in dealing with the  
23 financial and economic problems resulting from the COVID-19  
24 Pandemic through the issuance of general obligations bonds, and  
25 borrowings from the federal government pursuant to this act to  
26 provide financial resources for the State budget and for local  
27 government units’ budgets.

28 This act authorizes the issuance of bonds, and borrowing from  
29 the federal government in accordance with Article VIII, Section II,  
30 paragraph 3, subparagraph e. of the Constitution of the State to  
31 respond to the fiscal exigencies caused by the COVID-19 Pandemic  
32 and to maintain and preserve the fiscal integrity of the State and its  
33 local government units.