

P.L. 2020, CHAPTER 74, *approved August 31, 2020*
Assembly, No. 3971 (*Second Reprint*)

1 AN ACT authorizing local units to issue coronavirus relief bonds
2 ²and amending various parts of the statutory law².

3

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

6

7 ²[1. a. (1) A local unit that requires moneys because of a loss
8 of revenue, unanticipated expenses, or both, which are directly
9 attributable to the COVID-19 pandemic may incur indebtedness,
10 borrow money, and authorize and issue bonds, entitled "coronavirus
11 relief bonds," in accordance with provisions governing refunding
12 bonds under the "Local Bond Law," N.J.S.40A:2-1 et seq., except
13 as otherwise provided in this act.

14 (2) A local unit shall authorize issuance of coronavirus relief
15 bonds by adoption of a refunding bond ordinance in the manner
16 prescribed for adoption of a bond ordinance, except that:

17 (a) no down payment shall be required; and

18 (b) Local Finance Board approval shall not be required, and the
19 provisions of subsection c. of N.J.S.40A:2-53, and of N.J.S.40A:2-
20 55, N.J.S.40A:2-56, and N.J.S.40A:2-57 shall not apply, unless:

21 (i) the local unit seeks to issue ¹**[debt]** bonds in an amount¹ that
22 exceeds ¹**[20%]** 30%¹ of the local unit's prior year budget; or

23 (ii) the local unit seeks to issue bonds with a longer repayment
24 term than otherwise permitted in this act.

25 (3) Coronavirus relief bonds shall be payable from, and secured
26 by a pledge of, ¹**[unlimited]**¹ ad valorem taxes ¹levied upon all the
27 taxable property within the local unit without limitation as to rate or
28 amount¹.

29 (4) In addition to the procedures for adoption of a bond
30 ordinance required under N.J.S.40A:2-17, after introduction and
31 first reading of a ¹refunding¹ bond ordinance authorizing the
32 issuance of coronavirus relief bonds, and at least one week prior to
33 the date for further consideration thereof, the local unit shall
34 prominently display on the home page of the local unit's website
35 the introduced ¹refunding¹ bond ordinance together with a summary
36 thereof, the notice of the introduction thereof, and of the date, time,
37 and place of further consideration for final passage.

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACE committee amendments adopted May 7, 2020.

²Assembly amendments adopted in accordance with Governor's recommendations August 24, 2020.

1 (5) A ¹refunding¹ bond ordinance authorizing issuance of
2 coronavirus relief bonds may provide for the capitalization of the
3 interest thereon.

4 ¹[(6) A bond ordinance authorizing issuance of
5 coronavirus relief bonds shall provide that bonds and notes issued
6 under this act may be paid in full prior to full maturity without
7 incurring a penalty for early repayment.]¹

8 b. (1) Prior to authorizing the issuance of coronavirus relief
9 bonds, a local unit shall ¹[thoroughly investigate, and]¹ apply for
10 ¹[.]¹ financial assistance that may be available to the local unit
11 from the federal government, the State, and other sources to address
12 revenue shortfalls and expenditures due to the COVID-19 pandemic
13 ¹, if any¹.

14 (2) The total amount of coronavirus relief bonds that a local unit
15 may issue shall not exceed, after subtracting all amounts of
16 assistance ¹[anticipated by, available to, or]¹ provided to, the local
17 unit from the federal government, the State, and other sources to
18 address revenue shortfalls and expenditures due to the COVID-19
19 pandemic:

20 (a) the amount of lost or delayed tax and other revenues
21 experienced by the local unit due to the public health hazard created
22 by COVID-19 prior to the end of the 24th month next following the
23 end of the Public Health Emergency and State of Emergency
24 declared in the State of New Jersey due to the public health hazard
25 created by COVID-19, and

26 (b) the amount of unanticipated expenses that are incurred by
27 the local unit due to the public health hazard created by COVID-19
28 prior to the end of the 24th month next following the end of the
29 Public Health Emergency and State of Emergency declared in the
30 State of New Jersey due to the public health hazard created by
31 COVID-19.

32 c. ¹[The] In addition to the amount determined pursuant to
33 paragraph (2) of subsection b. of this section, the¹ total amount of
34 coronavirus relief bonds that a local unit may issue under
35 subsection b. of this section shall not exceed an amount that ¹[is the
36 lesser of:

37 (1) an amount that] ¹ will ¹[not]¹ cause the local unit to exceed
38 its net debt limitation under N.J.S.40A:2-6, unless otherwise
39 permitted by subsection d. of N.J.S.40A:2-7 ¹]; or

40 (2) an amount that will not cause the local unit to exceed the
41 maximum amount of tax anticipation notes the local unit may issue
42 under N.J.S.40A:4-66]¹.

43 d. (1) A local unit may use the proceeds from the sale and
44 issuance of coronavirus relief bonds to address a revenue shortfall
45 experienced by the local unit which is directly attributable to the
46 COVID-19 pandemic and which occurred prior to the end of the
47 24th month next following the end of the Public Health Emergency

1 and State of Emergency declared in the State of New Jersey due to
2 the public health hazard created by COVID-19.

3 (2) A local unit may use the proceeds from the sale and issuance
4 of coronavirus relief bonds to cover the costs of unanticipated
5 expenses that are directly attributable to the COVID-19 pandemic,
6 and which were incurred by the local unit prior to the end of the
7 24th month next following the end of the Public Health Emergency
8 and State of Emergency declared in the State of New Jersey due to
9 the public health hazard created by COVID-19.

10 e. A local unit may, in anticipation of the issuance of
11 coronavirus relief bonds, borrow money and issue negotiable notes
12 from time to time, at public or private sale and may, from time to
13 time, renew these notes in accordance with the provisions of section
14 11 of P.L.2003, c.15 (C.40A:2-8.1), however, notwithstanding that
15 provision of law, a note issued in anticipation of the issuance of
16 coronavirus relief bonds may be issued for a period not exceeding
17 two years.

18 f. ¹~~["A coronavirus"]~~ Coronavirus¹ relief ¹~~["bond"]~~ bonds¹, or ¹~~["a~~
19 ~~note"]~~ notes¹ in anticipation thereof, shall be initially issued ¹~~in one~~
20 ~~or more series~~¹ prior to the end of the 24th month next following
21 the end of the Public Health Emergency and State of Emergency
22 declared in the State of New Jersey due to the public health hazard
23 created by COVID-19.

24 g. Final maturity of a coronavirus relief bond shall occur no
25 more than ten years from the initial issuance of the bond ¹~~["or the~~
26 ~~initial issuance of a note in anticipation thereof"]~~¹, however, a local
27 unit may apply to the Local Finance Board for a longer repayment
28 term. If the local unit demonstrates a need for a longer repayment
29 term to the satisfaction of the Local Finance Board, the board may
30 authorize a longer repayment term. The maturity schedule may
31 include a combination of notes and bonds ¹, and such bonds shall
32 mature in amounts, each¹ as deemed appropriate by the local unit.

33 h. The Local Finance Board shall render a decision on an
34 application for approval submitted to it pursuant to this act within
35 45 days of the submission of a complete application to the board,
36 and failure of the board to do so shall result in an approval of the
37 application.

38 i. The Division of Local Government Services may issue
39 guidelines necessary or appropriate to implement the provisions of
40 this act.

41 ¹To the extent any provision governing refunding bonds under
42 the "Local Bond Law," N.J.S.40A:2-1 et seq., conflicts with the
43 provisions of this act, the provisions of this act shall govern.

44 k. A county improvement authority may exercise its purpose and
45 power under sections 11 and 12 of P.L.1960, c.183 (C.40:37A-54
46 and C.40:37A-55) to pool loans for local governmental units within

1 the county or any beneficiary county that are refunding bonds for
2 the pooling of coronavirus relief bonds.¹²

3

4 ²1. N.J.S.40A:4-26 is amended to read as follows:

5 a. No miscellaneous revenues from any source shall be
6 included as an anticipated revenue in the budget in an amount in
7 excess of the amount actually realized in cash from the same
8 source during the next preceding fiscal year, unless the director
9 shall determine upon application by the governing body that the
10 facts clearly warrant the expectation that such excess amount will
11 actually be realized in cash during the fiscal year and shall certify
12 such determination, in writing, to the local unit.

13 b. Notwithstanding the provisions of subsection a. to the
14 contrary, when a public health emergency pursuant to the
15 “Emergency Health Powers Act,” P.L.2005, c.222 (C.26:13-1 et
16 seq.), or a state of emergency, pursuant to P.L.1942, c.251
17 (C.App.A.9-33 et seq.), or both, has been declared by the Governor
18 in response to COVID-19, the Director of the Division of Local
19 Government Services may promulgate general guidance modifying
20 the standard for anticipated revenues when the amount realized in
21 cash from the same source during the next preceding fiscal year
22 experienced reductions due to COVID-19.

23 As used in this subsection, “COVID-19” means the coronavirus
24 disease 2019, as announced by the World Health Organization on
25 February 11, 2020, and first identified in Wuhan, China.²
26 (cf: N.J.S.40A:4-26)

27

28 ²2. N.J.S.40A:4-53 is amended to read as follows:

29 40A:4-53. A local unit may adopt an ordinance authorizing
30 special emergency appropriations for the carrying out of any of the
31 following purposes:

32 a. Preparation of an approved tax map.

33 b. Preparation and execution of a complete program of
34 revaluation of real property for the use of the local assessor, or of
35 any program to update and make current any previous revaluation
36 program when such is ordered by the county board of taxation.

37 c. Preparation of a revision and codification of its ordinances.

38 d. Engagement of special consultants for the preparation, and
39 the preparation of a master plan or plans, when required to conform
40 to the planning laws of the State.

41 e. Preparation of drainage maps for flood control purposes.

42 f. Preliminary engineering studies and planning necessary for
43 the installation and construction of a sanitary sewer system.

44 g. Authorized expenses of a consolidation commission
45 established pursuant to the "Municipal Consolidation Act,"
46 P.L.1977, c.435 (C.40:43-66.35 et seq.) or sections 25 through 29 of
47 the "Uniform Shared Services and Consolidation Act," P.L.2007,
48 c.63 (C.40A:65-25 through C.40A:65-29).

1 h. Contractually required severance liabilities resulting from
2 the layoff or retirement of employees. Such liabilities shall be paid
3 without interest and, at the sole discretion of the local unit, may be
4 paid in equal annual installments over a period not to exceed five
5 years.

6 i. Preparation of a sanitary or storm system map.

7 j. Liabilities incurred to the Department of Labor and
8 Workforce Development for the reimbursement of unemployment
9 benefits paid to former employees.

10 k. Subject to approval by the Director of the Division of Local
11 Government Services, non-recurring expenses incurred by a
12 municipality to implement a consolidation with another
13 municipality, or municipalities, pursuant to the "Municipal
14 Consolidation Act," P.L.1977, c.435 (C.40:43-66.35 et seq.); the
15 sparsely populated municipalities law, P.L.1995, c.376 (C.40:43-
16 66.78 et seq.); sections 25 through 29 of the "Uniform Shared
17 Services and Consolidation Act," P.L.2007, c.63 (C.40A:65-25
18 through C.40A:65-29); or N.J.S.40A:7-1 et seq., in the case of a
19 consolidation effectuated through the annexation of land comprising
20 an entire municipality or entire municipalities, to another
21 municipality. The director shall approve the ordinance if he or she
22 determines that the non-recurring expenses are reasonable and
23 permissible by law and that the consolidation will result in long-
24 term savings for the municipality.

25 A copy of all ordinances or resolutions as adopted relating to
26 special emergency appropriations shall be filed with the director.

27 l. The immediate preparation, response, recovery, and
28 restoration of public services during such time as a public health
29 emergency, pursuant to the "Emergency Health Powers Act,"
30 P.L.2005, c.222 (C.26:13-1 et seq.), declared in response to
31 COVID-19 remains in effect.

32 m. Notwithstanding the provisions of any law or regulation to
33 the contrary, a deficit in prior year operations experienced by any
34 municipality, utility, or enterprise during, or in the fiscal year
35 immediately following, a fiscal year in which a public health
36 emergency pursuant to the "Emergency Health Powers Act,"
37 P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency,
38 pursuant to P.L.1942, c.251 (C.App.A.9-33 et seq.), or both, has
39 been declared by the Governor in response to COVID 19, the
40 adoption of which shall be subject to approval of the Director. The
41 deficit in operations shall be certified by the chief financial officer
42 of the local unit to be directly attributable to COVID-19. The local
43 unit shall apply for any financial assistance that may be available to
44 the local unit from the federal government, the State, and other
45 sources to offset any operating deficit directly attributable to
46 COVID-19, and any such financial assistance obtained by the local
47 unit shall be utilized to offset any operating deficit. The chief
48 financial officer of a local unit seeking approval pursuant to this

1 subsection shall submit a certification approved by a majority vote
2 of the full governing body. The director shall provide a form,
3 application, schedule and process for review, approval or denial,
4 and reconsideration of the application.

5 The director shall approve or deny, in writing, any application
6 submitted pursuant to this subsection within 45 days, or the next
7 business day following the 45th day if the 45th day falls on a
8 Saturday, Sunday, or holiday. If a written decision is not rendered
9 within this time period, the application shall be deemed to be
10 approved, and the local unit may proceed to adopt the appropriate
11 resolution or ordinance. If an application is denied, the local unit
12 may resubmit the application with such changes as the local unit
13 deems appropriate, with submission and review subject to the same
14 procedures set forth in this subsection.

15 As used in this subsection, "Deficit in operations" means a
16 deficit balance reported on a local unit's "Results of Operation"
17 schedule of the annual financial statement.

18 As used in subsections l. and m., "COVID-19" means the
19 coronavirus disease 2019, as announced by the World Health
20 Organization on February 11, 2020, and first identified in Wuhan,
21 China.²

22 (cf: P.L.2017, c.101, s.1)

23

24 ²3. N.J.S.40A:4-55 is amended to read as follows:

25 After the adoption of an ordinance or resolution for special
26 emergency appropriations, the local unit shall by 2/3 vote of the
27 full governing body adopt a resolution setting forth:

28 a. The amount appropriated.

29 b. (1) Provision for the borrowing of money and the issuance
30 of "Special Emergency Notes" which may be renewed from time
31 to time, but at least 1/5 of all such notes, and the renewals thereof,
32 shall mature and be paid in each year, so that all notes and renewals
33 shall have matured and have been paid not later than the last day of
34 the fifth year following the date of the emergency resolution.

35 (2) In the case of special emergency appropriations authorized
36 pursuant to subsection m. of N.J.S.40A:4-53, a local unit shall
37 appropriate one-fifth (1/5) of the portion of the special emergency
38 directly attributable to COVID-19 in each year beginning in the
39 year after the year in which the resulting deferred charge appears in
40 the local unit's unaudited annual financial statement, such that, for
41 example, a deferred charge included in the 2021 unaudited annual
42 financial statement would have its first one-fifth (1/5) appropriation
43 in the 2022 budget, with the final one-fifth (1/5) portion of the
44 special emergency fully appropriated by no later than the last day of
45 the sixth fiscal year following the end of the fiscal year that is the
46 subject of the application. If a local unit's application for
47 certification of the special emergency under subsection m. of
48 N.J.S.40A:4-53 demonstrates that full appropriation of the COVID-

1 19 related special emergency appropriation by the last day of the
2 sixth fiscal year will cause significant fiscal distress, including, but
3 not limited to, if it would directly cause an increase in the tax levy
4 greater than 2%, an increase of greater than \$50 per average
5 assessed home in each year deferred charges appear in the local
6 unit's budget, or in the case of a utility, at least a 5% increase in
7 user fees or charges, the Local Finance Board may permit the local
8 unit to extend the repayment period up to a total of ten years on a
9 schedule determined by the Board.

10 (3) A local unit shall not borrow moneys under this section that
11 may be considered duplicative of financial assistance provided to
12 the local unit from the federal government, the State, or other
13 sources, to address the COVID-19 deficit in operations or COVID-
14 19 emergency appropriations. As used in this section, "COVID 19"
15 means the coronavirus disease 2019, as announced by the World
16 Health Organization on February 11, 2020, and first identified in
17 Wuhan, China.

18 The provisions of this chapter relating to tax anticipation notes
19 shall apply to special emergency notes.

20 c. A local unit may finance such appropriation from surplus
21 funds available or borrow money in the manner prescribed above.
22 Where any appropriation is financed from surplus funds available,
23 at least 1/5 of the amount thereof shall be included in each
24 annual budget until the appropriation has been fully provided for.
25 In the case of special emergency appropriations authorized pursuant
26 to subsection m. of N.J.S.40A:4-53, a local unit shall appropriate
27 one-fifth (1/5) of the portion of the special emergency directly
28 attributable to COVID-19 in each year beginning in the year after
29 the year in which the resulting deferred charge appears in the local
30 unit's unaudited annual financial statement, such that, for example,
31 a deferred charge included in the 2021 unaudited annual financial
32 statement would have its first one-fifth (1/5) appropriation in the
33 2022 budget, with the final one-fifth (1/5) portion of the special
34 emergency fully appropriated by no later than the last day of the
35 sixth fiscal year following the end of the fiscal year that is the
36 subject of the application. If a local unit's application for
37 certification of the special emergency under subsection m. of
38 N.J.S.40A:4-53 demonstrates that full appropriation of the COVID-
39 19 related special emergency appropriation by the last day of the
40 sixth fiscal year will cause significant fiscal distress, including, but
41 not limited to, if it would directly cause an increase in the tax levy
42 greater than 2%, an increase of greater than \$50 per average
43 assessed home in each year deferred charges appear in the local
44 unit's budget, or in the case of a utility, at least a 5% increase in
45 user fees or charges, the Local Finance Board may permit the local
46 unit to extend the repayment period up to a total of ten years on a
47 schedule determined by the Board.²

48 (cf: N.J.S.40A:4-55)

1 ²4. N.J.S.40A:4-78 is amended to read as follows:

2 40A:4-78. a. If the director finds that all requirements of law
3 and of the regulations of the local government board have been
4 met, he shall approve the budget, otherwise he shall refuse to
5 approve it.

6 The director, in refusing to approve a budget, shall not substitute
7 his discretion with respect to the amount of an appropriation when
8 such amount is not made mandatory because of the requirements of
9 law.

10 b. Notwithstanding the provisions of N.J.S.40A:4-10 and
11 N.J.S.40A:4-76 through 40A:4-79, the Local Finance Board is
12 authorized to adopt rules, pursuant to the "Administrative Procedure
13 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to exempt certain
14 municipalities from the requirement that the director approve their
15 annual budgets and to provide instead for a system of local
16 examination and approval of such budgets by municipal officials,
17 provided that:

18 (1) the director finds that such municipalities are fiscally sound
19 and that their fiscal practices are conducted in accordance with law
20 and sound administrative practice;

21 (2) the director shall examine the budgets of such municipalities
22 in accordance with the provisions of N.J.S.40A:4-10 and
23 N.J.S.40A:4-76 through 40A:4-79, at least every third year;

24 (3) the governing body and chief financial officer of each such
25 municipality shall each file a certification with the director stating
26 that, with reference to the adopted budget of the municipality, they
27 have:

28 (a) examined the budget in the manner prescribed under
29 N.J.S.40A:4-76;

30 (b) determined that the budget complies with the requirements
31 set forth in N.J.S.40A:4-77; and

32 (c) determined that the budget complies with all other
33 provisions of law, including, but not limited to, the "Local Budget
34 Law," N.J.S.40A:4-1 et seq., P.L.1976, c.68 (C.40A:4-45.1 et seq.),
35 and the regulations of the Local Finance Board;

36 (4) all budget documents required by law or the regulations
37 adopted by the Local Finance Board shall be filed with the director
38 on a timely basis;

39 (5) other criteria and responsibilities as established by the
40 regulations adopted by the Local Finance Board are met.

41 c. The director shall act to require immediate compliance with
42 the "Local Budget Law," N.J.S.40A:4-1 et seq., if the director finds
43 that any such exemption impairs the fiscal integrity or solvency of
44 any such municipality. Any appeal of a governing body's action in
45 adopting an annual budget shall be made to the director.

46 d. If a municipality has received approval for a special
47 emergency appropriation pursuant to subsection m. of N.J.S.40A:4-
48 53, that municipality shall not be eligible for local examination and

1 approval pursuant to subsection b. of this section until the fiscal
2 year after the final appropriation is made.²

3 (cf: P.L.1996, c.113, s.13)

4

5 ²5. (New section) Notwithstanding the provisions of
6 N.J.S.40A:2-51 to the contrary, a local unit may incur indebtedness,
7 borrow money, and authorize and issue negotiable refunding bonds,
8 in any amount determined to be necessary by the local unit and
9 approved by the Local Finance Board to effect a refunding for the
10 purpose of repaying a Federal Emergency Management Agency
11 Community Disaster Loan for which the local unit executed a
12 promissory note in 2013 under the authority of section 5 of
13 P.L.1951, c.72 (C.App.A:9-62), in addition to the other purposes for
14 which it may do the same under N.J.S.40A:2-51.²

15

16 ²6. Section 2 of P.L.1969, c.130 (C.18A:24-61.2) is amended to
17 read as follows:

18 2. Notwithstanding the provisions of any other law or any debt
19 limitation or requirement for down payment or for referendum or
20 other action by legal voters, refunding bonds may be authorized and
21 issued for the purpose of paying, funding or refunding: any
22 refunded bonds; the cost of retiring the present value of the
23 unfunded accrued liability due and owing by a board of education,
24 as calculated by the system actuary for a date certain upon the
25 request of a board of education, for early retirement incentive
26 benefits granted by the board of education pursuant to P.L.1991,
27 c.231, P.L.1993, c.163 and P.L.2003, c.129; the repayment of a
28 Federal Emergency Management Agency Community Disaster Loan
29 for which the board of education executed a promissory note in
30 2013 under the authority of section 5 of P.L.1951, c.72 (C.App.A:9-
31 62); the cost of COVID-19 expenditures incurred for immediate
32 preparation, response, recovery, and restoration of public services,
33 for a period not to exceed five years; and the cost or expense of
34 issuing refunding bonds including printing, advertising, accounting,
35 financial, legal or other expense in connection therewith.
36 Obligations to be paid, funded or refunded with respect to which an
37 ordinance authorizing the issuance of refunding bonds has been
38 adopted pursuant to this act and not otherwise deductible shall be
39 excluded in calculating the net school debt of a municipality or a
40 district. Refunding bonds shall be authorized (a) in the case of any
41 county or municipality by a refunding bond ordinance enacted in
42 the manner or mode of procedure provided for adoption of a
43 refunding bond ordinance pursuant to the Local Bond Law,
44 constituting chapter 2 of Title 40A, Municipalities and Counties, of
45 the New Jersey Statutes, and (b) in the case of a Type II school
46 district by an ordinance (herein called the "refunding bond
47 ordinance") adopted by the board of education of such school
48 district as provided in this chapter. As used in this section,

1 “COVID-19” means the coronavirus disease 2019, as announced by
2 the World Health Organization on February 11, 2020, and first
3 identified in Wuhan, China.²

4 (cf: P.L.2003, c.129, s.12)

5
6 ²7. Section 6 of P.L.1983, c.313 (C.40A:5A-6) is amended to
7 read as follows:

8 6. Prior to the adoption of a bond resolution by an authority, or
9 the adoption of an ordinance or resolution of a local unit or units
10 authorizing a service contract that is part of a project financing, the
11 proposed project financing shall be submitted to the Local Finance
12 Board for its review. The Local Finance Board may adopt rules and
13 regulations, pursuant to the "Administrative Procedure Act,"
14 P.L.1968, c.410 (C.52:14B-1 et seq.), to permit project financing to
15 proceed without such application and review if the project financing
16 is a refunding that will result in debt service savings on outstanding
17 bond debt. The Local Finance Board shall, in the course of its
18 review, give consideration to:

19 a. The nature, purpose, and scope of the proposed project
20 financing;

21 b. The engineering and feasibility studies prepared in
22 connection therewith;

23 c. The terms and provisions of the proposed service contracts,
24 bond resolutions and, in the instance of a negotiated offering, the
25 proposed or maximum terms and conditions of sale;

26 d. An estimate of the proposed or maximum schedule of debt
27 service payments required, and the impact thereof on the budget and
28 financial condition of the authority and of the local unit;

29 e. The estimate of the annual cost of operating and maintaining
30 the project as set forth in the engineering report or feasibility
31 studies; and

32 f. The initial rate, rent, fee, or charge schedule proposed by the
33 authority, or any other proposed method of raising the amounts
34 required to finance the operations and payments of debt service on
35 the obligations of the authority.

36 Notwithstanding any other provision of law to the contrary, an
37 authority may, upon application to, and review and approval by, the
38 Local Finance Board, incur indebtedness, borrow money, and
39 authorize and issue negotiable refunding bonds to cover the cost of
40 COVID-19 expenditures incurred for immediate preparation,
41 response, recovery, and restoration of public services for a period
42 not to exceed five years. As used herein, “COVID-19” means the
43 coronavirus disease 2019, as announced by the World Health
44 Organization on February 11, 2020, and first identified in Wuhan,
45 China.

46 The Local Finance Board may examine the estimates,
47 computations or calculations made in connection with the
48 submission, may require the production of papers, documents,

1 witnesses or information, may make or cause to be made an audit or
2 investigation and may take any other action which it may deem
3 necessary to its review of the submission.²

4 (cf: P.L.2015, c.95, s.17)

5
6 ²8. Section 11 of P.L.1960, c.183 (C.40:37A-54) is amended to
7 read as follows:

8 11. a. The purposes of every authority shall be (a) provision
9 within the county or any beneficiary county of public facilities for
10 use by the State, the county or any beneficiary county, or any
11 municipality in any such county, or any two or more or any
12 subdivisions, departments, agencies or instrumentalities of any of
13 the foregoing for any of their respective governmental purposes, (b)
14 provision within the county or any beneficiary county of public
15 facilities for use as convention halls, or the rehabilitation,
16 improvement or enlargement of any convention hall, including
17 appropriate and desirable appurtenances located within the
18 convention hall or near, adjacent to or over it within boundaries
19 determined at the discretion of the authority, including but not
20 limited to office facilities, commercial facilities, community service
21 facilities, parking facilities, hotel facilities and other facilities for
22 the accommodation and entertainment of tourists and visitors, (c)
23 provision within the county or any beneficiary county of structures,
24 franchises, equipment and facilities for operation of public
25 transportation or for terminal purposes, including development and
26 improvement of port terminal structures, facilities and equipment
27 for public use in counties in, along or through which a navigable
28 river flows, (d) provision within the county or any beneficiary
29 county of structures or other facilities used or operated by the
30 authority or any governmental unit in connection with, or relative to
31 development and improvement of, aviation for military or civilian
32 purposes, including research in connection therewith, and including
33 structures or other facilities for the accommodation of passengers,
34 (e) provision within the county or any beneficiary county of a
35 public facility for a combination of governmental and
36 nongovernmental uses; provided that not more than 50% of the
37 usable space in any such facility shall be made available for
38 nongovernmental use under a lease or other agreement by or with
39 the authority, (f) acquisition of any real property within the county
40 or any beneficiary county, with or without the improvements
41 thereof or thereon or personal property appurtenant or incidental
42 thereto, from the United States of America or any department,
43 agency or instrumentality heretofore or hereafter created,
44 designated or established by or for it, and the clearance,
45 development or redevelopment, improvement, use or disposition of
46 the acquired lands and premises in accordance with the provisions
47 and for the purposes stated in this act, including the construction,
48 reconstruction, demolition, rehabilitation, conversion, repair or

1 alteration of improvements on or to said lands and premises, and
2 structures and facilities incidental to the foregoing as may be
3 necessary, convenient or desirable, (g) acquisition, construction,
4 maintenance and operation of garbage and solid waste disposal
5 systems for the purpose of collecting and disposing of garbage,
6 solid waste or refuse matter, whether owned or operated by any
7 person, the authority or any other governmental unit, within or
8 without the county or any beneficiary county, (h) the improvement,
9 furtherance and promotion of the tourist industries and recreational
10 attractiveness of the county or any beneficiary county through the
11 planning, acquisition, construction, improvement, maintenance and
12 operation of facilities for the recreation and entertainment of the
13 public, which facilities may include, without being limited to, a
14 center for the performing and visual arts, (i) provision of loans and
15 other financial assistance and technical assistance for the
16 construction, reconstruction, demolition, rehabilitation, conversion,
17 repair or alteration of buildings or facilities designed to provide
18 decent, safe and sanitary dwelling units for persons of low and
19 moderate income in need of housing, including the acquisition of
20 land, equipment or other real or personal properties which the
21 authority determines to be necessary, convenient or desirable
22 appurtenances, all in accordance with the provisions of this act, as
23 amended and supplemented, (j) planning, initiating and carrying out
24 redevelopment projects for the elimination, and for the prevention
25 of the development or spread of blighted, deteriorated or
26 deteriorating areas and the disposition, for uses in accordance with
27 the objectives of the redevelopment project, of any property or part
28 thereof acquired in the area of such project, (k) any combination or
29 combinations of the foregoing or following, and (l) subject to the
30 prior approval of the Local Finance Board, the planning, design,
31 acquisition, construction, improvement, renovation, installation,
32 maintenance and operation of facilities or any other type of real or
33 personal property within the county for a corporation or other
34 person organized for any one or more of the purposes described in
35 subsection a. of N.J.S.15A:2-1 except those facilities or any other
36 type of real or personal property which can be financed pursuant to
37 the provisions of P.L.1972, c.29 (C.26:2I-1 et seq.) as amended. A
38 county improvement authority shall also have as its purpose the
39 pooling of loans for any local governmental units within the county
40 or any beneficiary county that are refunding bonds in order to
41 achieve more favorable interest rates and terms for those local
42 governmental units.

43 b. In a fiscal year in which a public health emergency, pursuant
44 to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1
45 et seq.), a state of emergency, pursuant to P.L.1942, c.251
46 (C.App.A.9-33 et seq.), or both has been declared by the Governor
47 in response to COVID-19 and during the next following fiscal year,
48 a county improvement authority shall also have as its purpose the

1 pooling of special emergency notes issued by the county or any
2 beneficiary county, or by any local governmental unit within the
3 county or any beneficiary county, pursuant to N.J.S.40A:4-55 for
4 purposes of financing a special emergency appropriation authorized
5 for the purpose set forth in subsections l. and m. of N.J.S.40A:4-
6 53.²
7 (cf: P.L.2002, c.42, s.8)

8
9 ²⁹. Section 37 of P.L.1960, c.183 (C.40:37A-80) is amended to
10 read as follows:

11 37. a. For the purpose of aiding an authority in the planning,
12 undertaking, acquisition, construction, financing or operation of any
13 facility which the authority is authorized to undertake pursuant to
14 section 11 of P.L.1960, c.183 (C.40:37A-54), the county or any
15 beneficiary county may, pursuant to resolution duly adopted by its
16 governing body, or any municipality in the county or beneficiary
17 county may, by ordinance of its governing body, in the manner
18 provided for adoption of a bond ordinance as provided in the local
19 bond law and with or without consideration and upon such terms
20 and conditions as may be agreed to by and between the county or
21 beneficiary county or the municipality and the authority,
22 unconditionally guarantee the punctual payment of the principal of
23 and interest on any bonds of the authority. Any guaranty of bonds
24 of an authority made pursuant to this section shall be evidenced by
25 endorsement thereof on such bonds, executed in the name of the
26 county or beneficiary county or the municipality and on its behalf
27 by such officer thereof as may be designated in the resolution or
28 ordinance authorizing such guaranty, and such county or
29 municipality shall thereupon and thereafter be obligated to pay the
30 principal of and interest on said bonds in the same manner and to
31 the same extent as in the case of bonds issued by it. Any such
32 guaranty of bonds of an authority may be made, and any resolution
33 authorizing such guaranty may be adopted, notwithstanding any
34 statutory debt or other limitations, including particularly any
35 limitation or requirement under or pursuant to the local bond law,
36 but the principal amount of bonds so guaranteed, shall, after their
37 issuance, be included in the gross debt of such county or
38 municipality for the purpose of determining the indebtedness of
39 such county or municipality under or pursuant to the local bond
40 law. The principal amount of said bonds so guaranteed and
41 included in gross debt shall be deducted and is hereby declared to
42 be and to constitute a deduction from such gross debt under and for
43 all the purposes of said local bond law (a) from and after the time of
44 issuance of said bonds until the end of the fiscal year beginning
45 next after the completion of acquisition or construction of the
46 facility to be financed from the proceeds of such bonds and (b) in
47 any annual debt statement filed pursuant to said local bond law as
48 of the end of said fiscal year or any subsequent fiscal year if the

1 revenues or other receipts or moneys of the authority in such year
2 are sufficient to pay its expenses of operation and maintenance in
3 such year and all amounts payable in such year on account of the
4 principal and interest on all such guaranteed bonds, all bonds of any
5 such county or any municipality issued as provided in section 36 of
6 P.L.1960, c.183 (C.40:37A-79), and all bonds of the authority
7 issued under this act.

8 b. For the purpose of aiding an authority in the issuance of
9 bonds pursuant to subsection b. of section 11 of P.L.1960, c.183
10 (C.40:37A-54), the county or any beneficiary county may, pursuant
11 to a resolution duly adopted by its governing body, unconditionally
12 guarantee the punctual payment of the principal of and interest on
13 any bonds of the authority issued for purposes of the pooling of
14 notes issued pursuant to subsection b. of N.J.S.40A:4-55. Any
15 guaranty of bonds of an authority made pursuant to this subsection
16 shall be evidenced by endorsement thereof on such bonds, executed
17 in the name of the county or beneficiary county and on its behalf by
18 such officer thereof as may be designated in the resolution or
19 ordinance authorizing such guaranty, and such county shall
20 thereupon and thereafter be obligated to pay the principal of and
21 interest on said bonds in the same manner and to the same extent as
22 in the case of bonds issued by it. Any such guaranty of bonds of an
23 authority may be made, and any resolution authorizing such
24 guaranty may be adopted, notwithstanding any statutory debt or
25 other limitations, including particularly any limitation or
26 requirement under or pursuant to the local bond law, but the
27 principal amount of bonds so guaranteed, shall, after their issuance,
28 be included in the gross debt of such county for the purpose of
29 determining the indebtedness of such county under or pursuant to
30 the local bond law. The principal amount of the notes guaranteed
31 and included in gross debt pursuant to this subsection shall be
32 deducted and is hereby declared to be and to constitute a deduction
33 from such gross debt under and for all the purposes of the local
34 bond law.²

35 (cf: P.L.1994, c.76, s.10)

36
37 ²[2.] 10.² This act shall take effect immediately.

38
39
40
41
42 Authorizes the issuance of "coronavirus relief bonds" by
43 municipalities and counties.