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P.L. 2021, CHAPTER 125, *approved June 29, 2021*
Assembly, No.13

1 AN ACT establishing the "New Jersey Debt Defeasance and
2 Prevention Fund," and making an appropriation.
3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*
6
7 1. a. There is created within the General Fund a restricted
8 reserve fund to be known as the "New Jersey Debt Defeasance and
9 Prevention Fund." The "New Jersey Debt Defeasance and
10 Prevention Fund" shall be credited with the amount appropriated to
11 the fund pursuant to section 2 of P.L. , c. (C.) (pending
12 before the Legislature as this bill) and such funds as the Legislature
13 may, from time to time, appropriate for the purposes of the fund as
14 enumerated in subsection b. of this section.
15 b. Balances in the "New Jersey Debt Defeasance and
16 Prevention Fund" may be appropriated by the Legislature only for
17 the purposes of: retiring and defeasing State debt, including general
18 obligation bonds and appropriations-backed bonds, and the costs
19 thereof; and funding capital projects on a pay-as-you-go basis rather
20 than issuing additional State debt, including general obligation
21 bonds or appropriations-backed bonds.
22
23 2. There shall be credited \$3,700,000,000 from the General
24 Fund to the "New Jersey Debt Defeasance and Prevention Fund,"
25 established pursuant to section 1 of P.L. , c. (C.) (pending
26 before the Legislature as this bill).
27
28 3. There is appropriated from the "New Jersey Debt
29 Defeasance and Prevention Fund" \$2,500,000,000 for the purpose
30 of retiring and defeasing debts of the State of New Jersey, and the
31 costs thereof, in such manner and at such times as the State
32 Treasurer shall direct. If moneys are used for debt retirement or
33 defeasance, the State Treasurer shall submit to the Joint Budget
34 Oversight Committee a report describing the manner in which debt
35 retirement and defeasance has been accomplished, including a
36 description of amounts to be saved and an attestation that such
37 savings have been maximized within a ten-year period.

