

**CHAPTER 125**  
**(CORRECTED COPY)**

**AN ACT** establishing the "New Jersey Debt Defeasance and Prevention Fund," and making an appropriation.

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

C.52:9H-2.2 "New Jersey Debt Defeasance and Prevention Fund", created.

1. a. There is created within the General Fund a restricted reserve fund to be known as the "New Jersey Debt Defeasance and Prevention Fund." The "New Jersey Debt Defeasance and Prevention Fund" shall be credited with the amount appropriated to the fund pursuant to section 2 of P.L.2021, c.125 and such funds as the Legislature may, from time to time, appropriate for the purposes of the fund as enumerated in subsection b. of this section.

b. Balances in the "New Jersey Debt Defeasance and Prevention Fund" may be appropriated by the Legislature only for the purposes of: retiring and defeasing State debt, including general obligation bonds and appropriations-backed bonds, and the costs thereof; and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt, including general obligation bonds or appropriations-backed bonds.

2. There shall be credited \$3,700,000,000 from the General Fund to the "New Jersey Debt Defeasance and Prevention Fund," established pursuant to section 1 of P.L.2021, c.125 (C.52:9H-2.2).

3. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" \$2,500,000,000 for the purpose of retiring and defeasing debts of the State of New Jersey, and the costs thereof, in such manner and at such times as the State Treasurer shall direct. If moneys are used for debt retirement or defeasance, the State Treasurer shall submit to the Joint Budget Oversight Committee a report describing the manner in which debt retirement and defeasance has been accomplished, including a description of amounts to be saved and an attestation that such savings have been maximized within a ten-year period.

4. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" \$1,200,000,000 for the purpose of funding capital construction projects for which State debt is already authorized by law, or for which funding would have been derived from future State bond issuances, thereby constituting debt avoidance, subject to the approval of the Director of the Division of Budget and Accounting. The State Treasurer shall submit a list of proposed capital projects to the Joint Budget Oversight Committee for approval. Within one business day of receipt of a list, the Joint Budget Oversight Committee shall schedule a meeting to consider the submitted items, which hearing shall be held within seven days of receipt of the list.

5. This act shall take effect immediately.

Approved June 29, 2021.