APPROPRIATION
LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2025 **CHAPTER:** 73

NJSA: APPROPRIATION Appropriates $247,128,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects.

BILL NO: A5801 (Substituted for S4692)

SPONSOR(S) Freiman, Roy and others

DATE INTRODUCED: 6/26/2025

COMMITTEE: **ASSEMBLY:** Budget

SENATE: --

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** 6/30/2025

SENATE: 6/30/2025

DATE OF APPROVAL: 6/30/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A5801 enacted)

ADVANCE LAW Yes

PAMPHLET LAW Yes

A5801

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

REPRINT(S): No

TECHNICAL REVIEW OF BILL: No

COMMITTEE STATEMENT: **ASSEMBLY**: Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

S4692

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

REPRINT(S): No

TECHNICAL REVIEW OF BILL: No

COMMITTEE STATEMENT: **ASSEMBLY**: No

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

LEGISLATOR STATEMENT: No

FOLLOWING WERE PRINTED:
To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or mailto:refdesk@njstatelib.org

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

CL/ MMcB

Approp.

P.L. 2025, CHAPTER 73, ***approved June 30, 2025***
Assembly, No. 5801

AN ACT concerning the “New Jersey Debt Defeasance and Prevention Fund” and making appropriations.

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

1. There is appropriated from the “New Jersey Debt Defeasance and Prevention Fund” $222,000,000 to the Department of Corrections for the design and construction of a new facility to replace the Edna Mahan Correctional Facility for Women, subject to the approval of the Director of the Division of Budget and Accounting.

2. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" $25,128,000 to the Department of the Treasury for the purpose of funding capital construction projects that the New Jersey Commission on Capital Budgeting and Planning recommends be undertaken or continued, subject to the approval of the Director of the Division of Budget and Accounting.

3. a. Notwithstanding the provisions of section 3 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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 money is 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 the amounts to be saved and an attestation that describes the manner in which the retired debt benefits the State.

b. Notwithstanding the provisions of section 4 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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. The Joint Budget Oversight Committee shall meet not less frequently than quarterly, with the first quarter of the fiscal year beginning on July 1 and ending on September 30, to consider lists of proposed capital projects submitted by the State Treasurer. The Joint Budget Oversight Committee shall meet during the third month of the first quarter of the fiscal year. In the event that the Joint Budget Oversight Committee fails to meet during a given quarter, any recommendation submitted to the Joint Budget Oversight Committee more than 45 days prior to the last day of the quarter shall be deemed approved.

4. This act shall take effect immediately.

STATEMENT

This bill appropriates $247,128,000 from the "New Jersey Debt Defeasance and Prevention Fund" for various capital projects.

Department of Corrections

The bill appropriates $222,000,000 to the Department of Corrections for the design and construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women. The construction of the new facility will be located in Chesterfield Township (Burlington County). P.L.2022, c.68 had previously appropriated $90.0 million from the same fund for the development of a plan to replace the Edna Mahan Correctional Facility for Women. News reports indicate that the construction of the new facility is estimated to cost $312.0 million.

Department of the Treasury

The bill appropriates $25,128,000 to the Department of the Treasury for capital construction projects recommended by the New Jersey Commission on Capital Budgeting and Planning. According to the Executive, this funding is expected to support projects ensuring the safety and functionality of State facilities, such as psychiatric hospitals, correctional institutions, and developmental centers.

Future Debt Defeasance and Prevention Fund Appropriations

The bill also authorizes balances remaining in the fund, including amounts previously credited to the fund, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

The bill establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects recommended by the State Treasurer. If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

Appropriates $247,128,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects.

CHAPTER 73

An Act concerning the “New Jersey Debt Defeasance and Prevention Fund” and making appropriations.

Be It Enacted *by the Senate and General Assembly of the State of New Jersey:*

1. There is appropriated from the “New Jersey Debt Defeasance and Prevention Fund” $222,000,000 to the Department of Corrections for the design and construction of a new facility to replace the Edna Mahan Correctional Facility for Women, subject to the approval of the Director of the Division of Budget and Accounting.

2. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" $25,128,000 to the Department of the Treasury for the purpose of funding capital construction projects that the New Jersey Commission on Capital Budgeting and Planning recommends be undertaken or continued, subject to the approval of the Director of the Division of Budget and Accounting.

3. a. Notwithstanding the provisions of section 3 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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 money is 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 the amounts to be saved and an attestation that describes the manner in which the retired debt benefits the State.

b. Notwithstanding the provisions of section 4 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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. The Joint Budget Oversight Committee shall meet not less frequently than quarterly, with the first quarter of the fiscal year beginning on July 1 and ending on September 30, to consider lists of proposed capital projects submitted by the State Treasurer. The Joint Budget Oversight Committee shall meet during the third month of the first quarter of the fiscal year. In the event that the Joint Budget Oversight Committee fails to meet during a given quarter, any recommendation submitted to the Joint Budget Oversight Committee more than 45 days prior to the last day of the quarter shall be deemed approved.

4. This act shall take effect immediately.

Approved June 30, 2025.

ASSEMBLY, No. 5801

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 26, 2025

Sponsored by:
Assemblyman ROY FREIMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)

SYNOPSIS

Appropriates $247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 6/30/2025)

AN ACT concerning the “New Jersey Debt Defeasance and Prevention Fund” and making appropriations.

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

1. There is appropriated from the “New Jersey Debt Defeasance and Prevention Fund” $222,000,000 to the Department of Corrections for the design and construction of a new facility to replace the Edna Mahan Correctional Facility for Women, subject to the approval of the Director of the Division of Budget and Accounting.

2. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" $25,128,000 to the Department of the Treasury for the purpose of funding capital construction projects that the New Jersey Commission on Capital Budgeting and Planning recommends be undertaken or continued, subject to the approval of the Director of the Division of Budget and Accounting.

3. a. Notwithstanding the provisions of section 3 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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 money is 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 the amounts to be saved and an attestation that describes the manner in which the retired debt benefits the State.

b. Notwithstanding the provisions of section 4 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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. The Joint Budget Oversight

Committee shall meet not less frequently than quarterly, with the first quarter of the fiscal year beginning on July 1 and ending on September 30, to consider lists of proposed capital projects submitted by the State Treasurer. The Joint Budget Oversight Committee shall meet during the third month of the first quarter of the fiscal year. In the event that the Joint Budget Oversight Committee fails to meet during a given quarter, any recommendation submitted to the Joint Budget Oversight Committee more than 45 days prior to the last day of the quarter shall be deemed approved.

4. This act shall take effect immediately.

STATEMENT

This bill appropriates $247,128,000 from the "New Jersey Debt Defeasance and Prevention Fund" for various capital projects.

<u>Department of Corrections</u>

The bill appropriates $222,000,000 to the Department of Corrections for the design and construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women. The construction of the new facility will be located in Chesterfield Township (Burlington County). P.L.2022, c.68 had previously appropriated $90.0 million from the same fund for the development of a plan to replace the Edna Mahan Correctional Facility for Women. News reports indicate that the construction of the new facility is estimated to cost $312.0 million.

<u>Department of the Treasury</u>

The bill appropriates $25,128,000 to the Department of the Treasury for capital construction projects recommended by the New Jersey Commission on Capital Budgeting and Planning. According to the Executive, this funding is expected to support projects ensuring the safety and functionality of State facilities, such as psychiatric hospitals, correctional institutions, and developmental centers.

<u>Future Debt Defeasance and Prevention Fund Appropriations</u>

The bill also authorizes balances remaining in the fund, including amounts previously credited to the fund, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

The bill establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects recommended by the State Treasurer. If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5801

STATE OF NEW JERSEY

DATED: JUNE 26, 2025

The Assembly Budget Committee reports favorably Assembly Bill No. 5801.

This bill appropriates $247,128,000 from the "New Jersey Debt Defeasance and Prevention Fund" for various capital projects.

Department of Corrections

The bill appropriates $222,000,000 to the Department of Corrections for the design and construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women. The construction of the new facility will be located in Chesterfield Township (Burlington County). P.L.2022, c.68 had previously appropriated $90.0 million from the same fund for the development of a plan to replace the Edna Mahan Correctional Facility for Women. News reports indicate that the construction of the new facility is estimated to cost $312.0 million.

Department of the Treasury

The bill appropriates $25,128,000 to the Department of the Treasury for capital construction projects recommended by the New Jersey Commission on Capital Budgeting and Planning. According to the Executive, this funding is expected to support projects ensuring the safety and functionality of State facilities, such as psychiatric hospitals, correctional institutions, and developmental centers.

Future Debt Defeasance and Prevention Fund Appropriations

The bill also authorizes balances remaining in the fund, including amounts previously credited to the fund, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

The bill establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects recommended by the State Treasurer.

If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

FISCAL IMPACT:

Fiscal information is not available at this time.

SENATE, No. 4692

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 26, 2025

Sponsored by:
Senator PAUL A. SARLO
District 36 (Bergen and Passaic)

SYNOPSIS

Appropriates $247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the “New Jersey Debt Defeasance and Prevention Fund” and making appropriations.

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

1. There is appropriated from the “New Jersey Debt Defeasance and Prevention Fund” $222,000,000 to the Department of Corrections for the design and construction of a new facility to replace the Edna Mahan Correctional Facility for Women, subject to the approval of the Director of the Division of Budget and Accounting.

2. There is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" $25,128,000 to the Department of the Treasury for the purpose of funding capital construction projects that the New Jersey Commission on Capital Budgeting and Planning recommends be undertaken or continued, subject to the approval of the Director of the Division of Budget and Accounting.

3. a. Notwithstanding the provisions of section 3 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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 money is 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 the amounts to be saved and an attestation that describes the manner in which the retired debt benefits the State.

b. Notwithstanding the provisions of section 4 of P.L.2021, c.125 or any other law to the contrary, there is appropriated from the "New Jersey Debt Defeasance and Prevention Fund" such amounts remaining therein after the appropriations required pursuant to sections 1 and 2 of this act, as determined by the State Treasurer, including any amounts previously deposited therein, 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. The Joint Budget Oversight

Committee shall meet not less frequently than quarterly, with the first quarter of the fiscal year beginning on July 1 and ending on September 30, to consider lists of proposed capital projects submitted by the State Treasurer. The Joint Budget Oversight Committee shall meet during the third month of the first quarter of the fiscal year. In the event that the Joint Budget Oversight Committee fails to meet during a given quarter, any recommendation submitted to the Joint Budget Oversight Committee more than 45 days prior to the last day of the quarter shall be deemed approved.

4. This act shall take effect immediately.

STATEMENT

This bill appropriates $247,128,000 from the "New Jersey Debt Defeasance and Prevention Fund" for various capital projects.

Department of Corrections

The bill appropriates $222,000,000 to the Department of Corrections for the design and construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women. The construction of the new facility will be located in Chesterfield Township (Burlington County). P.L.2022, c.68 had previously appropriated $90.0 million from the same fund for the development of a plan to replace the Edna Mahan Correctional Facility for Women. News reports indicate that the construction of the new facility is estimated to cost $312.0 million.

Department of the Treasury

The bill appropriates $25,128,000 to the Department of the Treasury for capital construction projects recommended by the New Jersey Commission on Capital Budgeting and Planning. According to the Executive, this funding is expected to support projects ensuring the safety and functionality of State facilities, such as psychiatric hospitals, correctional institutions, and developmental centers.

Future Debt Defeasance and Prevention Fund Appropriations

The bill also authorizes balances remaining in the fund, including amounts previously credited to the fund, to be appropriated for the purpose of retiring and defeasing State debt and funding capital projects on a pay-as-you-go basis rather than issuing additional State debt.

The bill establishes a process by which the Executive and Legislative branches of State government will determine future appropriations from the fund for capital projects. The bill requires the Joint Budget Oversight Committee (JBOC) to meet at least once each calendar quarter to consider appropriations for capital projects on lists provided by the State Treasurer. JBOC may appropriate funding for all, some, or none of the projects recommended by the State Treasurer. If JBOC fails to meet during a given calendar quarter, any recommendation submitted to JBOC more than 45 days prior to the last day of the calendar quarter is deemed approved.

Bills Gov Acted On

Posted on - 06/30/2025

The Governor has acted on the following bills:

BILL SIGNINGS:

S-4620/A-5879 (McKnight, Mukherji/McCann Stamato) - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) - Appropriates $128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-5100/S-3991 (Rodriguez/Stack) - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates $3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

A-5807/S-4655 (Pintor Marin/Sarlo) - Makes FY2025 supplemental appropriations of $142,615,000; adds various language provisions to FY2025 Appropriations Act

A-5803/SCS for S-3064 (Bagolie/McKeon, Turner) - Modifies tax on certain forms of online gaming and wagering

ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji) - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale) - Modifies tax rate on certain nicotine products

A-5804/S-4666 (Reynolds-Jackson/Wimberly) - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over $2 million

A-5809/S-4656 (Murphy/Vitale) - “Healthcare Finance Enhancement Act”

S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips) - Makes various changes to "New Jersey Angel Investor Tax Credit Act" and Technology Business Tax Certificate Transfer Program; repeals "New Jersey Ignite Act"

S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort) - Provides for publication of required legal notices on government Internet websites and through certain online news publications

A-5801/S-4692 (Freiman/Sarlo) - Appropriates $247,128,000 from "New Jersey Debt Defeasance and Prevention Fund"; establishes process for authorizing future appropriations for debt defeasance and capital projects

(BUDGET BILL – w/Rev Cert. LIV, Summary)

BILL VETOED:

S-2026/A-5800 **(Sarlo/Pintor Marin, Park) – w/LINE ITEM** Appropriates $58,782,119,000 in State funds and $31,007,261,743 in federal funds for the State budget for fiscal year 2026

BILL SIGNINGS:

A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight) - Promotes equity in health insurance appeal process

S-4632/A-5812 (Scutari, Ruiz/Schaer) - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider) - Directs DEP and DOT to establish "Wildlife Corridor Action Plan"

S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie) - Establishes School Supervisor Mentorship Pilot Program; appropriates $500,000

A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker) - Extends statutory pause on collection of student growth objective data

A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker) - Modifies certain provisions of "New Jersey Innovation Evergreen Act"

S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon) - Modifies certain requirements and award availability under film and digital media content production tax credit program

S-4122/A-5257 (Burzichelli/Stanley, Egan) - Revises apportionment of State lottery contributions

Governor Murphy Signs Fiscal Year 2026 Budget into Law

Posted on - 06/30/2025

Budget Builds on Governor Murphy's Historic Record of Fiscal Responsibility – With a $6.7 Billion Surplus to Help Weather Future Financial Challenges Compared to Just $409 Million Surplus Inherited in 2018

Budget Provides An All-Time High Level of Property Tax Relief, the Highest Level of School Funding in History, and a Fifth Consecutive Full Pension Payment

Budget Makes Historic Investments in Women's Health Care and Provides Funding to Fully Modernize NJ TRANSIT's Fleet

TRENTON – Governor Phil Murphy today signed into law the Fiscal Year 2026 Appropriations Act, marking a culmination of the Murphy Administration's longstanding commitment to fiscal responsibility, affordability, and opportunity. Over nine budgets spanning nearly eight years in office, Governor Murphy has presided over sustained economic growth while making long overdue investments in addressing the needs of working New Jerseyans, from property tax relief, to school funding, to restoring funding for the State's pension systems.

The $58.78 billion Fiscal Year 2026 (FY2026) budget, which was passed by the Legislature earlier today, redirects over 75 percent of the total budget back into our communities in the form of grants-in-aid for property tax relief, social services, higher education, as well as State aid to schools, municipalities, and counties. The budget includes an all-time high level of direct property tax relief for homeowners and renters, yields the highest level of school funding in history, and delivers a fifth consecutive full pension payment. It also prioritizes quality health services for women and families, and it invests in beginning to fully modernize NJ TRANSIT's fleet.

Upon taking office, Governor Murphy inherited a $409 million surplus from his predecessor. Eight years later, the Governor will leave his successor with a surplus 16 times greater than that amount—$6.7 billion.

"This budget exemplifies our dedication to fiscal responsibility, affordability, and opportunity for all New Jerseyans," **said Governor Murphy**. "Over nearly eight years in office, we have maintained a steadfast commitment to building a stronger and fairer New Jersey and righting our fiscal ship. I'm proud that this budget caps off an eight-year journey to turn our state around and delivers greater economic security and opportunity to every family. With the help of our legislative partners, we are moving New Jersey toward a brighter future for every child, student, worker, parent, and senior citizen who calls our great state home."

"The budget upholds our administration's promise to make sure that New Jersey remains the best state in the nation to live, work, raise a family, and retire," **said Lieutenant Governor Tahesha Way**. "Over the past seven and a half years, we have made historic strides in making our state more affordable for hardworking residents and families through expanded tax relief and major investments in affordable housing, social services, and education. This state budget is a direct result of the strong collaboration between Governor Murphy, Treasurer Muoio, and legislative leadership."

"This budget is the culmination of a nearly eight-year effort to improve conditions for all New Jerseyans, building a fiscally stronger state that is more affordable for all," **said State Treasurer Elizabeth Maher Muoio**. "As always, this budget could not have been completed without the hard work of my staff at the Department of the Treasury and particularly the folks at the Office of Management and Budget and the Office of Revenue and Economic Analysis. I want to thank all of them for their tireless work, dedication, and exemplary professionalism over the past seven and a half years."

"This is a fiscally responsible budget that puts New Jersey families first. At a time when working people are being left behind by misguided decisions in Washington, we're making smart, strategic investments that deliver meaningful support, especially through historic property tax reductions, strong funding for public education, higher education, healthcare, transit, and a full pension payment," **said Senate President Nick Scutari, Senate Majority Leader M. Teresa Ruiz and Senator Paul Sarlo, Chair of the Senate Budget Committee**. "We're grateful to Governor Murphy and our colleagues in the Legislature for coming together to enact a disciplined, forward-looking budget that safeguards essential services, expands opportunity, and reinforces New Jersey's long-term fiscal strength."

Fiscal Responsibility
The budget once again provides a full payment to the pension systems. This year's $7.2 billion payment marks the fifth year in a row Governor Murphy has fully funded the systems. Total pension contributions by the Murphy Administration are on track to exceed $47 billion – nearly four times the $12.2 billion in total contributions of the previous six governors combined.

With an eye toward ensuring New Jersey remains prepared for the future, this budget provides a surplus of $6.7 billion, more than ten times larger than the average surplus under the previous administration.

Additionally, the budget includes $788 million in funding from the Corporate Transit Fee dedicated to support NJ TRANSIT and builds upon $1.358 billion in interest saved by taxpayers over the last four years by paying down debt and minimizing new debt taken on.

The budget also includes several tax policy changes, including increases for the highest tier of realty transfer fees, sports betting, and cigarettes and vaping, as well as a new exemption for small business investment and reforms to the Angel Investor Tax Credit.

These changes, along with the cuts in appropriations, help ensure that revenues are more closely in line with expenditures.

Affordability and Economic Security
Continuing efforts to make New Jersey affordable for all, this budget includes nearly $4.3 billion in direct property tax relief for New Jersey homeowners and renters, including $2.4 billion for the continuation of the popular ANCHOR program, which last year delivered more than $2.2 billion in property tax relief to nearly two million residents. The budget also continues the Senior Freeze program, with a $239 million allocation to benefit more than 235,000 taxpayers.

The budget also includes additional funding for the landmark Stay NJ program, allocating $600 million in resources to significantly reduce property taxes for more than 432,000 senior homeowners. Stay NJ is expected to launch for the 2025 tax season and will reimburse eligible seniors for up to 50 percent of their property tax bills.

Continuing the focus on making the state more affordable for working and middle-class families, the budget maintains recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit.

The tax relief included in this budget brings the total relief provided by the Murphy Administration and our partners in the Legislature to more than double any prior administration.

Continuing efforts to provide quality health services for all, a top priority of this administration, the budget includes $165 million for the continuation of Cover All Kids; $55.4 million for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs, helping more than 149,000 seniors and residents with disabilities; $52 million for family planning services and reproductive health programs; and $35.8 million for Family Connects NJ, which has provided nearly 2,500 free in-home nurse visits to families with newborns and is now available in 11 counties; and $52 million for family planning services and reproductive health programs.

The proposal also includes $10 million for a new initiative to provide State employees with full pay while they take family leave to care for a newborn, adopted, or fostered child.

Supporting the Next Generation of New Jerseyans
Last year, Governor Murphy became the first Governor to fully fund the K-12 school funding formula. This budget builds on that commitment, providing record-high school funding in FY2026. The budget includes a record $12.1 billion for K-12 schools, a nearly $4 billion increase since FY2018. This budget also addresses feedback from school districts by capping losses in major school aid categories and reducing input volatility, ensuring no district sees a steep reduction in aid from one year to the next. A district's K-12 State aid will not decrease by an amount greater than 3% of the prior year's State aid in the four primary categories: equalization, special education, security, and transportation.

The budget also proposes $7.5 million in new grant funding to support districts in providing high-impact tutoring to students in need of extra academic support, as well as $3 million in incentive grants for schools that want to go entirely phone-free, giving students the best opportunity to learn without distraction.

Continuing the push for universal pre-school throughout New Jersey, the FY2026 budget proposes $1.27 billion for Preschool Education Aid. Since 2018, the Murphy Administration has expanded pre-K to 229 school districts and created nearly 20,000 new seats.

Building New Jersey's Future
In an effort to fortify our transportation infrastructure, this budget includes $1.23 billion for critical investments in State and local highway and bridge projects, and another $767 million for NJ TRANSIT to begin to fully modernize its fleet.

To ensure stability and future success for New Jersey's institutions of higher education, this budget provides $755.2 million in institutional support for State colleges and universities, as well as $169.1 million for county colleges and $8.6 million for independent institutions of higher education in New Jersey. This totals $932.9 million, a nearly 50% increase over the $629.6 million in funding provided in FY2018.

The budget agreement also provides for $250 million in bonding for capital grants to higher education institutions. This builds on the $400 million in capital grants announced in 2023.

The budget also sets aside $222 million from the Debt Defeasance and Prevention Fund for a critical investment in the construction of a new correctional facility to replace the Edna Mahan Correctional Facility for Women.

An additional one-page policy summary on the central commitments of the FY2026 budget can be found online here.

Governor Murphy signed the Appropriations Act into law today:

S-2026/A-5800 (Sarlo/Pintor Marin, Park) – w/LINE ITEM Appropriates $58,782,119,000 in State funds and $31,007,261,743 in federal funds for the State budget for fiscal year 2026

Line Item Veto Message

Line Item Veto Summary

Revenue Certification

In addition to the Appropriations Act, Governor Murphy also signed the following bills into law today:

S-4620/A-5879 (McKnight, Mukherji/McCann Stamato) - Amends Fiscal Year 2025 annual appropriations act to assign distribution of Old Courthouse asbestos remediation funding from Hudson County to Jersey City

S-2788wGR/A-4569 (Cruz-Perez, Turner/Freiman, Katz, Simmons) - Appropriates $128.241 million from constitutionally dedicated CBT revenues to State Agriculture Development Committee for farmland preservation purposes

A-5100/S-3991 (Rodriguez/Stack) - Re-appropriates unexpended balance of FY 2024 appropriation for Town of West New York to support recreation center; appropriates $3 million for Town of West New York – Recreation Center to restore lapsed FY 2024 funding

A-5807/S-4655 (Pintor Marin/Sarlo) - Makes FY2025 supplemental appropriations of $142,615,000; adds various language provisions to FY2025 Appropriations Act

A-5803/SCS for S-3064 (Bagolie/McKeon, Turner) - Modifies tax on certain forms of online gaming and wagering

ACS for A-4455/SCS for S-4503 (Freiman, Schaer, Karabinchak /Sarlo, Mukherji) - Allows exemption from New Jersey gross income of certain capital gains from sale or exchange of qualified small business stock

A-5805/SCS for S-4659 and 4661 (Venezia/Sarlo, Vitale) - Modifies tax rate on certain nicotine products

A-5804/S-4666 (Reynolds-Jackson/Wimberly) - Modifies payer of additional fees and taxes imposed on certain real property transfers; modifies fees and taxes imposed on property transfers valued over $2 million

A-5809/S-4656 (Murphy/Vitale) - “Healthcare Finance Enhancement Act

S-3189/A-2365 (Zwicker, Sarlo/Tully, Murphy, DePhillips) - Makes various changes to “New Jersey Angel Investor Tax Credit Act” and Technology Business Tax Certificate Transfer Program; repeals “New Jersey Ignite Act”

S-4654/A-5878 (Scutari, A.M. Bucco/Schnall, Inganamort) - Provides for publication of required legal notices on government Internet websites and through certain online news publications

A-5801/S-4692 (Freiman/Sarlo) - Appropriates $247,128,000 from “New Jersey Debt Defeasance and Prevention Fund”; establishes process for authorizing future appropriations for debt defeasance and capital projects

A-5810/S-4660 (Pintor Marin, Dolon, Bagolie/McKeon, McKnight) - Promotes equity in health insurance appeal process

S-4632/A-5812 (Scutari, Ruiz/Schaer) - Establishes grant program in DOE for public schools to purchase and install point-of-use filtered bottle-filling stations and filtered faucets

S-3618/A-4926 (Smith, Greenstein/Calabrese, Tully, Haider) - Directs DEP and DOT to establish “Wildlife Corridor Action Plan”

S-3933/A-5075 (Ruiz, McKnight/Swain, Morales, Bagolie) - Establishes School Supervisor Mentorship Pilot Program; appropriates $500,000

A-5077/S-4375 (Morales, Bagolie, Carter/Ruiz, Zwicker) - Extends statutory pause on collection of student growth objective data

A-5795/S-4619 (Pintor Marin, Freiman, Drulis/Zwicker) - Modifies certain provisions of “New Jersey Innovation Evergreen Act”

S-4618/A-5827 (Mukherji, Gopal/Pintor Marin, Peterpaul, Donlon) - Modifies certain requirements and award availability under film and digital media content production tax credit program

S-4122/A-5257 (Burzichelli/Stanley, Egan) - Revises apportionment of State lottery contributions