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New Jersey Republican State Committee v. Murphy

Supreme Court of New Jersey - August 12, 2020 - A.3d - 2020 WL 4669826

Political party's state committee and others brought action challenging constitutionality of New Jersey COVID-19 Emergency Bond Act, under which the State may issue bonds for private sale or borrow funds from the federal government.

Direct certification was granted.

The Supreme Court held that Act is constitutional, with the limitation that borrowing is required to "meet an emergency" and may not be for programs unrelated to the emergency.

The New Jersey COVID-19 Emergency Bond Act, under which the State may issue bonds for private sale or borrow funds from the federal government, is valid under the Appropriations Clause and Debt Limitations Clause of the state Constitution, with the limitation that borrowing is required to "meet an emergency" and may not be for programs unrelated to the emergency.

In borrowing funds pursuant to the New Jersey COVID-19 Emergency Bond Act, under which the State may issue bonds for private sale or borrow funds from the federal government, the Governor or the Treasurer must certify publicly the State's projected revenue and consequent shortfall as a result of the COVID-19 pandemic before each tranche of borrowing.

The fiscal clauses of the New Jersey Constitution allow the State both to borrow and to spend funds for the purpose of meeting an emergency caused by a disaster and do not pose a bar to the New Jersey COVID-19 Emergency Bond Act, under which the State may issue bonds for private sale or borrow funds from the federal government.

Statutes challenged on constitutional grounds can be declared void only if their repugnancy to the constitution is clear beyond reasonable doubt.

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