

58:11B-6

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2002 **CHAPTER:** 69

NJSA: 58:11B-6 (New Jersey Environmental Infrastructure Trust)

BILL NO: A2263 (Substituted for S1460)

SPONSOR(S): Gusciora and Sires

DATE INTRODUCED: May 9, 2002

COMMITTEE: **ASSEMBLY:** Appropriations

SENATE: ----

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** June 20, 2002

SENATE: June 24, 2002

DATE OF APPROVAL: August 14, 2002

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (1st reprint enacted)
(Amendments during passage denoted by superscript numbers)

A2263

[SPONSORS STATEMENT](#): (Begins on page 7 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** [Yes](#)

SENATE: No

FLOOR AMENDMENT STATEMENTS: No

LEGISLATIVE FISCAL ESTIMATE: No

S1460

[SPONSORS STATEMENT](#): (Begins on page 7 of original bill) [Yes](#)

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes [6-6-2002 \(Environment\)](#)
[6-20-2002 \(Budget\)](#)

FLOOR AMENDMENT STATEMENTS: No

[LEGISLATIVE FISCAL ESTIMATE:](#) [Yes](#)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

P.L. 2002, CHAPTER 69, *approved August 14, 2002*
Assembly Bill No. 2263 (*First Reprint*)

1 AN ACT concerning environmental infrastructure projects, and
2 amending P.L.1985, c.334 and P.L.1997, c.224.

3

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

6

7 1. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read
8 as follows:

9 6. a. Except as may be otherwise expressly provided in the
10 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
11 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,
12 notes or other obligations in any principal amounts as in the judgment
13 of the trust shall be necessary to provide sufficient funds for any of its
14 corporate purposes, including the payment, funding or refunding of the
15 principal of, or interest or redemption premiums on, any bonds, notes
16 or other obligations issued by it, whether the bonds, notes or other
17 obligations or the interest or redemption premiums thereon to be
18 funded or refunded have or have not become due, the establishment or
19 increase of reserves or other funds to secure or to pay the bonds, notes
20 or other obligations or interest thereon and all other costs or expenses
21 of the trust incident to and necessary to carry out its corporate
22 purposes and powers.

23 b. Whether or not the bonds, notes or other obligations of the trust
24 are of a form and character as to be negotiable instruments under the
25 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
26 other obligations are made negotiable instruments within the meaning
27 of and for the purposes of Title 12A of the New Jersey Statutes,
28 subject only to the provisions of the bonds, notes and other obligations
29 for registration.

30 c. Bonds, notes or other obligations of the trust shall be authorized
31 by a resolution or resolutions of the trust and may be issued in one or
32 more series and shall bear any date or dates, mature at any time or
33 times, bear interest at any rate or rates of interest per annum, be in any
34 denomination or denominations, be in any form, either coupon,
35 registered or book entry, carry any conversion or registration
36 privileges, have any rank or priority, be executed in any manner, be
37 payable in any coin or currency of the United States which at the time
38 of payment is legal tender for the payment of public and private debts,
39 at any place or places within or without the State, and be subject to
40 any terms of redemption by the trust or the holders thereof, with or

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:

¹ Assembly AAP committee amendments adopted June 17, 2002.

1 without premium, as the resolution or resolutions may provide. A
2 resolution of the trust authorizing the issuance of bonds, notes or
3 other obligations may provide that the bonds, notes or other
4 obligations be secured by a trust indenture between the trust and a
5 trustee, vesting in the trustee any property, rights, powers and duties
6 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1
7 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may
8 determine.

9 d. Bonds, notes or other obligations of the trust may be sold at any
10 price or prices and in any manner as the trust may determine. Each
11 bond, note or other obligation shall mature and be paid not later than
12 20 years from the effective date thereof, or the certified useful life of
13 the project or projects to be financed by the bonds, whichever is less.

14 All bonds of the trust shall be sold at such price or prices and in
15 such manner as the trust shall determine, after notice of sale, a
16 summary of which shall be published at least once in at least three
17 newspapers published in the State of New Jersey and at least once in
18 a publication carrying municipal bond notices and devoted primarily to
19 financial news published in New Jersey or the city of New York, the
20 first summary notice to be at least five days prior to the day of
21 bidding. The notice of sale may contain a provision to the effect that
22 any or all bids made in pursuance thereof may be rejected. In the event
23 of such rejection or of failure to receive any acceptable bid, the trust,
24 at any time within 60 days from the date of such advertised sale, may
25 sell such bonds at private sale upon terms not less favorable to the
26 State than the terms offered by any rejected bid. The trust may sell all
27 or part of the bonds of any series as issued to any State fund or to the
28 federal government or any agency thereof, at private sale, without
29 advertisement.

30 e. Bonds, notes or other obligations of the trust may be issued
31 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
32 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent
33 of any department, division, board, bureau or agency of the State, and
34 without any other proceedings or the happening of any other
35 conditions or things, other than those consents, proceedings,
36 conditions or things which are specifically required by P.L.1985, c.334
37 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

38 f. Bonds, notes or other obligations of the trust issued under the
39 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
40 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of
41 any political subdivision thereof other than the trust and shall not
42 create or constitute any indebtedness, liability or obligation of the
43 State or any political subdivision, but all these bonds, notes and other
44 obligations, unless funded or refunded by bonds, notes or other
45 obligations, shall be payable solely from revenues or funds pledged or
46 available for their payment as authorized in P.L.1985, c.334

1 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each
2 bond, note and obligation shall contain on its face a statement to the
3 effect that the trust is obligated to pay the principal thereof or the
4 interest thereon only from its revenues, receipts or funds pledged or
5 available for their payment as authorized in P.L.1985, c.334
6 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and
7 that neither the State, nor any political subdivision thereof, is
8 obligated to pay the principal or interest and that neither the faith and
9 credit nor the taxing power of the State, or any political subdivision
10 thereof, is pledged to the payment of the principal of or the interest on
11 the bonds, notes or other obligations.

12 g. The aggregate principal amount of bonds, notes or other
13 obligations, including subordinated indebtedness of the trust, shall not
14 exceed ~~[\$1,350,000,000]~~ ¹~~[the aggregate sum of all amounts~~
15 ~~authorized under the annual legislative appropriations acts]~~
16 \$1,600,000,000¹. In computing the foregoing limitations there shall
17 be excluded all the bonds, notes or other obligations, including
18 subordinated indebtedness of the trust, which shall be issued for
19 refunding purposes, whenever the refunding shall be determined to
20 result in a savings.

21 (1) Upon the decision by the trust to issue refunding bonds, and
22 prior to the sale of those bonds, the trust shall transmit to the Joint
23 Budget Oversight Committee, or its successor, a report that a decision
24 has been made, reciting the basis on which the decision was made,
25 including an estimate of the debt service savings to be achieved and
26 the calculations upon which the trust relied when making the decision
27 to issue refunding bonds. The report shall also disclose the intent of
28 the trust to issue and sell the refunding bonds at public or private sale
29 and the reasons therefor.

30 (2) The Joint Budget Oversight Committee or its successor shall
31 have the authority to approve or disapprove the sales of refunding
32 bonds as included in each report submitted in accordance with
33 paragraph (1) of this subsection. The committee shall notify the trust
34 in writing of the approval or disapproval as expeditiously as possible.

35 (3) No refunding bonds shall be issued unless the report has been
36 submitted to and approved by the Joint Budget Oversight Committee
37 or its successor as set forth in paragraphs (1) and (2) of this
38 subsection.

39 (4) Within 30 days after the sale of the refunding bonds, the trust
40 shall notify the committee of the result of that sale, including the prices
41 and terms, conditions and regulations concerning the refunding bonds,
42 the actual amount of debt service savings to be realized as a result of
43 the sale of refunding bonds, and the intended use of the proceeds from
44 the sale of those bonds.

45 (5) The committee shall review all information and reports
46 submitted in accordance with this subsection and may, on its own

1 initiative, make observations to the trust, or to the Legislature, or
2 both, as it deems appropriate.

3 h. Each issue of bonds, notes or other obligations of the trust may,
4 if it is determined by the trust, be general obligations thereof payable
5 out of any revenues, receipts or funds of the trust, or special
6 obligations thereof payable out of particular revenues, receipts or
7 funds, subject only to any agreements with the holders of bonds, notes
8 or other obligations, and may be secured by one or more of the
9 following:

10 (1) Pledge of revenues and other receipts to be derived from the
11 payment of the interest on and principal of notes, bonds or other
12 obligations issued to the trust by one or more local government units,
13 and any other payment made to the trust pursuant to agreements with
14 any local government units, or a pledge or assignment of any notes,
15 bonds or other obligations of any local government unit and the rights
16 and interest of the trust therein;

17 (2) Pledge of rentals, receipts and other revenues to be derived
18 from leases or other contractual arrangements with any person or
19 entity, public or private, including one or more local government units,
20 or a pledge or assignment of those leases or other contractual
21 arrangements and the rights and interest of the trust therein;

22 (3) Pledge of all moneys, funds, accounts, securities and other
23 funds, including the proceeds of the bonds, notes or other obligations;

24 (4) Pledge of the receipts to be derived from the payments of State
25 aid, payable to the trust pursuant to section 12 of P.L.1985, c.334
26 (C.58:11B-12);

27 (5) A mortgage on all or any part of the property, real or personal,
28 of the trust then owned or thereafter to be acquired, or a pledge or
29 assignment of mortgages made to the trust by any person or entity,
30 public or private, including one or more local government units and
31 the rights and interest of the trust therein.

32 i. The trust shall not issue any bonds, notes or other obligations, or
33 otherwise incur any additional indebtedness, on or after
34 November 5, 2025.

35 j. (Deleted by amendment, P.L.1996, c.88).

36 (cf: P.L.2001, c.223, s.3)

37

38 2. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to
39 read as follows:

40 20. a. The Commissioner of Environmental Protection shall for
41 each fiscal year develop a priority system for wastewater treatment
42 systems and shall establish the ranking criteria and funding policies for
43 the projects therefor. The commissioner shall set forth a project
44 priority list for funding by the trust for each fiscal year and shall
45 include the aggregate amount of funds of the trust to be authorized for
46 these purposes. The project priority list may include any stormwater

1 management or combined sewer overflow abatement project identified
2 in the stormwater management and combined sewer overflow
3 abatement project priority list adopted by the commissioner pursuant
4 to section 28 of P.L.1989, c.181.

5 The project priority list, which shall include for each wastewater
6 treatment system the date each project is scheduled to be certified as
7 ready for funding, shall be in conformance with applicable provisions
8 of the "Federal Water Pollution Control Act Amendments of 1972,"
9 Pub.L. 92-500 (33 U.S.C. s.1251 et al.), and any amendatory or
10 supplementary acts thereto, and State law. The project priority list
11 shall include a description of each project and its purpose, impact,
12 cost, and construction schedule, and an explanation of the manner in
13 which priorities were established. The priority system and project
14 priority list for the ensuing fiscal year shall be submitted to the
15 Legislature on or before January 15 of each year on a day when both
16 Houses are meeting. The President of the Senate and the Speaker of
17 the General Assembly shall cause the date of submission to be entered
18 upon the Senate Journal and the Minutes of the General Assembly,
19 respectively. On or before May 15 of each year, the trust shall submit
20 the project priority list to be introduced in each House in the form of
21 legislative appropriations bills, which shall be referred to the Senate
22 Environment Committee and the General Assembly **[Solid and**
23 **Hazardous]** Environment and Solid Waste Committee, or their
24 successors, for their respective consideration.

25 b. The Senate Environment Committee and the General Assembly
26 **[Solid and Hazardous]** Environment and Solid Waste Committee
27 shall, either individually or jointly, consider the legislation containing
28 the project priority list, and shall report the legislation, together with
29 any modifications, out of committee for consideration by each House
30 of the Legislature. On or before July 1 of each year, the Legislature
31 shall approve an appropriations act containing the project priority list,
32 including any amendatory or supplementary provisions thereto, which
33 act shall include the authorization of an aggregate amount of funds of
34 the trust to be expended for loans and guarantees for the specific
35 projects, including the individual amounts therefor, on the list.

36 c. The trust shall not expend any money for a loan or guarantee
37 during a fiscal year for any wastewater treatment system project unless
38 the expenditure is authorized pursuant to an appropriations act as
39 provided in the provisions of this section, or as otherwise set forth in
40 an appropriations act.

41 (cf: P.L.2001, c.223, s.5)

42

43 3. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to
44 read as follows:

45 24. a. The Commissioner of Environmental Protection shall for
46 each fiscal year develop a priority system for water supply projects and

1 shall establish the ranking criteria and funding policies therefor. The
2 commissioner shall set forth a project priority list for funding by the
3 trust for each fiscal year and shall include the aggregate amount of
4 funds of the trust to be authorized for these purposes. The
5 commissioner may include a water supply project on the project
6 priority list if it meets the eligibility requirements for funding pursuant
7 to the federal "Safe Drinking Water Act Amendments of 1996,"
8 Pub.L.104-182. The project priority list shall include a description of
9 each project and an explanation of the manner in which priorities were
10 established. The priority system and project priority list for the ensuing
11 fiscal year shall be submitted to the Legislature on or before January
12 15 of each year on a day when both Houses are meeting. The President
13 of the Senate and the Speaker of the General Assembly shall cause the
14 date of submission to be entered upon the Senate Journal and the
15 Minutes of the General Assembly, respectively. On or before May 15
16 of each year, the trust shall submit the project priority list to be
17 introduced in each House in the form of legislative appropriations bills,
18 which shall be referred to the Senate Environment Committee and the
19 General Assembly **[Solid and Hazardous]** Environment and Solid
20 Waste Committee, or their successors, for their respective
21 consideration.

22 b. The Senate Environment Committee and the General Assembly
23 **[Solid and Hazardous]** Environment and Solid Waste Committee
24 shall, either individually or jointly, consider the legislation containing
25 the project priority list, and shall report the legislation, together with
26 any modifications, out of committee for consideration by each House
27 of the Legislature. On or before July 1 of each year, the Legislature
28 shall approve an appropriations act containing the project priority list,
29 including any amendatory or supplementary provisions thereto, which
30 act shall include the authorization of an aggregate amount of funds of
31 the trust to be expended for loans and guarantees for the specific
32 water supply projects, including the individual amounts therefor, on
33 the list.

34 c. The trust shall not expend any money for a loan or guarantee
35 during a fiscal year for any water supply project unless the expenditure
36 is authorized pursuant to an appropriations act as provided in the
37 provisions of this section, or as otherwise set forth in an
38 appropriations act.

39 (cf: P.L.2001, c.223, s.6)

40

41 4. This act shall take effect immediately.

42

43

44

45

46 Raises N.J. Environmental Infrastructure Trust's statutory debt ceiling
47 to \$1.6 billion.

ASSEMBLY, No. 2263

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 9, 2002

Sponsored by:

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman ALBIO SIRES

District 33 (Hudson)

SYNOPSIS

Makes certain changes to procedures governing the New Jersey Environmental Infrastructure Trust Financing Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/14/2002)

A2263 GUSCIORA, SIRES

2

1 AN ACT concerning environmental infrastructure projects, and
2 amending P.L.1985, c.334 and P.L.1997, c.224.

3

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

6

7 1. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read
8 as follows:

9 6. a. Except as may be otherwise expressly provided in the
10 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
11 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,
12 notes or other obligations in any principal amounts as in the judgment
13 of the trust shall be necessary to provide sufficient funds for any of its
14 corporate purposes, including the payment, funding or refunding of the
15 principal of, or interest or redemption premiums on, any bonds, notes
16 or other obligations issued by it, whether the bonds, notes or other
17 obligations or the interest or redemption premiums thereon to be
18 funded or refunded have or have not become due, the establishment or
19 increase of reserves or other funds to secure or to pay the bonds, notes
20 or other obligations or interest thereon and all other costs or expenses
21 of the trust incident to and necessary to carry out its corporate
22 purposes and powers.

23 b. Whether or not the bonds, notes or other obligations of the trust
24 are of a form and character as to be negotiable instruments under the
25 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
26 other obligations are made negotiable instruments within the meaning
27 of and for the purposes of Title 12A of the New Jersey Statutes,
28 subject only to the provisions of the bonds, notes and other obligations
29 for registration.

30 c. Bonds, notes or other obligations of the trust shall be authorized
31 by a resolution or resolutions of the trust and may be issued in one or
32 more series and shall bear any date or dates, mature at any time or
33 times, bear interest at any rate or rates of interest per annum, be in any
34 denomination or denominations, be in any form, either coupon,
35 registered or book entry, carry any conversion or registration
36 privileges, have any rank or priority, be executed in any manner, be
37 payable in any coin or currency of the United States which at the time
38 of payment is legal tender for the payment of public and private debts,
39 at any place or places within or without the State, and be subject to
40 any terms of redemption by the trust or the holders thereof, with or
41 without premium, as the resolution or resolutions may provide. A
42 resolution of the trust authorizing the issuance of bonds, notes or
43 other obligations may provide that the bonds, notes or other

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.

1 obligations be secured by a trust indenture between the trust and a
2 trustee, vesting in the trustee any property, rights, powers and duties
3 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1
4 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may
5 determine.

6 d. Bonds, notes or other obligations of the trust may be sold at any
7 price or prices and in any manner as the trust may determine. Each
8 bond, note or other obligation shall mature and be paid not later than
9 20 years from the effective date thereof, or the certified useful life of
10 the project or projects to be financed by the bonds, whichever is less.

11 All bonds of the trust shall be sold at such price or prices and in
12 such manner as the trust shall determine, after notice of sale, a
13 summary of which shall be published at least once in at least three
14 newspapers published in the State of New Jersey and at least once in
15 a publication carrying municipal bond notices and devoted primarily to
16 financial news published in New Jersey or the city of New York, the
17 first summary notice to be at least five days prior to the day of
18 bidding. The notice of sale may contain a provision to the effect that
19 any or all bids made in pursuance thereof may be rejected. In the event
20 of such rejection or of failure to receive any acceptable bid, the trust,
21 at any time within 60 days from the date of such advertised sale, may
22 sell such bonds at private sale upon terms not less favorable to the
23 State than the terms offered by any rejected bid. The trust may sell all
24 or part of the bonds of any series as issued to any State fund or to the
25 federal government or any agency thereof, at private sale, without
26 advertisement.

27 e. Bonds, notes or other obligations of the trust may be issued
28 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
29 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent
30 of any department, division, board, bureau or agency of the State, and
31 without any other proceedings or the happening of any other
32 conditions or things, other than those consents, proceedings,
33 conditions or things which are specifically required by P.L.1985, c.334
34 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

35 f. Bonds, notes or other obligations of the trust issued under the
36 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
37 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of
38 any political subdivision thereof other than the trust and shall not
39 create or constitute any indebtedness, liability or obligation of the
40 State or any political subdivision, but all these bonds, notes and other
41 obligations, unless funded or refunded by bonds, notes or other
42 obligations, shall be payable solely from revenues or funds pledged or
43 available for their payment as authorized in P.L.1985, c.334
44 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each
45 bond, note and obligation shall contain on its face a statement to the
46 effect that the trust is obligated to pay the principal thereof or the

1 interest thereon only from its revenues, receipts or funds pledged or
2 available for their payment as authorized in P.L.1985, c.334
3 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and
4 that neither the State, nor any political subdivision thereof, is
5 obligated to pay the principal or interest and that neither the faith and
6 credit nor the taxing power of the State, or any political subdivision
7 thereof, is pledged to the payment of the principal of or the interest on
8 the bonds, notes or other obligations.

9 g. The aggregate principal amount of bonds, notes or other
10 obligations, including subordinated indebtedness of the trust, shall not
11 exceed **[\$1,350,000,000]** the aggregate sum of all amounts authorized
12 under the annual legislative appropriations acts. In computing the
13 foregoing limitations there shall be excluded all the bonds, notes or
14 other obligations, including subordinated indebtedness of the trust,
15 which shall be issued for refunding purposes, whenever the refunding
16 shall be determined to result in a savings.

17 (1) Upon the decision by the trust to issue refunding bonds, and
18 prior to the sale of those bonds, the trust shall transmit to the Joint
19 Budget Oversight Committee, or its successor, a report that a decision
20 has been made, reciting the basis on which the decision was made,
21 including an estimate of the debt service savings to be achieved and
22 the calculations upon which the trust relied when making the decision
23 to issue refunding bonds. The report shall also disclose the intent of
24 the trust to issue and sell the refunding bonds at public or private sale
25 and the reasons therefor.

26 (2) The Joint Budget Oversight Committee or its successor shall
27 have the authority to approve or disapprove the sales of refunding
28 bonds as included in each report submitted in accordance with
29 paragraph (1) of this subsection. The committee shall notify the trust
30 in writing of the approval or disapproval as expeditiously as possible.

31 (3) No refunding bonds shall be issued unless the report has been
32 submitted to and approved by the Joint Budget Oversight Committee
33 or its successor as set forth in paragraphs (1) and (2) of this
34 subsection.

35 (4) Within 30 days after the sale of the refunding bonds, the trust
36 shall notify the committee of the result of that sale, including the prices
37 and terms, conditions and regulations concerning the refunding bonds,
38 the actual amount of debt service savings to be realized as a result of
39 the sale of refunding bonds, and the intended use of the proceeds from
40 the sale of those bonds.

41 (5) The committee shall review all information and reports
42 submitted in accordance with this subsection and may, on its own
43 initiative, make observations to the trust, or to the Legislature, or
44 both, as it deems appropriate.

45 h. Each issue of bonds, notes or other obligations of the trust may,
46 if it is determined by the trust, be general obligations thereof payable

1 out of any revenues, receipts or funds of the trust, or special
2 obligations thereof payable out of particular revenues, receipts or
3 funds, subject only to any agreements with the holders of bonds, notes
4 or other obligations, and may be secured by one or more of the
5 following:

6 (1) Pledge of revenues and other receipts to be derived from the
7 payment of the interest on and principal of notes, bonds or other
8 obligations issued to the trust by one or more local government units,
9 and any other payment made to the trust pursuant to agreements with
10 any local government units, or a pledge or assignment of any notes,
11 bonds or other obligations of any local government unit and the rights
12 and interest of the trust therein;

13 (2) Pledge of rentals, receipts and other revenues to be derived
14 from leases or other contractual arrangements with any person or
15 entity, public or private, including one or more local government units,
16 or a pledge or assignment of those leases or other contractual
17 arrangements and the rights and interest of the trust therein;

18 (3) Pledge of all moneys, funds, accounts, securities and other
19 funds, including the proceeds of the bonds, notes or other obligations;

20 (4) Pledge of the receipts to be derived from the payments of State
21 aid, payable to the trust pursuant to section 12 of P.L.1985, c.334
22 (C.58:11B-12);

23 (5) A mortgage on all or any part of the property, real or personal,
24 of the trust then owned or thereafter to be acquired, or a pledge or
25 assignment of mortgages made to the trust by any person or entity,
26 public or private, including one or more local government units and
27 the rights and interest of the trust therein.

28 i. The trust shall not issue any bonds, notes or other obligations, or
29 otherwise incur any additional indebtedness, on or after
30 November 5, 2025.

31 j. (Deleted by amendment, P.L.1996, c.88).

32 (cf: P.L.2001, c.223, s.3)

33

34 2. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to
35 read as follows:

36 20. a. The Commissioner of Environmental Protection shall for
37 each fiscal year develop a priority system for wastewater treatment
38 systems and shall establish the ranking criteria and funding policies for
39 the projects therefor. The commissioner shall set forth a project
40 priority list for funding by the trust for each fiscal year and shall
41 include the aggregate amount of funds of the trust to be authorized for
42 these purposes. The project priority list may include any stormwater
43 management or combined sewer overflow abatement project identified
44 in the stormwater management and combined sewer overflow
45 abatement project priority list adopted by the commissioner pursuant
46 to section 28 of P.L.1989, c.181.

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6

1 The project priority list, which shall include for each wastewater
2 treatment system the date each project is scheduled to be certified as
3 ready for funding, shall be in conformance with applicable provisions
4 of the "Federal Water Pollution Control Act Amendments of 1972,"
5 Pub.L. 92-500 (33 U.S.C. s.1251 et al.), and any amendatory or
6 supplementary acts thereto, and State law. The project priority list
7 shall include a description of each project and its purpose, impact,
8 cost, and construction schedule, and an explanation of the manner in
9 which priorities were established. The priority system and project
10 priority list for the ensuing fiscal year shall be submitted to the
11 Legislature on or before January 15 of each year on a day when both
12 Houses are meeting. The President of the Senate and the Speaker of
13 the General Assembly shall cause the date of submission to be entered
14 upon the Senate Journal and the Minutes of the General Assembly,
15 respectively. On or before May 15 of each year, the trust shall submit
16 the project priority list to be introduced in each House in the form of
17 legislative appropriations bills, which shall be referred to the Senate
18 Environment Committee and the General Assembly **[Solid and**
19 **Hazardous]** Environment and Solid Waste Committee, or their
20 successors, for their respective consideration.

21 b. The Senate Environment Committee and the General Assembly
22 **[Solid and Hazardous]** Environment and Solid Waste Committee
23 shall, either individually or jointly, consider the legislation containing
24 the project priority list, and shall report the legislation, together with
25 any modifications, out of committee for consideration by each House
26 of the Legislature. On or before July 1 of each year, the Legislature
27 shall approve an appropriations act containing the project priority list,
28 including any amendatory or supplementary provisions thereto, which
29 act shall include the authorization of an aggregate amount of funds of
30 the trust to be expended for loans and guarantees for the specific
31 projects, including the individual amounts therefor, on the list.

32 c. The trust shall not expend any money for a loan or guarantee
33 during a fiscal year for any wastewater treatment system project unless
34 the expenditure is authorized pursuant to an appropriations act as
35 provided in the provisions of this section, or as otherwise set forth in
36 an appropriations act.

37 (cf: P.L.2001, c.223, s.5)

38

39 3. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to
40 read as follows:

41 24. a. The Commissioner of Environmental Protection shall for
42 each fiscal year develop a priority system for water supply projects and
43 shall establish the ranking criteria and funding policies therefor. The
44 commissioner shall set forth a project priority list for funding by the
45 trust for each fiscal year and shall include the aggregate amount of
46 funds of the trust to be authorized for these purposes. The

1 commissioner may include a water supply project on the project
2 priority list if it meets the eligibility requirements for funding pursuant
3 to the federal "Safe Drinking Water Act Amendments of 1996,"
4 Pub.L.104-182. The project priority list shall include a description of
5 each project and an explanation of the manner in which priorities were
6 established. The priority system and project priority list for the ensuing
7 fiscal year shall be submitted to the Legislature on or before January
8 15 of each year on a day when both Houses are meeting. The President
9 of the Senate and the Speaker of the General Assembly shall cause the
10 date of submission to be entered upon the Senate Journal and the
11 Minutes of the General Assembly, respectively. On or before May 15
12 of each year, the trust shall submit the project priority list to be
13 introduced in each House in the form of legislative appropriations bills,
14 which shall be referred to the Senate Environment Committee and the
15 General Assembly [Solid and Hazardous] Environment and Solid
16 Waste Committee, or their successors, for their respective
17 consideration.

18 b. The Senate Environment Committee and the General Assembly
19 [Solid and Hazardous] Environment and Solid Waste Committee
20 shall, either individually or jointly, consider the legislation containing
21 the project priority list, and shall report the legislation, together with
22 any modifications, out of committee for consideration by each House
23 of the Legislature. On or before July 1 of each year, the Legislature
24 shall approve an appropriations act containing the project priority list,
25 including any amendatory or supplementary provisions thereto, which
26 act shall include the authorization of an aggregate amount of funds of
27 the trust to be expended for loans and guarantees for the specific
28 water supply projects, including the individual amounts therefor, on
29 the list.

30 c. The trust shall not expend any money for a loan or guarantee
31 during a fiscal year for any water supply project unless the expenditure
32 is authorized pursuant to an appropriations act as provided in the
33 provisions of this section, or as otherwise set forth in an
34 appropriations act.

35 (cf: P.L.2001, c.223, s.6)

36

37 4. This act shall take effect immediately.

38

39

40

STATEMENT

41

42 This bill makes certain technical changes to the procedures
43 governing the New Jersey Environmental Infrastructure Trust
44 Financing Program. These changes are necessary to permit the 2002
45 Financing Program to proceed as developed by the Trust.

A2263 GUSCIORA, SIRES

8

1 The bill eliminates the Trust's statutory debt ceiling of \$1.35 billion
2 and replaces the cap with language prohibiting the Trust from
3 incurring debt in excess of the aggregate sum of all amounts
4 authorized under the annual legislative appropriations bills. The
5 statutory date after which the Trust may not incur any additional
6 indebtedness is November 5, 2025.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2263

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 2002

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2263 with committee amendments.

Assembly Bill No. 2263, as amended, raises the statutory debt ceiling imposed on the New Jersey Environmental Infrastructure Trust from \$1,350,000,000 to \$1,600,000,000. This change is necessary to permit the financing program for calendar year 2002 to proceed as developed by the Trust. Under the existing debt cap, the Trust has sold over \$1 billion in bonds.

As amended and reported, Assembly Bill No. 2263 is identical to Senate Bill No. 1460.

FISCAL IMPACT:

This bill increases the statutory debt ceiling from \$1,350,000,000 to \$1,600,000,000.

COMMITTEE AMENDMENTS

The committee amendments increase the statutory debt ceiling imposed on the Trust from \$1.35 billion to \$1.6 million.

SENATE, No. 1460

STATE OF NEW JERSEY
210th LEGISLATURE

INTRODUCED MAY 13, 2002

Sponsored by:

Senator HENRY P. MCNAMARA
District 40 (Bergen, Essex and Passaic)

Co-Sponsored by:

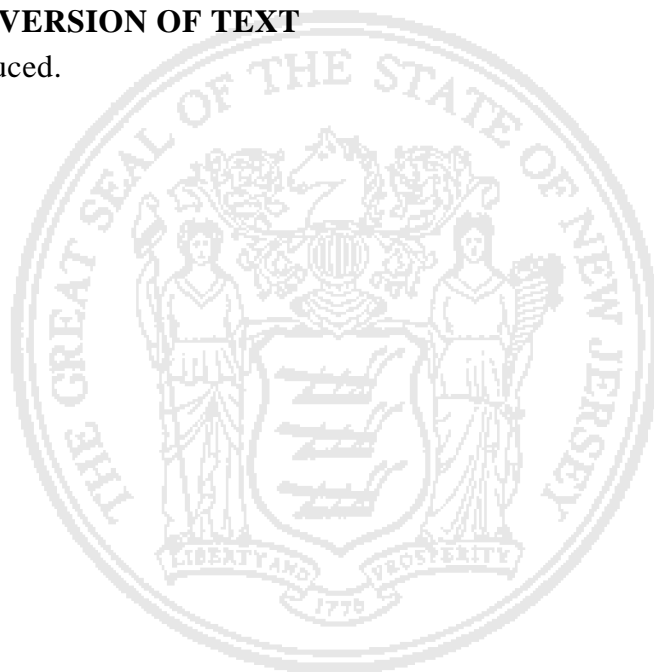
Senators Singer, Connors, Ciesla, Lance, Littell, Kyrillos, Cafiero,
Bennett, Bark, Allen, Cardinale, Matheussen, Martin, Inverso, Palaia,
Gormley and Bucco

SYNOPSIS

Raises N.J. Environmental Infrastructure Trust's statutory debt ceiling to \$1.6 billion.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/31/2002)

S1460 MCNAMARA

2

1 AN ACT concerning environmental infrastructure projects, and
2 amending P.L.1985, c.334 and P.L.1997, c.224.

3

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

6

7 1. Section 6 of P.L.1985, c.334 (C.58:11B-6) is amended to read
8 as follows:

9 6. a. Except as may be otherwise expressly provided in the
10 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
11 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,
12 notes or other obligations in any principal amounts as in the judgment
13 of the trust shall be necessary to provide sufficient funds for any of its
14 corporate purposes, including the payment, funding or refunding of the
15 principal of, or interest or redemption premiums on, any bonds, notes
16 or other obligations issued by it, whether the bonds, notes or other
17 obligations or the interest or redemption premiums thereon to be
18 funded or refunded have or have not become due, the establishment or
19 increase of reserves or other funds to secure or to pay the bonds, notes
20 or other obligations or interest thereon and all other costs or expenses
21 of the trust incident to and necessary to carry out its corporate
22 purposes and powers.

23 b. Whether or not the bonds, notes or other obligations of the trust
24 are of a form and character as to be negotiable instruments under the
25 terms of Title 12A of the New Jersey Statutes, the bonds, notes and
26 other obligations are made negotiable instruments within the meaning
27 of and for the purposes of Title 12A of the New Jersey Statutes,
28 subject only to the provisions of the bonds, notes and other obligations
29 for registration.

30 c. Bonds, notes or other obligations of the trust shall be authorized
31 by a resolution or resolutions of the trust and may be issued in one or
32 more series and shall bear any date or dates, mature at any time or
33 times, bear interest at any rate or rates of interest per annum, be in any
34 denomination or denominations, be in any form, either coupon,
35 registered or book entry, carry any conversion or registration
36 privileges, have any rank or priority, be executed in any manner, be
37 payable in any coin or currency of the United States which at the time
38 of payment is legal tender for the payment of public and private debts,
39 at any place or places within or without the State, and be subject to
40 any terms of redemption by the trust or the holders thereof, with or
41 without premium, as the resolution or resolutions may provide. A
42 resolution of the trust authorizing the issuance of bonds, notes or
43 other obligations may provide that the bonds, notes or other

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.

1 obligations be secured by a trust indenture between the trust and a
2 trustee, vesting in the trustee any property, rights, powers and duties
3 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1
4 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may
5 determine.

6 d. Bonds, notes or other obligations of the trust may be sold at any
7 price or prices and in any manner as the trust may determine. Each
8 bond, note or other obligation shall mature and be paid not later than
9 20 years from the effective date thereof, or the certified useful life of
10 the project or projects to be financed by the bonds, whichever is less.

11 All bonds of the trust shall be sold at such price or prices and in
12 such manner as the trust shall determine, after notice of sale, a
13 summary of which shall be published at least once in at least three
14 newspapers published in the State of New Jersey and at least once in
15 a publication carrying municipal bond notices and devoted primarily to
16 financial news published in New Jersey or the city of New York, the
17 first summary notice to be at least five days prior to the day of
18 bidding. The notice of sale may contain a provision to the effect that
19 any or all bids made in pursuance thereof may be rejected. In the event
20 of such rejection or of failure to receive any acceptable bid, the trust,
21 at any time within 60 days from the date of such advertised sale, may
22 sell such bonds at private sale upon terms not less favorable to the
23 State than the terms offered by any rejected bid. The trust may sell all
24 or part of the bonds of any series as issued to any State fund or to the
25 federal government or any agency thereof, at private sale, without
26 advertisement.

27 e. Bonds, notes or other obligations of the trust may be issued
28 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
29 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent
30 of any department, division, board, bureau or agency of the State, and
31 without any other proceedings or the happening of any other
32 conditions or things, other than those consents, proceedings,
33 conditions or things which are specifically required by P.L.1985, c.334
34 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

35 f. Bonds, notes or other obligations of the trust issued under the
36 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224
37 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of
38 any political subdivision thereof other than the trust and shall not
39 create or constitute any indebtedness, liability or obligation of the
40 State or any political subdivision, but all these bonds, notes and other
41 obligations, unless funded or refunded by bonds, notes or other
42 obligations, shall be payable solely from revenues or funds pledged or
43 available for their payment as authorized in P.L.1985, c.334
44 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each
45 bond, note and obligation shall contain on its face a statement to the
46 effect that the trust is obligated to pay the principal thereof or the

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1 interest thereon only from its revenues, receipts or funds pledged or
2 available for their payment as authorized in P.L.1985, c.334
3 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and
4 that neither the State, nor any political subdivision thereof, is
5 obligated to pay the principal or interest and that neither the faith and
6 credit nor the taxing power of the State, or any political subdivision
7 thereof, is pledged to the payment of the principal of or the interest on
8 the bonds, notes or other obligations.

9 g. The aggregate principal amount of bonds, notes or other
10 obligations, including subordinated indebtedness of the trust, shall not
11 exceed ~~[\$1,350,000,000]~~ \$1,600,000,000. In computing the foregoing
12 limitations there shall be excluded all the bonds, notes or other
13 obligations, including subordinated indebtedness of the trust, which
14 shall be issued for refunding purposes, whenever the refunding shall be
15 determined to result in a savings.

16 (1) Upon the decision by the trust to issue refunding bonds, and
17 prior to the sale of those bonds, the trust shall transmit to the Joint
18 Budget Oversight Committee, or its successor, a report that a decision
19 has been made, reciting the basis on which the decision was made,
20 including an estimate of the debt service savings to be achieved and
21 the calculations upon which the trust relied when making the decision
22 to issue refunding bonds. The report shall also disclose the intent of
23 the trust to issue and sell the refunding bonds at public or private sale
24 and the reasons therefor.

25 (2) The Joint Budget Oversight Committee or its successor shall
26 have the authority to approve or disapprove the sales of refunding
27 bonds as included in each report submitted in accordance with
28 paragraph (1) of this subsection. The committee shall notify the trust
29 in writing of the approval or disapproval as expeditiously as possible.

30 (3) No refunding bonds shall be issued unless the report has been
31 submitted to and approved by the Joint Budget Oversight Committee
32 or its successor as set forth in paragraphs (1) and (2) of this
33 subsection.

34 (4) Within 30 days after the sale of the refunding bonds, the trust
35 shall notify the committee of the result of that sale, including the prices
36 and terms, conditions and regulations concerning the refunding bonds,
37 the actual amount of debt service savings to be realized as a result of
38 the sale of refunding bonds, and the intended use of the proceeds from
39 the sale of those bonds.

40 (5) The committee shall review all information and reports
41 submitted in accordance with this subsection and may, on its own
42 initiative, make observations to the trust, or to the Legislature, or
43 both, as it deems appropriate.

44 h. Each issue of bonds, notes or other obligations of the trust may,
45 if it is determined by the trust, be general obligations thereof payable
46 out of any revenues, receipts or funds of the trust, or special

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1 obligations thereof payable out of particular revenues, receipts or
2 funds, subject only to any agreements with the holders of bonds, notes
3 or other obligations, and may be secured by one or more of the
4 following:

5 (1) Pledge of revenues and other receipts to be derived from the
6 payment of the interest on and principal of notes, bonds or other
7 obligations issued to the trust by one or more local government units,
8 and any other payment made to the trust pursuant to agreements with
9 any local government units, or a pledge or assignment of any notes,
10 bonds or other obligations of any local government unit and the rights
11 and interest of the trust therein;

12 (2) Pledge of rentals, receipts and other revenues to be derived
13 from leases or other contractual arrangements with any person or
14 entity, public or private, including one or more local government units,
15 or a pledge or assignment of those leases or other contractual
16 arrangements and the rights and interest of the trust therein;

17 (3) Pledge of all moneys, funds, accounts, securities and other
18 funds, including the proceeds of the bonds, notes or other obligations;

19 (4) Pledge of the receipts to be derived from the payments of State
20 aid, payable to the trust pursuant to section 12 of P.L.1985, c.334
21 (C.58:11B-12);

22 (5) A mortgage on all or any part of the property, real or personal,
23 of the trust then owned or thereafter to be acquired, or a pledge or
24 assignment of mortgages made to the trust by any person or entity,
25 public or private, including one or more local government units and
26 the rights and interest of the trust therein.

27 i. The trust shall not issue any bonds, notes or other obligations,
28 or otherwise incur any additional indebtedness, on or after November
29 5, 2025.

30 j. (Deleted by amendment, P.L.1996, c.88).
31 (cf: P.L.2001, c.223, s.3)

32
33 2. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to
34 read as follows:

35 20. a. The Commissioner of Environmental Protection shall for
36 each fiscal year develop a priority system for wastewater treatment
37 systems and shall establish the ranking criteria and funding policies for
38 the projects therefor. The commissioner shall set forth a project
39 priority list for funding by the trust for each fiscal year and shall
40 include the aggregate amount of funds of the trust to be authorized for
41 these purposes. The project priority list may include any stormwater
42 management or combined sewer overflow abatement project identified
43 in the stormwater management and combined sewer overflow
44 abatement project priority list adopted by the commissioner pursuant
45 to section 28 of P.L.1989, c.181.

46 The project priority list, which shall include for each wastewater

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6

1 treatment system the date each project is scheduled to be certified as
2 ready for funding, shall be in conformance with applicable provisions
3 of the "Federal Water Pollution Control Act Amendments of 1972,"
4 Pub.L.92-500 (33 U.S.C.s.1251 et al.), and any amendatory or
5 supplementary acts thereto, and State law. The project priority list
6 shall include a description of each project and its purpose, impact,
7 cost, and construction schedule, and an explanation of the manner in
8 which priorities were established. The priority system and project
9 priority list for the ensuing fiscal year shall be submitted to the
10 Legislature on or before January 15 of each year on a day when both
11 Houses are meeting. The President of the Senate and the Speaker of
12 the General Assembly shall cause the date of submission to be entered
13 upon the Senate Journal and the Minutes of the General Assembly,
14 respectively. On or before May 15 of each year, the trust shall submit
15 the project priority list to be introduced in each House in the form of
16 legislative appropriations bills, which shall be referred to the Senate
17 Environment Committee and the General Assembly **[Solid and**
18 **Hazardous]** Environment and Solid Waste Committee, or their
19 successors, for their respective consideration.

20 b. The Senate Environment Committee and the General Assembly
21 **[Solid and Hazardous]** Environment and Solid Waste Committee
22 shall, either individually or jointly, consider the legislation containing
23 the project priority list, and shall report the legislation, together with
24 any modifications, out of committee for consideration by each House
25 of the Legislature. On or before July 1 of each year, the Legislature
26 shall approve an appropriations act containing the project priority list,
27 including any amendatory or supplementary provisions thereto, which
28 act shall include the authorization of an aggregate amount of funds of
29 the trust to be expended for loans and guarantees for the specific
30 projects, including the individual amounts therefor, on the list.

31 c. The trust shall not expend any money for a loan or guarantee
32 during a fiscal year for any wastewater treatment system project unless
33 the expenditure is authorized pursuant to an appropriations act as
34 provided in the provisions of this section, or as otherwise set forth in
35 an appropriations act.

36 (cf: P.L.2001, c.223, s.5)

37

38 3. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to
39 read as follows:

40 24. a. The Commissioner of Environmental Protection shall for
41 each fiscal year develop a priority system for water supply projects and
42 shall establish the ranking criteria and funding policies therefor. The
43 commissioner shall set forth a project priority list for funding by the
44 trust for each fiscal year and shall include the aggregate amount of
45 funds of the trust to be authorized for these purposes. The
46 commissioner may include a water supply project on the project

1 priority list if it meets the eligibility requirements for funding pursuant
2 to the federal "Safe Drinking Water Act Amendments of 1996,"
3 Pub.L.104-182. The project priority list shall include a description of
4 each project and an explanation of the manner in which priorities were
5 established. The priority system and project priority list for the ensuing
6 fiscal year shall be submitted to the Legislature on or before January
7 15 of each year on a day when both Houses are meeting. The President
8 of the Senate and the Speaker of the General Assembly shall cause the
9 date of submission to be entered upon the Senate Journal and the
10 Minutes of the General Assembly, respectively. On or before May 15
11 of each year, the trust shall submit the project priority list to be
12 introduced in each House in the form of legislative appropriations bills,
13 which shall be referred to the Senate Environment Committee and the
14 General Assembly **[Solid and Hazardous]** Environment and Solid
15 Waste Committee, or their successors, for their respective
16 consideration.

17 b. The Senate Environment Committee and the General Assembly
18 **[Solid and Hazardous]** Environment and Solid Waste Committee
19 shall, either individually or jointly, consider the legislation containing
20 the project priority list, and shall report the legislation, together with
21 any modifications, out of committee for consideration by each House
22 of the Legislature. On or before July 1 of each year, the Legislature
23 shall approve an appropriations act containing the project priority list,
24 including any amendatory or supplementary provisions thereto, which
25 act shall include the authorization of an aggregate amount of funds of
26 the trust to be expended for loans and guarantees for the specific
27 water supply projects, including the individual amounts therefor, on
28 the list.

29 c. The trust shall not expend any money for a loan or guarantee
30 during a fiscal year for any water supply project unless the expenditure
31 is authorized pursuant to an appropriations act as provided in the
32 provisions of this section, or as otherwise set forth in an
33 appropriations act.

34 (cf: P.L.2001, c.223, s.6)

35

36 4. This act shall take effect immediately.

37

38

39

STATEMENT

40

41 This bill would raise the statutory debt ceiling imposed on the New
42 Jersey Environmental Infrastructure Trust from \$1,350,000,000 to
43 \$1,600,000,000. This change is necessary to permit the 2002
44 Financing Program to proceed as developed by the Trust. Under the
45 existing debt cap, the Trust has sold over \$1 billion in bonds.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

SENATE, No. 1460

STATE OF NEW JERSEY

DATED: JUNE 6, 2002

The Senate Environment Committee reports favorably Senate Bill No. 1460.

This bill would raise the statutory debt ceiling imposed on the New Jersey Environmental Infrastructure Trust from \$1,350,000,000 to \$1,600,000,000. This change is necessary to permit the 2002 Financing Program to proceed as developed by the Trust. Under the existing debt cap, the Trust has sold over \$1 billion in bonds.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1460

STATE OF NEW JERSEY

DATED: JUNE 20, 2002

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1460.

This bill raises the statutory debt ceiling imposed on the New Jersey Environmental Infrastructure Trust from \$1,350,000,000 to \$1,600,000,000. This change is necessary to permit the financing program for calendar year 2002 to proceed as developed by the Trust. Under the existing debt cap, the Trust has sold over \$1 billion in bonds.

The provisions of this bill are identical to those of Assembly Bill No. 2263 (1R), now pending before the Legislature.

FISCAL IMPACT

This bill increases the statutory debt ceiling from \$1,350,000,000 to \$1,600,000,000.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1460
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JULY 3, 2002

SUMMARY

Synopsis: Raises New Jersey Environmental Infrastructure Trust's statutory debt ceiling to \$1.6 billion.

Type of Impact: None

Agencies Affected: New Jersey Environmental Infrastructure Trust.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	None - See Comments Below		
Local Cost	None - See Comments Below		

- ! The bill amends P.L.1985, c.334 by increasing the aggregate bond debt ceiling of the N.J. Environmental Infrastructure Trust from \$1.35 billion to \$1.6 billion, thereby increasing the Trust's ability to offer more project financing opportunities.
- ! The Trust is an independent public agency that provides low-cost financing to local governments and private entities for wastewater treatment and water supply facility projects.
- ! Debt service costs of bonds issued by the Trust to finance loans are paid entirely by loan recipients and are not secured or obligated by the State.
- ! The Office of Legislative Services (OLS) estimates that the bill will have no fiscal impact on State or local government revenues or costs.

BILL DESCRIPTION

Senate Bill No. 1460 of 2002 would raise the statutory bond debt ceiling imposed on the New Jersey Environmental Infrastructure Trust from \$1.35 billion to \$1.6 billion. This change is necessary to permit the 2002 Financing Program to proceed as developed by the Trust. Under the existing bond debt ceiling, the Trust has thus far sold over \$1.0 billion in bonds.

FISCAL ANALYSIS***EXECUTIVE BRANCH***

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) estimates that the bill will have no fiscal impact on either State or local government resources because bond debt incurred by the N.J. Environmental Infrastructure Trust is not, under law, considered a debt or liability of the State or of any political subdivision. The Trust is an independent public agency that issues revenue bonds to finance loans to local governments and private entities to construct, repair or upgrade wastewater treatment or water supply facilities. The payment of all such bond debt and costs are secured by the loan recipients through facility revenues or other approved means. The periodic increase of the bond debt level as provided under the bill enables more loans to be financed, thereby benefitting potential loan applicants.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.