



	<b>SPONSORS STATEMENT:</b> (Begins on page 16 of original bill)	Yes
& Haz.)	<b>COMMITTEE STATEMENT:</b>	Yes
	<b>ASSEMBLY:</b>	6-7-2001(Solid
		6-21-2001(Appropr.)
	<b>SENATE:</b>	No
	<b>FLOOR AMENDMENT STATEMENTS:</b>	No
	<b>LEGISLATIVE FISCAL ESTIMATE:</b>	No
	<b>VETO MESSAGE:</b>	No
	<b>GOVERNOR'S PRESS RELEASE ON SIGNING:</b>	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>

<b>REPORTS:</b>	No
<b>HEARINGS:</b>	No
<b>NEWSPAPER ARTICLES:</b>	No

**SENATE, No. 2422**

---

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

---

INTRODUCED MAY 14, 2001

**Sponsored by:**

**Senator ANDREW R. CIESLA**  
**District 10 (Monmouth and Ocean)**  
**Senator HENRY P. MCNAMARA**  
**District 40 (Bergen and Passaic)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.



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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal [or], county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal [or], county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water  
41 for human consumption;

42 "Notes" means notes issued by the trust pursuant to P.L.1985,  
43 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

**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 "Project" or "environmental infrastructure project" means the  
2 acquisition, construction, improvement, repair or reconstruction of all  
3 or part of any structure, facility or equipment, or real or personal  
4 property necessary for or ancillary to any (1) wastewater treatment  
5 system project, including any stormwater management or combined  
6 sewer overflow abatement projects; or (2) water supply project, as  
7 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
8 P.L.1997, c.224 (C.58:11B-10.1 et al.);

9 "Public water utility" means any investor-owned water company or  
10 small water company;

11 "Small water company" means any company, purveyor or entity,  
12 other than a governmental agency, that provides water for human  
13 consumption and which regularly serves less than 1,000 customer  
14 connections, including nonprofit, noncommunity water systems owned  
15 or operated by a nonprofit group or organization;

16 "Stormwater management system" means any equipment, plants,  
17 structures, machinery, apparatus, management practices, or land, or  
18 any combination thereof, acquired, used, constructed, implemented or  
19 operated to prevent nonpoint source pollution, abate improper  
20 cross-connections and interconnections between stormwater and sewer  
21 systems, minimize stormwater runoff, reduce soil erosion, or induce  
22 groundwater recharge, or any combination thereof;

23 "Trust" means the New Jersey Environmental Infrastructure Trust  
24 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

25 "Wastewater" means residential, commercial, industrial, or  
26 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
27 combination thereof, or other liquid residue discharged or collected  
28 into a sewer system or stormwater management system, or any  
29 combination thereof;

30 "Wastewater treatment system" means any equipment, plants,  
31 structures, machinery, apparatus, or land, or any combination thereof,  
32 acquired, used, constructed or operated by, or on behalf of, a local  
33 government unit for the storage, collection, reduction, recycling,  
34 reclamation, disposal, separation, or other treatment of wastewater or  
35 sewage sludge, or for the collection or treatment, or both, of  
36 stormwater runoff and wastewater, or for the final disposal of residues  
37 resulting from the treatment of wastewater, including, but not limited  
38 to, pumping and ventilating stations, treatment plants and works,  
39 connections, outfall sewers, interceptors, trunk lines, stormwater  
40 management systems, and other personal property and appurtenances  
41 necessary for their use or operation; "wastewater treatment system"  
42 shall include a stormwater management system or a combined sewer  
43 system;

44 "Wastewater treatment system project" means any work relating to  
45 the acquisition, construction, improvement, repair or reconstruction  
46 of all or part of any structure, facility or equipment, or real or personal

1 property necessary for or ancillary to any wastewater treatment system  
2 that meets the requirements set forth in sections 20, 21 and 22 of  
3 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
4 work relating to any of the stormwater management or combined  
5 sewer overflow abatement projects identified in the stormwater  
6 management and combined sewer overflow abatement project priority  
7 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
8 c.181; or any work relating to any other project eligible for financing  
9 under the Federal Water Pollution Control Act Amendments of 1972  
10 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
11 thereto;

12 "Water supply facilities" means and refers to the real property and  
13 the plants, structures, interconnections between existing water supply  
14 facilities, machinery and equipment and other property, real, personal  
15 and mixed, acquired, constructed or operated, or to be acquired,  
16 constructed or operated, in whole or in part, by or on behalf of a  
17 public water utility, or by or on behalf of the State or a local  
18 government unit, for the purpose of augmenting the natural water  
19 resources of the State and making available an increased supply of  
20 water for all uses, or of conserving existing water resources, and any  
21 and all appurtenances necessary, useful or convenient for the  
22 collecting, impounding, storing, improving, treating, filtering,  
23 conserving or transmitting of water, and for the preservation and  
24 protection of these resources and facilities, whether in public or  
25 private ownership, and providing for the conservation and  
26 development of future water supply resources, and facilitating  
27 incidental recreational uses thereof;

28 "Water supply project" means any work relating to the acquisition,  
29 construction, improvement, repair or reconstruction of all or part of  
30 any structure, facility or equipment, or real or personal property  
31 necessary for or ancillary to water supply facilities that meets the  
32 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
33 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
34 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
35 any work relating to any other project eligible for funding pursuant to  
36 the federal "Safe Drinking Water Act Amendments of 1996"  
37 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
38 (cf: P.L.1999, c.175, s.1)

39

40 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
41 as follows:

42 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
43 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the  
44 trust may:

45 a. Make and alter bylaws for its organization and internal  
46 management and, subject to agreements with holders of its bonds,

- 1 notes or other obligations, make rules and regulations with respect to  
2 its operations, properties and facilities;
- 3 b. Adopt an official seal and alter it;
- 4 c. Sue and be sued;
- 5 d. Make and enter into all contracts, leases and agreements  
6 necessary or incidental to the performance of its duties and the  
7 exercise of its powers under the provisions of P.L.1985, c.334  
8 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
9 subject to any agreement with the holders of the trust's bonds, notes  
10 or other obligations, consent to any modification, amendment or  
11 revision of any contract, lease or agreement to which the trust is a  
12 party;
- 13 e. Enter into agreements or other transactions with and accept,  
14 subject to the provisions of section 23 of P.L.1985, c.334  
15 (C.58:11B-23), grants, appropriations and the cooperation of the  
16 State, or any State agency, in furtherance of the purposes of P.L.1985,  
17 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
18 and do anything necessary in order to avail itself of that aid and  
19 cooperation;
- 20 f. Receive and accept aid or contributions from any source of  
21 money, property, labor or other things of value, to be held, used and  
22 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
23 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
24 conditions upon which that aid and those contributions may be made,  
25 including, but not limited to, gifts or grants from any department or  
26 agency of the State, or any State agency, for any purpose consistent  
27 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
28 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
29 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 30 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
31 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
32 dispose of real and personal property, or any interest therein, in the  
33 exercise of its powers and the performance of its duties under the  
34 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
35 (C.58:11B-10.1 et al.);
- 36 h. Appoint and employ an executive director and any other officers  
37 or employees as it may require for the performance of its duties,  
38 without regard to the provisions of Title 11A of the New Jersey  
39 Statutes;
- 40 i. Borrow money and issue bonds, notes and other obligations, and  
41 secure the same, and provide for the rights of the holders thereof as  
42 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
43 P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 44 j. Subject to any agreement with holders of its bonds, notes or  
45 other obligations, invest moneys of the trust not required for  
46 immediate use, including proceeds from the sale of any bonds, notes

1 or other obligations, in any obligations, securities and other  
2 investments in accordance with the rules and regulations of the State  
3 Investment Council or as may otherwise be approved by the Director  
4 of the Division of Investment in the Department of the Treasury upon  
5 a finding that such investments are consistent with the corporate  
6 purposes of the trust;

7 k. Procure insurance to secure the payment of its bonds, notes or  
8 other obligations or the payment of any guarantees or loans made by  
9 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
10 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
11 in connection with its property and other assets and operations, in any  
12 amounts and from any insurers as it deems desirable;

13 l. Engage the services of attorneys, accountants, engineers, and  
14 financial experts and any other advisors, consultants, experts and  
15 agents as may be necessary in its judgment and fix their compensation;

16 m. (1) Make and contract to make loans to local government  
17 units, or to a local government unit on behalf of another local  
18 government unit, to finance the cost of wastewater treatment system  
19 projects or water supply projects and acquire and contract to acquire  
20 notes, bonds or other obligations issued or to be issued by any local  
21 government units to evidence the loans, all in accordance with the  
22 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
23 (C.58:11B-10.1 et al.);

24 (2) Make and contract to make loans to public water utilities, or to  
25 any other person or local government unit on behalf of a public water  
26 utility, to finance the cost of water supply projects in accordance with  
27 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
28 c.224 (C.58:11B-10.1 et al.);

29 (3) Make and contract to make loans to private persons other than  
30 local government units, or to any other person or local government  
31 unit on behalf of a private person, to finance the cost of stormwater  
32 management systems in accordance with the provisions of P.L.1985,  
33 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

34 n. Subject to any agreement with holders of its bonds, notes or  
35 other obligations, purchase bonds, notes and other obligations of the  
36 trust and hold the same for resale or provide for the cancellation  
37 thereof, all in accordance with the provisions of P.L.1985, c.334  
38 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

39 o. (1) Charge to and collect from local government units, private  
40 persons or public water utilities any fees and charges in connection  
41 with the trust's loans, guarantees or other services, including, but not  
42 limited to, fees and charges sufficient to reimburse the trust for all  
43 reasonable costs necessarily incurred by it in connection with its  
44 financings and the establishment and maintenance of reserve or other  
45 funds, as the trust may determine to be reasonable. The fees and  
46 charges shall be in accordance with a uniform schedule published by



1 the trust for the purpose of providing actual cost reimbursement for  
2 the services rendered;

3 (2) Any fees and charges collected by the trust pursuant to this  
4 subsection may be deposited and maintained in a fund separate from  
5 any other funds held by the trust pursuant to section 10 of P.L.1985,  
6 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
7 et al.) and shall be available for any corporate purposes of the trust;

8 p. Subject to any agreement with holders of its bonds, notes or  
9 other obligations, obtain as security or to provide liquidity for payment  
10 of all or any part of the principal of and interest and premium on the  
11 bonds, notes and other obligations of the trust or for the purchase  
12 upon tender or otherwise of the bonds, notes or other obligations,  
13 lines of credit, letters of credit and other security agreements or  
14 instruments in any amounts and upon any terms as the trust may  
15 determine, and pay any fees and expenses required in connection  
16 therewith;

17 q. Provide to local government units any financial and credit advice  
18 as these local government units may request;

19 r. Make payments to the State from any moneys of the trust  
20 available therefor as may be required pursuant to any agreement with  
21 the State or act appropriating moneys to the trust; and

22 s. Take any action necessary or convenient to the exercise of the  
23 foregoing powers or reasonably implied therefrom.

24 (cf: P.L.1999, c.175, s.2)

25

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

28 6. a. Except as may be otherwise expressly provided in the  
29 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
30 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
31 notes or other obligations in any principal amounts as in the judgment  
32 of the trust shall be necessary to provide sufficient funds for any of its  
33 corporate purposes, including the payment, funding or refunding of the  
34 principal of, or interest or redemption premiums on, any bonds, notes  
35 or other obligations issued by it, whether the bonds, notes or other  
36 obligations or the interest or redemption premiums thereon to be  
37 funded or refunded have or have not become due, the establishment or  
38 increase of reserves or other funds to secure or to pay the bonds, notes  
39 or other obligations or interest thereon and all other costs or expenses  
40 of the trust incident to and necessary to carry out its corporate  
41 purposes and powers.

42 b. Whether or not the bonds, notes or other obligations of the trust  
43 are of a form and character as to be negotiable instruments under the  
44 terms of Title 12A of the New Jersey Statutes, the bonds, notes and  
45 other obligations are made negotiable instruments within the meaning  
46 of and for the purposes of Title 12A of the New Jersey Statutes,

1 subject only to the provisions of the bonds, notes and other obligations  
2 for registration.

3 c. Bonds, notes or other obligations of the trust shall be authorized  
4 by a resolution or resolutions of the trust and may be issued in one or  
5 more series and shall bear any date or dates, mature at any time or  
6 times, bear interest at any rate or rates of interest per annum, be in any  
7 denomination or denominations, be in any form, either coupon,  
8 registered or book entry, carry any conversion or registration  
9 privileges, have any rank or priority, be executed in any manner, be  
10 payable in any coin or currency of the United States which at the time  
11 of payment is legal tender for the payment of public and private debts,  
12 at any place or places within or without the State, and be subject to  
13 any terms of redemption by the trust or the holders thereof, with or  
14 without premium, as the resolution or resolutions may provide. A  
15 resolution of the trust authorizing the issuance of bonds, notes or  
16 other obligations may provide that the bonds, notes or other  
17 obligations be secured by a trust indenture between the trust and a  
18 trustee, vesting in the trustee any property, rights, powers and duties  
19 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
20 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
21 determine.

22 d. Bonds, notes or other obligations of the trust may be sold at any  
23 price or prices and in any manner as the trust may determine. Each  
24 bond, note or other obligation shall mature and be paid not later than  
25 20 years from the effective date thereof, or the certified useful life of  
26 the project or projects to be financed by the bonds, whichever is less.

27 All bonds of the trust shall be sold at such price or prices and in  
28 such manner as the trust shall determine, after notice of sale, a  
29 summary of which shall be published at least once in at least three  
30 newspapers published in the State of New Jersey[,] and at least once  
31 in a publication carrying municipal bond notices and devoted primarily  
32 to financial news[,] published in New Jersey or the city of New York,  
33 the first summary notice to be at least five days prior to the day of  
34 bidding. The notice of sale may contain a provision to the effect that  
35 any or all bids made in pursuance thereof may be rejected. In the event  
36 of such rejection or of failure to receive any acceptable bid, the trust,  
37 at any time within 60 days from the date of such advertised sale, may  
38 sell such bonds at private sale upon terms not less favorable to the  
39 State than the terms offered by any rejected bid. The trust may sell all  
40 or part of the bonds of any series as issued to any State fund or to the  
41 federal government or any agency thereof, at private sale, without  
42 advertisement.

43 e. Bonds, notes or other obligations of the trust may be issued  
44 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
45 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
46 of any department, division, board, bureau or agency of the State, and

1 without any other proceedings or the happening of any other  
2 conditions or things, other than those consents, proceedings,  
3 conditions or things which are specifically required by P.L.1985, c.334  
4 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

5 f. Bonds, notes or other obligations of the trust issued under the  
6 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
7 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
8 any political subdivision thereof other than the trust and shall not  
9 create or constitute any indebtedness, liability or obligation of the  
10 State or any political subdivision, but all these bonds, notes and other  
11 obligations, unless funded or refunded by bonds, notes or other  
12 obligations, shall be payable solely from revenues or funds pledged or  
13 available for their payment as authorized in P.L.1985, c.334  
14 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
15 bond, note and obligation shall contain on its face a statement to the  
16 effect that the trust is obligated to pay the principal thereof or the  
17 interest thereon only from its revenues, receipts or funds pledged or  
18 available for their payment as authorized in P.L.1985, c.334  
19 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
20 that neither the State, nor any political subdivision thereof, is  
21 obligated to pay the principal or interest and that neither the faith and  
22 credit nor the taxing power of the State, or any political subdivision  
23 thereof, is pledged to the payment of the principal of or the interest on  
24 the bonds, notes or other obligations.

25 g. The aggregate principal amount of bonds, notes or other  
26 obligations, including subordinated indebtedness of the trust, shall not  
27 exceed ~~[\$1,000,000,000.00]~~ \$1,350,000,000. In computing the  
28 foregoing limitations there shall be excluded all the bonds, notes or  
29 other obligations, including subordinated indebtedness of the trust,  
30 which shall be issued for refunding purposes, whenever the refunding  
31 shall be determined to result in a ~~[debt service]~~ savings[, as  
32 hereinafter provided:].

33 [(1) Upon the decision by the trust to issue refunding bonds, and  
34 prior to the sale of those bonds, the trust shall transmit to the Joint  
35 Appropriations Committee's Subcommittee on Transfers, or its  
36 successor, a report that a decision has been made, reciting the basis on  
37 which the decision was made, including an estimate of the debt service  
38 savings to be achieved and the calculations upon which the trust relied  
39 when making the decision to issue refunding bonds. The report shall  
40 also disclose the intent of the trust to issue and sell the refunding  
41 bonds at public or private sale and the reasons therefor.

42 (2) The Joint Appropriations Committee's Subcommittee on  
43 Transfers shall have the authority to approve or disapprove the sales  
44 of refunding bonds as included in each report submitted in accordance  
45 with paragraph (1) of this subsection. The subcommittee shall notify  
46 the trust in writing of the approval or disapproval as expeditiously as

1 possible.

2 (3) No refunding bonds shall be issued unless the report has been  
3 submitted to and approved by the Joint Appropriations Committee's  
4 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
5 this subsection.

6 (4) Within 30 days after the sale of the refunding bonds, the trust  
7 shall notify the Subcommittee on Transfers of the result of that sale,  
8 including the prices and terms, conditions and regulations concerning  
9 the refunding bonds, the actual amount of debt service savings to be  
10 realized as a result of the sale of refunding bonds, and the intended use  
11 of the proceeds from the sale of those bonds.

12 (5) The subcommittee shall review all information and reports  
13 submitted in accordance with this subsection and may, on its own  
14 initiative, make observations to the trust, or to the Legislature, or  
15 both, as it deems appropriate.】

16 h. Each issue of bonds, notes or other obligations of the trust may,  
17 if it is determined by the trust, be general obligations thereof payable  
18 out of any revenues, receipts or funds of the trust, or special  
19 obligations thereof payable out of particular revenues, receipts or  
20 funds, subject only to any agreements with the holders of bonds, notes  
21 or other obligations, and may be secured by one or more of the  
22 following:

23 (1) Pledge of revenues and other receipts to be derived from the  
24 payment of the interest on and principal of notes, bonds or other  
25 obligations issued to the trust by one or more local government units,  
26 and any other payment made to the trust pursuant to agreements with  
27 any local government units, or a pledge or assignment of any notes,  
28 bonds or other obligations of any local government unit and the rights  
29 and interest of the trust therein;

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

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

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

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

45 i. The trust shall not issue any bonds, notes or other obligations, or  
46 otherwise incur any additional indebtedness, on or after November 5,

1 [2005] 2025.

2 j. (Deleted by amendment, P.L.1996, c.88).  
3 (cf: P.L.1997, c.224, s.7)

4  
5 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
6 as follows:

7 9. a. (1) The trust may make and contract to make loans to local  
8 government units, or to a local government unit on behalf of another  
9 local government unit, in accordance with and subject to 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.) to finance the cost of any wastewater treatment  
12 system project or water supply project, which the local government  
13 unit may lawfully undertake or acquire and for which the local  
14 government unit is authorized by law to borrow money.

15 (2) The trust may make and contract to make loans to public water  
16 utilities, or to any other person or local government unit on behalf of  
17 a public water utility, in accordance with and subject to the provisions  
18 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
19 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
20 which the public water utility may lawfully undertake or acquire.

21 (3) The trust may make and contract to make loans to private  
22 persons other than local government units, or to any other person or  
23 local government unit on behalf of a private person, in accordance  
24 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
25 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
26 stormwater management systems.

27 The loans may be made subject to those terms and conditions as the  
28 trust shall determine to be consistent with the purposes thereof. Each  
29 loan by the trust and the terms and conditions thereof shall be subject  
30 to approval by the State Treasurer, and the trust shall make available  
31 to the State Treasurer all information, statistical data and reports of  
32 independent consultants or experts as the State Treasurer shall deem  
33 necessary in order to evaluate the loan. Each loan to a local  
34 government unit, public water utility or any other person shall be  
35 evidenced by notes, bonds or other obligations thereof issued to the  
36 trust. In the case of each local government unit, notes and bonds to  
37 be issued to the trust by the local government unit (1) shall be  
38 authorized and issued as provided by law for the issuance of notes and  
39 bonds by the local government unit, (2) shall be approved by the Local  
40 Finance Board in the Division of Local Government Services in the  
41 Department of Community Affairs, and (3) notwithstanding the  
42 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
43 any other provisions of law to the contrary, may be sold at private sale  
44 to the trust at any price, whether or not less than par value, and shall  
45 be subject to redemption prior to maturity at any times and at any  
46 prices as the trust and local government units may agree. Each loan

1 to a local government unit, public water utility or any other person and  
2 the notes, bonds or other obligations thereby issued shall bear interest  
3 at a rate or rates per annum as the trust and the local government unit,  
4 public water utility or any other person, as the case may be, may agree.

5 b. The trust is authorized to guarantee or contract to guarantee the  
6 payment of all or any portion of the principal and interest on bonds,  
7 notes or other obligations issued by a local government unit to finance  
8 the cost of any wastewater treatment system project or water supply  
9 project, which the local government unit may lawfully undertake or  
10 acquire and for which the local government unit is authorized by law  
11 to borrow money, and the guarantee shall constitute an obligation of  
12 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
13 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
14 and the terms and conditions thereof shall be subject to approval by  
15 the State Treasurer, and the trust shall make available to the State  
16 Treasurer all information, statistical data and reports of independent  
17 consultants or experts as the State Treasurer shall deem necessary in  
18 order to evaluate the guarantee.

19 c. The trust shall not make or contract to make any loans or  
20 guarantees to local government units, public water utilities or any  
21 other person, or otherwise incur any additional indebtedness, on or  
22 after November 5, [2005] 2025.

23 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
24 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
25 trust may receive funds from any source or issue its bonds, notes or  
26 other obligations in any principal amounts as in the judgment of the  
27 trust shall be necessary to provide sufficient funds to finance or  
28 refinance short-term or temporary loans to local government units,  
29 public water utilities or private persons for any wastewater treatment  
30 system projects included on the project priority list for the ensuing  
31 fiscal year and eligible for approval pursuant to section 20 of  
32 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
33 the project priority list for the ensuing fiscal year and eligible for  
34 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
35 as applicable, without regard to any other provisions of P.L.1985,  
36 c.334 or P.L.1997, c.224, including, without limitation, any  
37 administrative or legislative approvals.

38 Any short-term or temporary loans made by the trust pursuant to  
39 this subsection may only be made in advance of the anticipated loans  
40 the trust may make and contract to make under the provisions of  
41 subsection a. of this section to be financed or refinanced through the  
42 issuance of bonds, notes or other obligations of the trust authorized  
43 under section 6 of P.L.1985, c.334 (C.58:11B-6).

44 (cf: P.L.1999, c.175, s.3)

45  
46 5. Section 20 of P.L.1985, c.334 (C.58:11B-20) is amended to

1 read as follows:

2 20. a. The Commissioner of Environmental Protection shall for  
3 each fiscal year develop a priority system for wastewater treatment  
4 systems and shall establish the ranking criteria and funding policies for  
5 the projects therefor. The commissioner shall set forth a project  
6 priority list for funding by the trust for each fiscal year and shall  
7 include the aggregate amount of funds of the trust to be authorized for  
8 these purposes. The project priority list may include any stormwater  
9 management or combined sewer overflow abatement project identified  
10 in the stormwater management and combined sewer overflow  
11 abatement project priority list adopted by the commissioner pursuant  
12 to section 28 of P.L.1989, c.181.

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

33 b. The Senate Environment Committee and the General Assembly  
34 [Agriculture and Waste Management] Solid and Hazardous Waste  
35 Committee shall, either individually or jointly, consider the legislation  
36 containing the project priority list, and shall report the legislation,  
37 together with any modifications, out of committee for consideration  
38 by each House of the Legislature. On or before July 1 of each year,  
39 the Legislature shall approve an appropriations act containing the  
40 project priority list, including any amendatory or supplementary  
41 provisions thereto, which act shall include the authorization of an  
42 aggregate amount of funds of the trust to be expended for loans and  
43 guarantees for the specific projects, including the individual amounts  
44 therefor, on the list.

45 c. The trust shall not expend any money for a loan or guarantee  
46 during a fiscal year for any wastewater treatment system project unless

1 the expenditure is authorized pursuant to an appropriations act [in  
2 accordance with] as provided in the provisions of this section, or as  
3 otherwise set forth in an appropriations act.

4 (cf: P.L.1997, c.224, s.17)

5

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

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

32 b. The Senate [Natural Resources and Economic Development]  
33 Environment Committee and the General Assembly [Agriculture and  
34 Waste Management] Solid and Hazardous Waste Committee shall,  
35 either individually or jointly, consider the legislation containing the  
36 project priority list, and shall report the legislation, together with any  
37 modifications, out of committee for consideration by each House of  
38 the Legislature. On or before July 1 of each year, the Legislature shall  
39 approve an appropriations act containing the project priority list,  
40 including any amendatory or supplementary provisions thereto, which  
41 act shall include the authorization of an aggregate amount of funds of  
42 the trust to be expended for loans and guarantees for the specific  
43 water supply projects, including the individual amounts therefor, on  
44 the list.

45 c. The trust shall not expend any money for a loan or guarantee  
46 during a fiscal year for any water supply project unless the expenditure



1 is authorized pursuant to an appropriations act [in accordance with]  
2 as provided in the provisions of this section, or as otherwise set forth  
3 in an appropriations act.

4 (cf: P.L.1997, c.224, s.24)

5

6 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
7 read as follows:

8 21. On or before May 15 of each year, the trust shall submit to the  
9 Legislature a financial plan designed to implement the financing of the  
10 wastewater treatment system projects either on the project priority list  
11 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
12 as otherwise approved by the Legislature. The financial plan shall  
13 contain an enumeration of the bonds, notes or other obligations of the  
14 trust which the trust intends to issue, including the amounts thereof  
15 and the terms and conditions thereof, a list of loans to be made to local  
16 government units or private persons, including the terms and  
17 conditions thereof and the anticipated rate of interest per annum and  
18 repayment schedule therefor, and a list of loan guarantees or contracts  
19 to guarantee the payment of all or a portion of the principal and  
20 interest on bonds, notes or other obligations issued by a local  
21 government unit to finance the cost of a wastewater treatment system  
22 project, and the terms and conditions thereof.

23 The financial plan shall also set forth a complete operating and  
24 financial statement covering its proposed operations during the  
25 forthcoming fiscal year, including amounts of income from all sources,  
26 and the uniform schedule of fees and charges established by the trust  
27 pursuant to subsection o. of section 5 of P.L.1985, c.334  
28 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
29 summarize the status of each wastewater treatment system project for  
30 which loans or guarantees have been made by the trust, and shall  
31 describe major impediments to the accomplishment of the planned  
32 wastewater treatment system projects.

33 (cf: P.L.1997, c.224, s.18)

34

35 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
36 read as follows:

37 25. On or before May 15 of each year, the trust shall submit to the  
38 Legislature a financial plan designed to implement the financing of the  
39 water supply projects either on the project priority list approved  
40 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
41 otherwise approved by the Legislature. The financial plan shall  
42 contain an enumeration of the bonds, notes or other obligations of the  
43 trust which the trust intends to issue, including the amounts thereof  
44 and the terms and conditions thereof, a list of loans to be made to local  
45 government units [or], public water utilities, or to any other person  
46 or local government unit on behalf of a public water utility, including

1 the terms and conditions thereof and the anticipated rate of interest per  
2 annum and repayment schedule therefor, and a list of loan guarantees  
3 or contracts to guarantee the payment of all or a portion of the  
4 principal and interest on bonds, notes or other obligations issued by a  
5 local government unit to finance the cost of a water supply project,  
6 and the terms and conditions thereof.

7 The financial plan shall also set forth a complete operating and  
8 financial statement covering its proposed operations during the  
9 forthcoming fiscal year, including amounts of income from all sources,  
10 and the uniform schedule of fees and charges established by the trust  
11 pursuant to subsection o. of section 5 of P.L.1985, c.334  
12 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
13 summarize the status of each water supply project for which loans or  
14 guarantees have been made by the trust, and shall describe major  
15 impediments to the accomplishment of the planned water supply  
16 projects.

17 (cf: P.L.1997, c.224, s.25)

18

19 9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
20 read as follows:

21 27. As an alternative to the individual annual submissions required  
22 by the provisions of sections 21 and 22 of P.L.1985, c.334  
23 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
24 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
25 submit to the Legislature a consolidated financial plan designed to  
26 implement the financing of the wastewater treatment system projects  
27 on the project priority list approved pursuant to section 20 of  
28 P.L.1985, c.334 (C.58:11B-20) [and], the water supply projects on  
29 the project priority list approved pursuant to section 24 of P.L.1997,  
30 c.224 (C.58:11B-20.1) and any other projects approved by the  
31 Legislature.

32 (cf: P.L.1997, c.224, s.27)

33

34 10. This act shall take effect immediately.

35

36

37

#### STATEMENT

38

39 This bill makes certain technical changes to the procedures  
40 governing the New Jersey Environmental Infrastructure Trust  
41 Financing Program. These changes are necessary to permit the 2001  
42 Financing Program to proceed as developed by the Trust.

43 The bill increases the Trust's statutory debt ceiling of \$1 billion to  
44 \$1.35 billion, and extends the deadline after which the Trust may not  
45 incur any additional indebtedness from November 5, 2005 to  
46 November 5, 2025. Under the existing debt cap, the Trust has sold

1 over \$950 million in bonds.

2 The bill eliminates the requirement that the issuance of refunding  
3 bonds by the Trust must be approved by the Joint Budget Oversight  
4 Committee (JBOC). The Trust has been advised that it is the only  
5 State financing agency with bonding authority not under the "faith and  
6 credit of the State" provision which requires JBOC approval prior to  
7 undertaking refundings.

8 The bill authorizes the Trust to provide a short-term or temporary  
9 loan financing option for those interested participants that receive pre-  
10 award approval for a environmental infrastructure project. All  
11 projects receiving short-term project financing will become part of the  
12 regular annual financing program.

13 The bill also provides for the financing of special environmental  
14 infrastructure projects, which the Legislature may approve and provide  
15 funding for periodically under separate legislation. Any such special  
16 projects would be included as part of the annual Financial Plan  
17 submitted by the Trust to the Legislature by May 15 of each year, and  
18 reported thereon in the Annual Report submitted to the Legislature by  
19 January 15 of each calendar year.

SENATE ENVIRONMENT COMMITTEE

STATEMENT TO

**SENATE, No. 2422**

**STATE OF NEW JERSEY**

DATED: MAY 24, 2001

The Senate Environment Committee reports favorably Senate Bill No. 2422.

This bill makes certain changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2001 Financing Program to proceed as developed by the Trust.

The bill increases the Trust's statutory debt ceiling of \$1 billion to \$1.35 billion, and extends the deadline after which the Trust may not incur any additional indebtedness from November 5, 2005 to November 5, 2025. Under the existing debt cap, the Trust has sold over \$950 million in bonds.

The bill eliminates the requirement that the issuance of refunding bonds by the Trust must be approved by the Joint Budget Oversight Committee (JBOC). The Trust has been advised that it is the only State financing agency with bonding authority not under the "faith and credit of the State" provision which requires JBOC approval prior to undertaking refundings.

The bill authorizes the Trust to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the regular annual financing program.

The bill also provides for the financing of special environmental infrastructure projects, which the Legislature may approve and provide funding for periodically under separate legislation. Any such special projects would be included as part of the annual Financial Plan submitted by the Trust to the Legislature by May 15 of each year, and reported thereon in the Annual Report submitted to the Legislature by January 15 of each calendar year.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2422

# STATE OF NEW JERSEY

DATED: MAY 31, 2001

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2422.

This bill makes certain changes to the statute governing the New Jersey Environmental Infrastructure Trust. These changes are needed to permit the Trust's 2001 Financing Program to proceed.

The bill increases the Trust's statutory debt ceiling of \$1 billion to \$1.35 billion, and extends from November 5, 2005 to November 5, 2025 the deadline as of which the Trust may not incur any additional indebtedness, or execute loans or loan guarantee agreements with local governments or other borrowers. Under the existing debt cap, the Trust has sold over \$950 million in bonds.

The bill eliminates the requirement that the issuance of refunding bonds by the Trust must be approved by the Joint Budget Oversight Committee (JBOC). The Trust is one of very few State financing agencies with bonding authority not under the "faith and credit of the State" provision that is subject to JBOC approval prior to undertaking refundings.

The bill authorizes the Trust to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the regular annual financing program.

The bill also provides for the financing of special environmental infrastructure projects, which the Legislature may approve and provide funding for periodically under separate legislation. Any such special projects would be included as part of the annual Financial Plan submitted by the Trust to the Legislature by May 15 of each year, and reported thereon in the Annual Report submitted to the Legislature by January 15 of each calendar year.

#### FISCAL IMPACT

This bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust from \$1 billion to \$1.35 billion.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2422**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 21, 2001

The Assembly Appropriations Committee reports favorably Senate Bill No. 2422 with committee amendments.

Senate Bill No. 2422 , as amended, makes certain changes to the statute governing the New Jersey Environmental Infrastructure Trust. These changes are needed to permit the Trust's 2001 Financing Program to proceed.

The bill increases the Trust's statutory debt ceiling of \$1 billion to \$1.35 billion, and extends from November 5, 2005 to November 5, 2025 the deadline as of which the Trust may not incur any additional indebtedness, or execute loans or loan guarantee agreements with local governments or other borrowers. Under the existing debt cap, the Trust has sold over \$950 million in bonds.

The bill authorizes the Trust to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for a environmental infrastructure project. All projects receiving this will become part of the regular annual financing program.

The bill also provides for the financing of special environmental infrastructure projects, which the Legislature may approve and provide funding for periodically under separate legislation. Any such special projects would be included as part of the annual Financial Plan submitted by the Trust by May 15 yearly, and in the Annual Report submitted to the Legislature.

As amended and reported, this bill is identical to Assembly Bill No. 3574 (1R) as also amended and reported by the committee.

#### FISCAL IMPACT:

This bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust from \$1 billion to \$1.35 billion.

#### COMMITTEE AMENDMENTS:

The amendments retain a requirement that the issuance of refunding bonds by the Trust must be approved by the Joint Budget Oversight Committee which the bill would otherwise have deleted.

[First Reprint]

**SENATE, No. 2422**

---

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

---

INTRODUCED MAY 14, 2001

**Sponsored by:**

**Senator ANDREW R. CIESLA**

**District 10 (Monmouth and Ocean)**

**Senator HENRY P. MCNAMARA**

**District 40 (Bergen and Passaic)**

**Co-Sponsored by:**

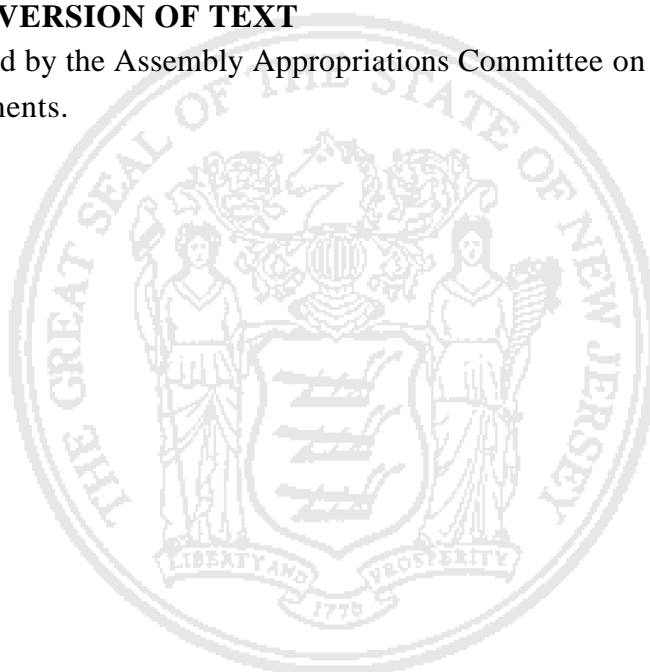
**Assemblyman Rooney**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 21, 2001, with amendments.



**(Sponsorship Updated As Of: 6/29/2001)**

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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal **[or]**, county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal **[or]**, county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water  
41 for human consumption;

**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:**

<sup>1</sup> Assembly AAP committee amendments adopted June 21, 2001.



1 "Notes" means notes issued by the trust pursuant to P.L.1985,  
2 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

3 "Project" or "environmental infrastructure project" means the  
4 acquisition, construction, improvement, repair or reconstruction of all  
5 or part of any structure, facility or equipment, or real or personal  
6 property necessary for or ancillary to any (1) wastewater treatment  
7 system project, including any stormwater management or combined  
8 sewer overflow abatement projects; or (2) water supply project, as  
9 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
10 P.L.1997, c.224 (C.58:11B-10.1 et al.);

11 "Public water utility" means any investor-owned water company or  
12 small water company;

13 "Small water company" means any company, purveyor or entity,  
14 other than a governmental agency, that provides water for human  
15 consumption and which regularly serves less than 1,000 customer  
16 connections, including nonprofit, noncommunity water systems owned  
17 or operated by a nonprofit group or organization;

18 "Stormwater management system" means any equipment, plants,  
19 structures, machinery, apparatus, management practices, or land, or  
20 any combination thereof, acquired, used, constructed, implemented or  
21 operated to prevent nonpoint source pollution, abate improper  
22 cross-connections and interconnections between stormwater and sewer  
23 systems, minimize stormwater runoff, reduce soil erosion, or induce  
24 groundwater recharge, or any combination thereof;

25 "Trust" means the New Jersey Environmental Infrastructure Trust  
26 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

27 "Wastewater" means residential, commercial, industrial, or  
28 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
29 combination thereof, or other liquid residue discharged or collected  
30 into a sewer system or stormwater management system, or any  
31 combination thereof;

32 "Wastewater treatment system" means any equipment, plants,  
33 structures, machinery, apparatus, or land, or any combination thereof,  
34 acquired, used, constructed or operated by, or on behalf of, a local  
35 government unit for the storage, collection, reduction, recycling,  
36 reclamation, disposal, separation, or other treatment of wastewater or  
37 sewage sludge, or for the collection or treatment, or both, of  
38 stormwater runoff and wastewater, or for the final disposal of residues  
39 resulting from the treatment of wastewater, including, but not limited  
40 to, pumping and ventilating stations, treatment plants and works,  
41 connections, outfall sewers, interceptors, trunk lines, stormwater  
42 management systems, and other personal property and appurtenances  
43 necessary for their use or operation; "wastewater treatment system"  
44 shall include a stormwater management system or a combined sewer  
45 system;

46 "Wastewater treatment system project" means any work relating to

1 the acquisition, construction, improvement, repair or reconstruction  
2 of all or part of any structure, facility or equipment, or real or personal  
3 property necessary for or ancillary to any wastewater treatment system  
4 that meets the requirements set forth in sections 20, 21 and 22 of  
5 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
6 work relating to any of the stormwater management or combined  
7 sewer overflow abatement projects identified in the stormwater  
8 management and combined sewer overflow abatement project priority  
9 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
10 c.181; or any work relating to any other project eligible for financing  
11 under the Federal Water Pollution Control Act Amendments of 1972  
12 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
13 thereto;

14 "Water supply facilities" means and refers to the real property and  
15 the plants, structures, interconnections between existing water supply  
16 facilities, machinery and equipment and other property, real, personal  
17 and mixed, acquired, constructed or operated, or to be acquired,  
18 constructed or operated, in whole or in part, by or on behalf of a  
19 public water utility, or by or on behalf of the State or a local  
20 government unit, for the purpose of augmenting the natural water  
21 resources of the State and making available an increased supply of  
22 water for all uses, or of conserving existing water resources, and any  
23 and all appurtenances necessary, useful or convenient for the  
24 collecting, impounding, storing, improving, treating, filtering,  
25 conserving or transmitting of water, and for the preservation and  
26 protection of these resources and facilities, whether in public or  
27 private ownership, and providing for the conservation and  
28 development of future water supply resources, and facilitating  
29 incidental recreational uses thereof;

30 "Water supply project" means any work relating to the acquisition,  
31 construction, improvement, repair or reconstruction of all or part of  
32 any structure, facility or equipment, or real or personal property  
33 necessary for or ancillary to water supply facilities that meets the  
34 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
35 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
36 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
37 any work relating to any other project eligible for funding pursuant to  
38 the federal "Safe Drinking Water Act Amendments of 1996"  
39 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
40 (cf: P.L.1999, c.175, s.1)

41

42 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
43 as follows:

44 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
45 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the  
46 trust may:

- 1 a. Make and alter bylaws for its organization and internal  
2 management and, subject to agreements with holders of its bonds,  
3 notes or other obligations, make rules and regulations with respect to  
4 its operations, properties and facilities;
- 5 b. Adopt an official seal and alter it;
- 6 c. Sue and be sued;
- 7 d. Make and enter into all contracts, leases and agreements  
8 necessary or incidental to the performance of its duties and the  
9 exercise of its powers under the provisions of P.L.1985, c.334  
10 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
11 subject to any agreement with the holders of the trust's bonds, notes  
12 or other obligations, consent to any modification, amendment or  
13 revision of any contract, lease or agreement to which the trust is a  
14 party;
- 15 e. Enter into agreements or other transactions with and accept,  
16 subject to the provisions of section 23 of P.L.1985, c.334  
17 (C.58:11B-23), grants, appropriations and the cooperation of the  
18 State, or any State agency, in furtherance of the purposes of P.L.1985,  
19 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
20 and do anything necessary in order to avail itself of that aid and  
21 cooperation;
- 22 f. Receive and accept aid or contributions from any source of  
23 money, property, labor or other things of value, to be held, used and  
24 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
25 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
26 conditions upon which that aid and those contributions may be made,  
27 including, but not limited to, gifts or grants from any department or  
28 agency of the State, or any State agency, for any purpose consistent  
29 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
30 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
31 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 32 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
33 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
34 dispose of real and personal property, or any interest therein, in the  
35 exercise of its powers and the performance of its duties 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.);
- 38 h. Appoint and employ an executive director and any other officers  
39 or employees as it may require for the performance of its duties,  
40 without regard to the provisions of Title 11A of the New Jersey  
41 Statutes;
- 42 i. Borrow money and issue bonds, notes and other obligations, and  
43 secure the same, and provide for the rights of the holders thereof as  
44 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
45 P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 46 j. Subject to any agreement with holders of its bonds, notes or

1 other obligations, invest moneys of the trust not required for  
2 immediate use, including proceeds from the sale of any bonds, notes  
3 or other obligations, in any obligations, securities and other  
4 investments in accordance with the rules and regulations of the State  
5 Investment Council or as may otherwise be approved by the Director  
6 of the Division of Investment in the Department of the Treasury upon  
7 a finding that such investments are consistent with the corporate  
8 purposes of the trust;

9 k. Procure insurance to secure the payment of its bonds, notes or  
10 other obligations or the payment of any guarantees or loans made by  
11 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
12 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
13 in connection with its property and other assets and operations, in any  
14 amounts and from any insurers as it deems desirable;

15 l. Engage the services of attorneys, accountants, engineers, and  
16 financial experts and any other advisors, consultants, experts and  
17 agents as may be necessary in its judgment and fix their compensation;

18 m. (1) Make and contract to make loans to local government  
19 units, or to a local government unit on behalf of another local  
20 government unit, to finance the cost of wastewater treatment system  
21 projects or water supply projects and acquire and contract to acquire  
22 notes, bonds or other obligations issued or to be issued by any local  
23 government units to evidence the loans, all in accordance with the  
24 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
25 (C.58:11B-10.1 et al.);

26 (2) Make and contract to make loans to public water utilities, or to  
27 any other person or local government unit on behalf of a public water  
28 utility, to finance the cost of water supply projects in accordance with  
29 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
30 c.224 (C.58:11B-10.1 et al.);

31 (3) Make and contract to make loans to private persons other than  
32 local government units, or to any other person or local government  
33 unit on behalf of a private person, to finance the cost of stormwater  
34 management systems in accordance with the provisions of P.L.1985,  
35 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

36 n. Subject to any agreement with holders of its bonds, notes or  
37 other obligations, purchase bonds, notes and other obligations of the  
38 trust and hold the same for resale or provide for the cancellation  
39 thereof, all in accordance with the provisions of P.L.1985, c.334  
40 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

41 o. (1) Charge to and collect from local government units, private  
42 persons or public water utilities any fees and charges in connection  
43 with the trust's loans, guarantees or other services, including, but not  
44 limited to, fees and charges sufficient to reimburse the trust for all  
45 reasonable costs necessarily incurred by it in connection with its  
46 financings and the establishment and maintenance of reserve or other

1 funds, as the trust may determine to be reasonable. The fees and  
2 charges shall be in accordance with a uniform schedule published by  
3 the trust for the purpose of providing actual cost reimbursement for  
4 the services rendered;

5 (2) Any fees and charges collected by the trust pursuant to this  
6 subsection may be deposited and maintained in a fund separate from  
7 any other funds held by the trust pursuant to section 10 of P.L.1985,  
8 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
9 et al.) and shall be available for any corporate purposes of the trust;

10 p. Subject to any agreement with holders of its bonds, notes or  
11 other obligations, obtain as security or to provide liquidity for payment  
12 of all or any part of the principal of and interest and premium on the  
13 bonds, notes and other obligations of the trust or for the purchase  
14 upon tender or otherwise of the bonds, notes or other obligations,  
15 lines of credit, letters of credit and other security agreements or  
16 instruments in any amounts and upon any terms as the trust may  
17 determine, and pay any fees and expenses required in connection  
18 therewith;

19 q. Provide to local government units any financial and credit advice  
20 as these local government units may request;

21 r. Make payments to the State from any moneys of the trust  
22 available therefor as may be required pursuant to any agreement with  
23 the State or act appropriating moneys to the trust; and

24 s. Take any action necessary or convenient to the exercise of the  
25 foregoing powers or reasonably implied therefrom.

26 (cf: P.L.1999, c.175, s.2)

27

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

30 6. a. Except as may be otherwise expressly provided in the  
31 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
32 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
33 notes or other obligations in any principal amounts as in the judgment  
34 of the trust shall be necessary to provide sufficient funds for any of its  
35 corporate purposes, including the payment, funding or refunding of the  
36 principal of, or interest or redemption premiums on, any bonds, notes  
37 or other obligations issued by it, whether the bonds, notes or other  
38 obligations or the interest or redemption premiums thereon to be  
39 funded or refunded have or have not become due, the establishment or  
40 increase of reserves or other funds to secure or to pay the bonds, notes  
41 or other obligations or interest thereon and all other costs or expenses  
42 of the trust incident to and necessary to carry out its corporate  
43 purposes and powers.

44 b. Whether or not the bonds, notes or other obligations of the trust  
45 are of a form and character as to be negotiable instruments under the  
46 terms of Title 12A of the New Jersey Statutes, the bonds, notes and

1 other obligations are made negotiable instruments within the meaning  
2 of and for the purposes of Title 12A of the New Jersey Statutes,  
3 subject only to the provisions of the bonds, notes and other obligations  
4 for registration.

5 c. Bonds, notes or other obligations of the trust shall be authorized  
6 by a resolution or resolutions of the trust and may be issued in one or  
7 more series and shall bear any date or dates, mature at any time or  
8 times, bear interest at any rate or rates of interest per annum, be in any  
9 denomination or denominations, be in any form, either coupon,  
10 registered or book entry, carry any conversion or registration  
11 privileges, have any rank or priority, be executed in any manner, be  
12 payable in any coin or currency of the United States which at the time  
13 of payment is legal tender for the payment of public and private debts,  
14 at any place or places within or without the State, and be subject to  
15 any terms of redemption by the trust or the holders thereof, with or  
16 without premium, as the resolution or resolutions may provide. A  
17 resolution of the trust authorizing the issuance of bonds, notes or  
18 other obligations may provide that the bonds, notes or other  
19 obligations be secured by a trust indenture between the trust and a  
20 trustee, vesting in the trustee any property, rights, powers and duties  
21 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
22 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
23 determine.

24 d. Bonds, notes or other obligations of the trust may be sold at any  
25 price or prices and in any manner as the trust may determine. Each  
26 bond, note or other obligation shall mature and be paid not later than  
27 20 years from the effective date thereof, or the certified useful life of  
28 the project or projects to be financed by the bonds, whichever is less.

29 All bonds of the trust shall be sold at such price or prices and in  
30 such manner as the trust shall determine, after notice of sale, a  
31 summary of which shall be published at least once in at least three  
32 newspapers published in the State of New Jersey[,] and at least once  
33 in a publication carrying municipal bond notices and devoted primarily  
34 to financial news[,] published in New Jersey or the city of New York,  
35 the first summary notice to be at least five days prior to the day of  
36 bidding. The notice of sale may contain a provision to the effect that  
37 any or all bids made in pursuance thereof may be rejected. In the event  
38 of such rejection or of failure to receive any acceptable bid, the trust,  
39 at any time within 60 days from the date of such advertised sale, may  
40 sell such bonds at private sale upon terms not less favorable to the  
41 State than the terms offered by any rejected bid. The trust may sell all  
42 or part of the bonds of any series as issued to any State fund or to the  
43 federal government or any agency thereof, at private sale, without  
44 advertisement.

45 e. Bonds, notes or other obligations of the trust may be issued  
46 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or

1 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
2 of any department, division, board, bureau or agency of the State, and  
3 without any other proceedings or the happening of any other  
4 conditions or things, other than those consents, proceedings,  
5 conditions or things which are specifically required by 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.).

7 f. Bonds, notes or other obligations of the trust issued under the  
8 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
9 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
10 any political subdivision thereof other than the trust and shall not  
11 create or constitute any indebtedness, liability or obligation of the  
12 State or any political subdivision, but all these bonds, notes and other  
13 obligations, unless funded or refunded by bonds, notes or other  
14 obligations, shall be payable solely from revenues or funds pledged or  
15 available for their payment as authorized in P.L.1985, c.334  
16 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
17 bond, note and obligation shall contain on its face a statement to the  
18 effect that the trust is obligated to pay the principal thereof or the  
19 interest thereon only from its revenues, receipts or funds pledged or  
20 available for their payment as authorized in P.L.1985, c.334  
21 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
22 that neither the State, nor any political subdivision thereof, is  
23 obligated to pay the principal or interest and that neither the faith and  
24 credit nor the taxing power of the State, or any political subdivision  
25 thereof, is pledged to the payment of the principal of or the interest on  
26 the bonds, notes or other obligations.

27 g. The aggregate principal amount of bonds, notes or other  
28 obligations, including subordinated indebtedness of the trust, shall not  
29 exceed ~~[\$1,000,000,000.00]~~ \$1,350,000,000. In computing the  
30 foregoing limitations there shall be excluded all the bonds, notes or  
31 other obligations, including subordinated indebtedness of the trust,  
32 which shall be issued for refunding purposes, whenever the refunding  
33 shall be determined to result in a ~~[debt service]~~ savings[, as  
34 hereinafter provided:].

35 [(1) Upon the decision by the trust to issue refunding bonds, and  
36 prior to the sale of those bonds, the trust shall transmit to the Joint  
37 Appropriations Committee's Subcommittee on Transfers, or its  
38 successor, a report that a decision has been made, reciting the basis on  
39 which the decision was made, including an estimate of the debt service  
40 savings to be achieved and the calculations upon which the trust relied  
41 when making the decision to issue refunding bonds. The report shall  
42 also disclose the intent of the trust to issue and sell the refunding  
43 bonds at public or private sale and the reasons therefor.

44 (2) The Joint Appropriations Committee's Subcommittee on  
45 Transfers shall have the authority to approve or disapprove the sales  
46 of refunding bonds as included in each report submitted in accordance

1 with paragraph (1) of this subsection. The subcommittee shall notify  
2 the trust in writing of the approval or disapproval as expeditiously as  
3 possible.

4 (3) No refunding bonds shall be issued unless the report has been  
5 submitted to and approved by the Joint Appropriations Committee's  
6 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
7 this subsection.

8 (4) Within 30 days after the sale of the refunding bonds, the trust  
9 shall notify the Subcommittee on Transfers of the result of that sale,  
10 including the prices and terms, conditions and regulations concerning  
11 the refunding bonds, the actual amount of debt service savings to be  
12 realized as a result of the sale of refunding bonds, and the intended use  
13 of the proceeds from the sale of those bonds.

14 (5) The subcommittee shall review all information and reports  
15 submitted in accordance with this subsection and may, on its own  
16 initiative, make observations to the trust, or to the Legislature, or  
17 both, as it deems appropriate. ]

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

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

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

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

42 (5) The committee shall review all information and reports  
43 submitted in accordance with this subsection and may, on its own  
44 initiative, make observations to the trust, or to the Legislature, or  
45 both, as it deems appropriate.<sup>1</sup>

46 h. Each issue of bonds, notes or other obligations of the trust may,



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

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

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

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

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

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

29 i. The trust shall not issue any bonds, notes or other obligations, or  
30 otherwise incur any additional indebtedness, on or after November 5,  
31 **[2005] 2025**.

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

33 (cf: P.L.1997, c.224, s.7)

34

35 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
36 as follows:

37 9. a. (1) The trust may make and contract to make loans to local  
38 government units, or to a local government unit on behalf of another  
39 local government unit, in accordance with and subject to the  
40 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
41 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment  
42 system project or water supply project, which the local government  
43 unit may lawfully undertake or acquire and for which the local  
44 government unit is authorized by law to borrow money.

45 (2) The trust may make and contract to make loans to public water  
46 utilities, or to any other person or local government unit on behalf of

1 a public water utility, in accordance with and subject to the provisions  
2 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
3 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
4 which the public water utility may lawfully undertake or acquire.

5 (3) The trust may make and contract to make loans to private  
6 persons other than local government units, or to any other person or  
7 local government unit on behalf of a private person, in accordance  
8 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
9 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
10 stormwater management systems.

11 The loans may be made subject to those terms and conditions as the  
12 trust shall determine to be consistent with the purposes thereof. Each  
13 loan by the trust and the terms and conditions thereof shall be subject  
14 to approval by the State Treasurer, and the trust shall make available  
15 to the State Treasurer all information, statistical data and reports of  
16 independent consultants or experts as the State Treasurer shall deem  
17 necessary in order to evaluate the loan. Each loan to a local  
18 government unit, public water utility or any other person shall be  
19 evidenced by notes, bonds or other obligations thereof issued to the  
20 trust. In the case of each local government unit, notes and bonds to  
21 be issued to the trust by the local government unit (1) shall be  
22 authorized and issued as provided by law for the issuance of notes and  
23 bonds by the local government unit, (2) shall be approved by the Local  
24 Finance Board in the Division of Local Government Services in the  
25 Department of Community Affairs, and (3) notwithstanding the  
26 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
27 any other provisions of law to the contrary, may be sold at private sale  
28 to the trust at any price, whether or not less than par value, and shall  
29 be subject to redemption prior to maturity at any times and at any  
30 prices as the trust and local government units may agree. Each loan  
31 to a local government unit, public water utility or any other person and  
32 the notes, bonds or other obligations thereby issued shall bear interest  
33 at a rate or rates per annum as the trust and the local government unit,  
34 public water utility or any other person, as the case may be, may agree.

35 b. The trust is authorized to guarantee or contract to guarantee the  
36 payment of all or any portion of the principal and interest on bonds,  
37 notes or other obligations issued by a local government unit to finance  
38 the cost of any wastewater treatment system project or water supply  
39 project, which the local government unit may lawfully undertake or  
40 acquire and for which the local government unit is authorized by law  
41 to borrow money, and the guarantee shall constitute an obligation of  
42 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
43 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
44 and the terms and conditions thereof shall be subject to approval by  
45 the State Treasurer, and the trust shall make available to the State  
46 Treasurer all information, statistical data and reports of independent

1 consultants or experts as the State Treasurer shall deem necessary in  
2 order to evaluate the guarantee.

3 c. The trust shall not make or contract to make any loans or  
4 guarantees to local government units, public water utilities or any  
5 other person, or otherwise incur any additional indebtedness, on or  
6 after November 5, [2005] 2025.

7 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
8 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
9 trust may receive funds from any source or issue its bonds, notes or  
10 other obligations in any principal amounts as in the judgment of the  
11 trust shall be necessary to provide sufficient funds to finance or  
12 refinance short-term or temporary loans to local government units,  
13 public water utilities or private persons for any wastewater treatment  
14 system projects included on the project priority list for the ensuing  
15 fiscal year and eligible for approval pursuant to section 20 of  
16 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
17 the project priority list for the ensuing fiscal year and eligible for  
18 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
19 as applicable, without regard to any other provisions of P.L.1985,  
20 c.334 or P.L.1997, c.224, including, without limitation, any  
21 administrative or legislative approvals.

22 Any short-term or temporary loans made by the trust pursuant to  
23 this subsection may only be made in advance of the anticipated loans  
24 the trust may make and contract to make under the provisions of  
25 subsection a. of this section to be financed or refinanced through the  
26 issuance of bonds, notes or other obligations of the trust authorized  
27 under section 6 of P.L.1985, c.334 (C.58:11B-6).

28 (cf: P.L.1999, c.175, s.3)

29

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

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

43 The project priority list, which shall include for each wastewater  
44 treatment system the date each project is scheduled to be certified as  
45 ready for funding, shall be in conformance with applicable provisions  
46 of the "Federal Water Pollution Control Act Amendments of 1972,"

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

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

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

34 (cf: P.L.1997, c.224, s.17)

35

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

38 24. a. The Commissioner of Environmental Protection shall for  
39 each fiscal year develop a priority system for water supply projects and  
40 shall establish the ranking criteria and funding policies therefor. The  
41 commissioner shall set forth a project priority list for funding by the  
42 trust for each fiscal year and shall include the aggregate amount of  
43 funds of the trust to be authorized for these purposes. The  
44 commissioner may include a water supply project on the project  
45 priority list if it meets the eligibility requirements for funding pursuant  
46 to the federal "Safe Drinking Water Act Amendments of 1996,"

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

16 b. The Senate [Natural Resources and Economic Development]  
17 Environment Committee and the General Assembly [Agriculture and  
18 Waste Management] Solid and Hazardous Waste Committee shall,  
19 either individually or jointly, consider the legislation containing the  
20 project priority list, and shall report the legislation, together with any  
21 modifications, out of committee for consideration by each House of  
22 the Legislature. On or before July 1 of each year, the Legislature shall  
23 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 [in accordance with]  
32 as provided in the provisions of this section, or as otherwise set forth  
33 in an appropriations act.

34 (cf: P.L.1997, c.224, s.24)

35

36 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
37 read as follows:

38 21. On or before May 15 of each year, the trust shall submit to the  
39 Legislature a financial plan designed to implement the financing of the  
40 wastewater treatment system projects either on the project priority list  
41 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
42 as otherwise approved by the Legislature. The financial plan shall  
43 contain an enumeration of the bonds, notes or other obligations of the  
44 trust which the trust intends to issue, including the amounts thereof  
45 and the terms and conditions thereof, a list of loans to be made to local  
46 government units or private persons, including the terms and

1 conditions thereof and the anticipated rate of interest per annum and  
2 repayment schedule therefor, and a list of loan guarantees or contracts  
3 to guarantee the payment of all or a portion of the principal and  
4 interest on bonds, notes or other obligations issued by a local  
5 government unit to finance the cost of a wastewater treatment system  
6 project, and the terms and conditions thereof.

7 The financial plan shall also set forth a complete operating and  
8 financial statement covering its proposed operations during the  
9 forthcoming fiscal year, including amounts of income from all sources,  
10 and the uniform schedule of fees and charges established by the trust  
11 pursuant to subsection o. of section 5 of P.L.1985, c.334  
12 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
13 summarize the status of each wastewater treatment system project for  
14 which loans or guarantees have been made by the trust, and shall  
15 describe major impediments to the accomplishment of the planned  
16 wastewater treatment system projects.

17 (cf: P.L.1997, c.224, s.18)

18

19 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
20 read as follows:

21 25. On or before May 15 of each year, the trust shall submit to the  
22 Legislature a financial plan designed to implement the financing of the  
23 water supply projects either on the project priority list approved  
24 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
25 otherwise approved by the Legislature. The financial plan shall  
26 contain an enumeration of the bonds, notes or other obligations of the  
27 trust which the trust intends to issue, including the amounts thereof  
28 and the terms and conditions thereof, a list of loans to be made to local  
29 government units [or], public water utilities, or to any other person  
30 or local government unit on behalf of a public water utility, including  
31 the terms and conditions thereof and the anticipated rate of interest per  
32 annum and repayment schedule therefor, and a list of loan guarantees  
33 or contracts to guarantee the payment of all or a portion of the  
34 principal and interest on bonds, notes or other obligations issued by a  
35 local government unit to finance the cost of a water supply project,  
36 and the terms and conditions thereof.

37 The financial plan shall also set forth a complete operating and  
38 financial statement covering its proposed operations during the  
39 forthcoming fiscal year, including amounts of income from all sources,  
40 and the uniform schedule of fees and charges established by the trust  
41 pursuant to subsection o. of section 5 of P.L.1985, c.334  
42 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
43 summarize the status of each water supply project for which loans or  
44 guarantees have been made by the trust, and shall describe major  
45 impediments to the accomplishment of the planned water supply  
46 projects.

47 (cf: P.L.1997, c.224, s.25)

1       9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
2 read as follows:

3       27. As an alternative to the individual annual submissions required  
4 by the provisions of sections 21 and 22 of P.L.1985, c.334  
5 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
6 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
7 submit to the Legislature a consolidated financial plan designed to  
8 implement the financing of the wastewater treatment system projects  
9 on the project priority list approved pursuant to section 20 of  
10 P.L.1985, c.334 (C.58:11B-20) **[and]**, the water supply projects on  
11 the project priority list approved pursuant to section 24 of P.L.1997,  
12 c.224 (C.58:11B-20.1) and any other projects approved by the  
13 Legislature.

14 (cf: P.L.1997, c.224, s.27)

15

16       10. This act shall take effect immediately.

**ASSEMBLY, No. 3574**

---

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

---

INTRODUCED MAY 21, 2001

**Sponsored by:**

**Assemblyman JOHN E. ROONEY**

**District 39 (Bergen)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As introduced.





A3574 ROONEY

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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal **[or]**, county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal **[or]**, county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water  
41 for human consumption;

42 "Notes" means notes issued by the trust pursuant to P.L.1985,  
43 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

**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 "Project" or "environmental infrastructure project" means the  
2 acquisition, construction, improvement, repair or reconstruction of all  
3 or part of any structure, facility or equipment, or real or personal  
4 property necessary for or ancillary to any (1) wastewater treatment  
5 system project, including any stormwater management or combined  
6 sewer overflow abatement projects; or (2) water supply project, as  
7 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
8 P.L.1997, c.224 (C.58:11B-10.1 et al.);

9 "Public water utility" means any investor-owned water company or  
10 small water company;

11 "Small water company" means any company, purveyor or entity,  
12 other than a governmental agency, that provides water for human  
13 consumption and which regularly serves less than 1,000 customer  
14 connections, including nonprofit, noncommunity water systems owned  
15 or operated by a nonprofit group or organization;

16 "Stormwater management system" means any equipment, plants,  
17 structures, machinery, apparatus, management practices, or land, or  
18 any combination thereof, acquired, used, constructed, implemented or  
19 operated to prevent nonpoint source pollution, abate improper  
20 cross-connections and interconnections between stormwater and sewer  
21 systems, minimize stormwater runoff, reduce soil erosion, or induce  
22 groundwater recharge, or any combination thereof;

23 "Trust" means the New Jersey Environmental Infrastructure Trust  
24 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

25 "Wastewater" means residential, commercial, industrial, or  
26 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
27 combination thereof, or other liquid residue discharged or collected  
28 into a sewer system or stormwater management system, or any  
29 combination thereof;

30 "Wastewater treatment system" means any equipment, plants,  
31 structures, machinery, apparatus, or land, or any combination thereof,  
32 acquired, used, constructed or operated by, or on behalf of, a local  
33 government unit for the storage, collection, reduction, recycling,  
34 reclamation, disposal, separation, or other treatment of wastewater or  
35 sewage sludge, or for the collection or treatment, or both, of  
36 stormwater runoff and wastewater, or for the final disposal of residues  
37 resulting from the treatment of wastewater, including, but not limited  
38 to, pumping and ventilating stations, treatment plants and works,  
39 connections, outfall sewers, interceptors, trunk lines, stormwater  
40 management systems, and other personal property and appurtenances  
41 necessary for their use or operation; "wastewater treatment system"  
42 shall include a stormwater management system or a combined sewer  
43 system;

44 "Wastewater treatment system project" means any work relating to  
45 the acquisition, construction, improvement, repair or reconstruction  
46 of all or part of any structure, facility or equipment, or real or personal

1 property necessary for or ancillary to any wastewater treatment system  
2 that meets the requirements set forth in sections 20, 21 and 22 of  
3 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
4 work relating to any of the stormwater management or combined  
5 sewer overflow abatement projects identified in the stormwater  
6 management and combined sewer overflow abatement project priority  
7 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
8 c.181; or any work relating to any other project eligible for financing  
9 under the Federal Water Pollution Control Act Amendments of 1972  
10 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
11 thereto;

12 "Water supply facilities" means and refers to the real property and  
13 the plants, structures, interconnections between existing water supply  
14 facilities, machinery and equipment and other property, real, personal  
15 and mixed, acquired, constructed or operated, or to be acquired,  
16 constructed or operated, in whole or in part, by or on behalf of a  
17 public water utility, or by or on behalf of the State or a local  
18 government unit, for the purpose of augmenting the natural water  
19 resources of the State and making available an increased supply of  
20 water for all uses, or of conserving existing water resources, and any  
21 and all appurtenances necessary, useful or convenient for the  
22 collecting, impounding, storing, improving, treating, filtering,  
23 conserving or transmitting of water, and for the preservation and  
24 protection of these resources and facilities, whether in public or  
25 private ownership, and providing for the conservation and  
26 development of future water supply resources, and facilitating  
27 incidental recreational uses thereof;

28 "Water supply project" means any work relating to the acquisition,  
29 construction, improvement, repair or reconstruction of all or part of  
30 any structure, facility or equipment, or real or personal property  
31 necessary for or ancillary to water supply facilities that meets the  
32 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
33 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
34 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
35 any work relating to any other project eligible for funding pursuant to  
36 the federal "Safe Drinking Water Act Amendments of 1996"  
37 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
38 (cf: P.L.1999, c.175, s.1)

39

40 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
41 as follows:

42 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
43 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the  
44 trust may:

45 a. Make and alter bylaws for its organization and internal  
46 management and, subject to agreements with holders of its bonds,

- 1 notes or other obligations, make rules and regulations with respect to  
2 its operations, properties and facilities;
- 3 b. Adopt an official seal and alter it;
- 4 c. Sue and be sued;
- 5 d. Make and enter into all contracts, leases and agreements  
6 necessary or incidental to the performance of its duties and the  
7 exercise of its powers under the provisions of P.L.1985, c.334  
8 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
9 subject to any agreement with the holders of the trust's bonds, notes  
10 or other obligations, consent to any modification, amendment or  
11 revision of any contract, lease or agreement to which the trust is a  
12 party;
- 13 e. Enter into agreements or other transactions with and accept,  
14 subject to the provisions of section 23 of P.L.1985, c.334  
15 (C.58:11B-23), grants, appropriations and the cooperation of the  
16 State, or any State agency, in furtherance of the purposes of P.L.1985,  
17 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
18 and do anything necessary in order to avail itself of that aid and  
19 cooperation;
- 20 f. Receive and accept aid or contributions from any source of  
21 money, property, labor or other things of value, to be held, used and  
22 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
23 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
24 conditions upon which that aid and those contributions may be made,  
25 including, but not limited to, gifts or grants from any department or  
26 agency of the State, or any State agency, for any purpose consistent  
27 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
28 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
29 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 30 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
31 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
32 dispose of real and personal property, or any interest therein, in the  
33 exercise of its powers and the performance of its duties under the  
34 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
35 (C.58:11B-10.1 et al.);
- 36 h. Appoint and employ an executive director and any other officers  
37 or employees as it may require for the performance of its duties,  
38 without regard to the provisions of Title 11A of the New Jersey  
39 Statutes;
- 40 i. Borrow money and issue bonds, notes and other obligations, and  
41 secure the same, and provide for the rights of the holders thereof as  
42 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
43 P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 44 j. Subject to any agreement with holders of its bonds, notes or  
45 other obligations, invest moneys of the trust not required for  
46 immediate use, including proceeds from the sale of any bonds, notes

1 or other obligations, in any obligations, securities and other  
2 investments in accordance with the rules and regulations of the State  
3 Investment Council or as may otherwise be approved by the Director  
4 of the Division of Investment in the Department of the Treasury upon  
5 a finding that such investments are consistent with the corporate  
6 purposes of the trust;

7 k. Procure insurance to secure the payment of its bonds, notes or  
8 other obligations or the payment of any guarantees or loans made by  
9 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
10 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
11 in connection with its property and other assets and operations, in any  
12 amounts and from any insurers as it deems desirable;

13 l. Engage the services of attorneys, accountants, engineers, and  
14 financial experts and any other advisors, consultants, experts and  
15 agents as may be necessary in its judgment and fix their compensation;

16 m. (1) Make and contract to make loans to local government  
17 units, or to a local government unit on behalf of another local  
18 government unit, to finance the cost of wastewater treatment system  
19 projects or water supply projects and acquire and contract to acquire  
20 notes, bonds or other obligations issued or to be issued by any local  
21 government units to evidence the loans, all in accordance with the  
22 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
23 (C.58:11B-10.1 et al.);

24 (2) Make and contract to make loans to public water utilities, or to  
25 any other person or local government unit on behalf of a public water  
26 utility, to finance the cost of water supply projects in accordance with  
27 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
28 c.224 (C.58:11B-10.1 et al.);

29 (3) Make and contract to make loans to private persons other than  
30 local government units, or to any other person or local government  
31 unit on behalf of a private person, to finance the cost of stormwater  
32 management systems in accordance with the provisions of P.L.1985,  
33 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

34 n. Subject to any agreement with holders of its bonds, notes or  
35 other obligations, purchase bonds, notes and other obligations of the  
36 trust and hold the same for resale or provide for the cancellation  
37 thereof, all in accordance with the provisions of P.L.1985, c.334  
38 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

39 o. (1) Charge to and collect from local government units, private  
40 persons or public water utilities any fees and charges in connection  
41 with the trust's loans, guarantees or other services, including, but not  
42 limited to, fees and charges sufficient to reimburse the trust for all  
43 reasonable costs necessarily incurred by it in connection with its  
44 financings and the establishment and maintenance of reserve or other  
45 funds, as the trust may determine to be reasonable. The fees and  
46 charges shall be in accordance with a uniform schedule published by

1 the trust for the purpose of providing actual cost reimbursement for  
2 the services rendered;

3 (2) Any fees and charges collected by the trust pursuant to this  
4 subsection may be deposited and maintained in a fund separate from  
5 any other funds held by the trust pursuant to section 10 of P.L.1985,  
6 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
7 et al.) and shall be available for any corporate purposes of the trust;

8 p. Subject to any agreement with holders of its bonds, notes or  
9 other obligations, obtain as security or to provide liquidity for payment  
10 of all or any part of the principal of and interest and premium on the  
11 bonds, notes and other obligations of the trust or for the purchase  
12 upon tender or otherwise of the bonds, notes or other obligations,  
13 lines of credit, letters of credit and other security agreements or  
14 instruments in any amounts and upon any terms as the trust may  
15 determine, and pay any fees and expenses required in connection  
16 therewith;

17 q. Provide to local government units any financial and credit advice  
18 as these local government units may request;

19 r. Make payments to the State from any moneys of the trust  
20 available therefor as may be required pursuant to any agreement with  
21 the State or act appropriating moneys to the trust; and

22 s. Take any action necessary or convenient to the exercise of the  
23 foregoing powers or reasonably implied therefrom.

24 (cf: P.L.1999, c.175, s.2)

25

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

28 6. a. Except as may be otherwise expressly provided in the  
29 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
30 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
31 notes or other obligations in any principal amounts as in the judgment  
32 of the trust shall be necessary to provide sufficient funds for any of its  
33 corporate purposes, including the payment, funding or refunding of the  
34 principal of, or interest or redemption premiums on, any bonds, notes  
35 or other obligations issued by it, whether the bonds, notes or other  
36 obligations or the interest or redemption premiums thereon to be  
37 funded or refunded have or have not become due, the establishment or  
38 increase of reserves or other funds to secure or to pay the bonds, notes  
39 or other obligations or interest thereon and all other costs or expenses  
40 of the trust incident to and necessary to carry out its corporate  
41 purposes and powers.

42 b. Whether or not the bonds, notes or other obligations of the trust  
43 are of a form and character as to be negotiable instruments under the  
44 terms of Title 12A of the New Jersey Statutes, the bonds, notes and  
45 other obligations are made negotiable instruments within the meaning  
46 of and for the purposes of Title 12A of the New Jersey Statutes,

1 subject only to the provisions of the bonds, notes and other obligations  
2 for registration.

3 c. Bonds, notes or other obligations of the trust shall be authorized  
4 by a resolution or resolutions of the trust and may be issued in one or  
5 more series and shall bear any date or dates, mature at any time or  
6 times, bear interest at any rate or rates of interest per annum, be in any  
7 denomination or denominations, be in any form, either coupon,  
8 registered or book entry, carry any conversion or registration  
9 privileges, have any rank or priority, be executed in any manner, be  
10 payable in any coin or currency of the United States which at the time  
11 of payment is legal tender for the payment of public and private debts,  
12 at any place or places within or without the State, and be subject to  
13 any terms of redemption by the trust or the holders thereof, with or  
14 without premium, as the resolution or resolutions may provide. A  
15 resolution of the trust authorizing the issuance of bonds, notes or  
16 other obligations may provide that the bonds, notes or other  
17 obligations be secured by a trust indenture between the trust and a  
18 trustee, vesting in the trustee any property, rights, powers and duties  
19 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
20 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
21 determine.

22 d. Bonds, notes or other obligations of the trust may be sold at any  
23 price or prices and in any manner as the trust may determine. Each  
24 bond, note or other obligation shall mature and be paid not later than  
25 20 years from the effective date thereof, or the certified useful life of  
26 the project or projects to be financed by the bonds, whichever is less.

27 All bonds of the trust shall be sold at such price or prices and in  
28 such manner as the trust shall determine, after notice of sale, a  
29 summary of which shall be published at least once in at least three  
30 newspapers published in the State of New Jersey[,] and at least once  
31 in a publication carrying municipal bond notices and devoted primarily  
32 to financial news[,] published in New Jersey or the city of New York,  
33 the first summary notice to be at least five days prior to the day of  
34 bidding. The notice of sale may contain a provision to the effect that  
35 any or all bids made in pursuance thereof may be rejected. In the event  
36 of such rejection or of failure to receive any acceptable bid, the trust,  
37 at any time within 60 days from the date of such advertised sale, may  
38 sell such bonds at private sale upon terms not less favorable to the  
39 State than the terms offered by any rejected bid. The trust may sell all  
40 or part of the bonds of any series as issued to any State fund or to the  
41 federal government or any agency thereof, at private sale, without  
42 advertisement.

43 e. Bonds, notes or other obligations of the trust may be issued  
44 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
45 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
46 of any department, division, board, bureau or agency of the State, and

1 without any other proceedings or the happening of any other  
2 conditions or things, other than those consents, proceedings,  
3 conditions or things which are specifically required by P.L.1985, c.334  
4 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

5 f. Bonds, notes or other obligations of the trust issued under the  
6 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
7 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
8 any political subdivision thereof other than the trust and shall not  
9 create or constitute any indebtedness, liability or obligation of the  
10 State or any political subdivision, but all these bonds, notes and other  
11 obligations, unless funded or refunded by bonds, notes or other  
12 obligations, shall be payable solely from revenues or funds pledged or  
13 available for their payment as authorized in P.L.1985, c.334  
14 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
15 bond, note and obligation shall contain on its face a statement to the  
16 effect that the trust is obligated to pay the principal thereof or the  
17 interest thereon only from its revenues, receipts or funds pledged or  
18 available for their payment as authorized in P.L.1985, c.334  
19 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
20 that neither the State, nor any political subdivision thereof, is  
21 obligated to pay the principal or interest and that neither the faith and  
22 credit nor the taxing power of the State, or any political subdivision  
23 thereof, is pledged to the payment of the principal of or the interest on  
24 the bonds, notes or other obligations.

25 g. The aggregate principal amount of bonds, notes or other  
26 obligations, including subordinated indebtedness of the trust, shall not  
27 exceed \$1,000,000,000.00. In computing the foregoing limitations  
28 there shall be excluded all the bonds, notes or other obligations,  
29 including subordinated indebtedness of the trust, which shall be issued  
30 for refunding purposes, whenever the refunding shall be determined to  
31 result in a [debt service] savings[, as hereinafter provided:].

32 [(1) Upon the decision by the trust to issue refunding bonds, and  
33 prior to the sale of those bonds, the trust shall transmit to the Joint  
34 Appropriations Committee's Subcommittee on Transfers, or its  
35 successor, a report that a decision has been made, reciting the basis on  
36 which the decision was made, including an estimate of the debt service  
37 savings to be achieved and the calculations upon which the trust relied  
38 when making the decision to issue refunding bonds. The report shall  
39 also disclose the intent of the trust to issue and sell the refunding  
40 bonds at public or private sale and the reasons therefor.

41 (2) The Joint Appropriations Committee's Subcommittee on  
42 Transfers shall have the authority to approve or disapprove the sales  
43 of refunding bonds as included in each report submitted in accordance  
44 with paragraph (1) of this subsection. The subcommittee shall notify  
45 the trust in writing of the approval or disapproval as expeditiously as  
46 possible.



1 (3) No refunding bonds shall be issued unless the report has been  
2 submitted to and approved by the Joint Appropriations Committee's  
3 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
4 this subsection.

5 (4) Within 30 days after the sale of the refunding bonds, the trust  
6 shall notify the Subcommittee on Transfers of the result of that sale,  
7 including the prices and terms, conditions and regulations concerning  
8 the refunding bonds, the actual amount of debt service savings to be  
9 realized as a result of the sale of refunding bonds, and the intended use  
10 of the proceeds from the sale of those bonds.

11 (5) The subcommittee shall review all information and reports  
12 submitted in accordance with this subsection and may, on its own  
13 initiative, make observations to the trust, or to the Legislature, or  
14 both, as it deems appropriate.】

15 h. Each issue of bonds, notes or other obligations of the trust may,  
16 if it is determined by the trust, be general obligations thereof payable  
17 out of any revenues, receipts or funds of the trust, or special  
18 obligations thereof payable out of particular revenues, receipts or  
19 funds, subject only to any agreements with the holders of bonds, notes  
20 or other obligations, and may be secured by one or more of the  
21 following:

22 (1) Pledge of revenues and other receipts to be derived from the  
23 payment of the interest on and principal of notes, bonds or other  
24 obligations issued to the trust by one or more local government units,  
25 and any other payment made to the trust pursuant to agreements with  
26 any local government units, or a pledge or assignment of any notes,  
27 bonds or other obligations of any local government unit and the rights  
28 and interest of the trust therein;

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

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

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

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

44 i. The trust shall not issue any bonds, notes or other obligations, or  
45 otherwise incur any additional indebtedness, on or after November 5,  
46 [2005] 2025.

1 j. (Deleted by amendment, P.L.1996, c.88).  
2 (cf: P.L.1997, c.224, s.7)

3  
4 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
5 as follows:

6 9. a. (1) The trust may make and contract to make loans to local  
7 government units, or to a local government unit on behalf of another  
8 local government unit, in accordance with and subject to the  
9 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
10 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment  
11 system project or water supply project, which the local government  
12 unit may lawfully undertake or acquire and for which the local  
13 government unit is authorized by law to borrow money.

14 (2) The trust may make and contract to make loans to public water  
15 utilities, or to any other person or local government unit on behalf of  
16 a public water utility, in accordance with and subject to the provisions  
17 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
18 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
19 which the public water utility may lawfully undertake or acquire.

20 (3) The trust may make and contract to make loans to private  
21 persons other than local government units, or to any other person or  
22 local government unit on behalf of a private person, in accordance  
23 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
24 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
25 stormwater management systems.

26 The loans may be made subject to those terms and conditions as the  
27 trust shall determine to be consistent with the purposes thereof. Each  
28 loan by the trust and the terms and conditions thereof shall be subject  
29 to approval by the State Treasurer, and the trust shall make available  
30 to the State Treasurer all information, statistical data and reports of  
31 independent consultants or experts as the State Treasurer shall deem  
32 necessary in order to evaluate the loan. Each loan to a local  
33 government unit, public water utility or any other person shall be  
34 evidenced by notes, bonds or other obligations thereof issued to the  
35 trust. In the case of each local government unit, notes and bonds to  
36 be issued to the trust by the local government unit (1) shall be  
37 authorized and issued as provided by law for the issuance of notes and  
38 bonds by the local government unit, (2) shall be approved by the Local  
39 Finance Board in the Division of Local Government Services in the  
40 Department of Community Affairs, and (3) notwithstanding the  
41 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
42 any other provisions of law to the contrary, may be sold at private sale  
43 to the trust at any price, whether or not less than par value, and shall  
44 be subject to redemption prior to maturity at any times and at any  
45 prices as the trust and local government units may agree. Each loan  
46 to a local government unit, public water utility or any other person and

1 the notes, bonds or other obligations thereby issued shall bear interest  
2 at a rate or rates per annum as the trust and the local government unit,  
3 public water utility or any other person, as the case may be, may agree.

4 b. The trust is authorized to guarantee or contract to guarantee the  
5 payment of all or any portion of the principal and interest on bonds,  
6 notes or other obligations issued by a local government unit to finance  
7 the cost of any wastewater treatment system project or water supply  
8 project, which the local government unit may lawfully undertake or  
9 acquire and for which the local government unit is authorized by law  
10 to borrow money, and the guarantee shall constitute an obligation of  
11 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
12 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
13 and the terms and conditions thereof shall be subject to approval by  
14 the State Treasurer, and the trust shall make available to the State  
15 Treasurer all information, statistical data and reports of independent  
16 consultants or experts as the State Treasurer shall deem necessary in  
17 order to evaluate the guarantee.

18 c. The trust shall not make or contract to make any loans or  
19 guarantees to local government units, public water utilities or any  
20 other person, or otherwise incur any additional indebtedness, on or  
21 after November 5, [2005] 2025.

22 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
23 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
24 trust may receive funds from any source or issue its bonds, notes or  
25 other obligations in any principal amounts as in the judgment of the  
26 trust shall be necessary to provide sufficient funds to finance or  
27 refinance short-term or temporary loans to local government units,  
28 public water utilities or private persons for any wastewater treatment  
29 system projects included on the project priority list for the ensuing  
30 fiscal year and eligible for approval pursuant to section 20 of  
31 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
32 the project priority list for the ensuing fiscal year and eligible for  
33 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
34 as applicable, without regard to any other provisions of P.L.1985,  
35 c.334 or P.L.1997, c.224, including, without limitation, any  
36 administrative or legislative approvals.

37 Any short-term or temporary loans made by the trust pursuant to  
38 this subsection may only be made in advance of the anticipated loans  
39 the trust may make and contract to make under the provisions of  
40 subsection a. of this section to be financed or refinanced through the  
41 issuance of bonds, notes or other obligations of the trust authorized  
42 under section 6 of P.L.1985, c.334 (C.58:11B-6).

43 (cf: P.L.1999, c.175, s.3)

44

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

1       20. a. The Commissioner of Environmental Protection shall for  
2 each fiscal year develop a priority system for wastewater treatment  
3 systems and shall establish the ranking criteria and funding policies for  
4 the projects therefor. The commissioner shall set forth a project  
5 priority list for funding by the trust for each fiscal year and shall  
6 include the aggregate amount of funds of the trust to be authorized for  
7 these purposes. The project priority list may include any stormwater  
8 management or combined sewer overflow abatement project identified  
9 in the stormwater management and combined sewer overflow  
10 abatement project priority list adopted by the commissioner pursuant  
11 to section 28 of P.L.1989, c.181.

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

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

44       c. The trust shall not expend any money for a loan or guarantee  
45 during a fiscal year for any wastewater treatment system project unless  
46 the expenditure is authorized pursuant to an appropriations act [in

1 accordance with] as provided in the provisions of this section, or as  
2 otherwise set forth in an appropriations act.

3 (cf: P.L.1997, c.224, s.17)

4

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

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

31 b. The Senate [Natural Resources and Economic Development]  
32 Environment Committee and the General Assembly [Agriculture and  
33 Waste Management] Solid and Hazardous Waste Committee shall,  
34 either individually or jointly, consider the legislation containing the  
35 project priority list, and shall report the legislation, together with any  
36 modifications, out of committee for consideration by each House of  
37 the Legislature. On or before July 1 of each year, the Legislature shall  
38 approve an appropriations act containing the project priority list,  
39 including any amendatory or supplementary provisions thereto, which  
40 act shall include the authorization of an aggregate amount of funds of  
41 the trust to be expended for loans and guarantees for the specific  
42 water supply projects, including the individual amounts therefor, on  
43 the list.

44 c. The trust shall not expend any money for a loan or guarantee  
45 during a fiscal year for any water supply project unless the expenditure  
46 is authorized pursuant to an appropriations act [in accordance with]

1 as provided in the provisions of this section, or as otherwise set forth  
2 in an appropriations act.

3 (cf: P.L.1997, c.224, s.24)

4

5 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
6 read as follows:

7 21. On or before May 15 of each year, the trust shall submit to the  
8 Legislature a financial plan designed to implement the financing of the  
9 wastewater treatment system projects either on the project priority list  
10 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
11 as otherwise approved by the Legislature. The financial plan shall  
12 contain an enumeration of the bonds, notes or other obligations of the  
13 trust which the trust intends to issue, including the amounts thereof  
14 and the terms and conditions thereof, a list of loans to be made to local  
15 government units or private persons, including the terms and  
16 conditions thereof and the anticipated rate of interest per annum and  
17 repayment schedule therefor, and a list of loan guarantees or contracts  
18 to guarantee the payment of all or a portion of the principal and  
19 interest on bonds, notes or other obligations issued by a local  
20 government unit to finance the cost of a wastewater treatment system  
21 project, and the terms and conditions thereof.

22 The financial plan shall also set forth a complete operating and  
23 financial statement covering its proposed operations during the  
24 forthcoming fiscal year, including amounts of income from all sources,  
25 and the uniform schedule of fees and charges established by the trust  
26 pursuant to subsection o. of section 5 of P.L.1985, c.334  
27 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
28 summarize the status of each wastewater treatment system project for  
29 which loans or guarantees have been made by the trust, and shall  
30 describe major impediments to the accomplishment of the planned  
31 wastewater treatment system projects.

32 (cf: P.L.1997, c.224, s.18)

33

34 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
35 read as follows:

36 25. On or before May 15 of each year, the trust shall submit to the  
37 Legislature a financial plan designed to implement the financing of the  
38 water supply projects either on the project priority list approved  
39 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
40 otherwise approved by the Legislature.

41 The financial plan shall contain an enumeration of the bonds, notes  
42 or other obligations of the trust which the trust intends to issue,  
43 including the amounts thereof and the terms and conditions thereof, a  
44 list of loans to be made to local government units [or], public water  
45 utilities, or to any other person or local government unit on behalf of  
46 a public water utility, including the terms and conditions thereof and

1 the anticipated rate of interest per annum and repayment schedule  
2 therefor, and a list of loan guarantees or contracts to guarantee the  
3 payment of all or a portion of the principal and interest on bonds,  
4 notes or other obligations issued by a local government unit to finance  
5 the cost of a water supply project, and the terms and conditions  
6 thereof.

7 The financial plan shall also set forth a complete operating and  
8 financial statement covering its proposed operations during the  
9 forthcoming fiscal year, including amounts of income from all sources,  
10 and the uniform schedule of fees and charges established by the trust  
11 pursuant to subsection o. of section 5 of P.L.1985, c.334  
12 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
13 summarize the status of each water supply project for which loans or  
14 guarantees have been made by the trust, and shall describe major  
15 impediments to the accomplishment of the planned water supply  
16 projects.

17 (cf: P.L.1997, c.224, s.25)

18

19 9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
20 read as follows:

21 27. As an alternative to the individual annual submissions required  
22 by the provisions of sections 21 and 22 of P.L.1985, c.334  
23 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
24 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
25 submit to the Legislature a consolidated financial plan designed to  
26 implement the financing of the wastewater treatment system projects  
27 on the project priority list approved pursuant to section 20 of  
28 P.L.1985, c.334 (C.58:11B-20) [and], the water supply projects on  
29 the project priority list approved pursuant to section 24 of P.L.1997,  
30 c.224 (C.58:11B-20.1) and any other projects approved by the  
31 Legislature.

32 (cf: P.L.1997, c.224, s.27)

33

34 10. This act shall take effect immediately.

35

36

37

#### STATEMENT

38

39 This bill makes certain technical changes to the procedures  
40 governing the New Jersey Environmental Infrastructure Trust  
41 Financing Program. These changes are necessary to permit the 2001  
42 Financing Program to proceed as developed by the Trust.

43 The bill extends the deadline after which the Trust may not incur  
44 any additional indebtedness from November 5, 2005 to November 5,  
45 2025.

1       The bill eliminates the requirement that the issuance of refunding  
2 bonds by the Trust must be approved by the Joint Budget Oversight  
3 Committee. The Trust has been advised that it is the only State  
4 financing agency with bonding authority not under the "faith and credit  
5 of the State" provision which requires JBOC approval prior to  
6 undertaking refundings.

7       The bill authorizes the Trust to provide a short-term or temporary  
8 loan financing option for those interested participants that receive pre-  
9 award approval for a environmental infrastructure project. All projects  
10 receiving short-term project financing will become part of the annual  
11 Financing Program.

12       The bill provides for the financing of special environmental  
13 infrastructure projects, which the Legislature may approve and provide  
14 funding for periodically under separate legislation. All special projects  
15 will be included in the Financial Plan submitted by the Trust to the  
16 Legislature by May 15 of each year, and in the Annual Report  
17 submitted to the Legislature by January 15 of each calendar year.



# ASSEMBLY SOLID AND HAZARDOUS WASTE COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3574**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 7, 2001

The Assembly Solid and Hazardous Waste Committee favorably reports Assembly Bill No. 3574 with committee amendments.

Assembly Bill No. 3574 makes certain technical changes to the procedures governing the New Jersey Environmental Infrastructure Trust Financing Program. These changes are necessary to permit the 2001 Financing Program to proceed as developed by the Trust.

Assembly committee amendments increase the Trust's statutory debt ceiling of \$1 billion to \$1.35 billion. Under the existing debt cap, the Trust has sold over \$950 million in bonds.

The bill extends the deadline after which the Trust may not incur any additional indebtedness from November 5, 2005 to November 5, 2025.

The bill eliminates the requirement that the issuance of refunding bonds by the Trust must be approved by the Joint Budget Oversight Committee. The Trust has been advised that it is the only State financing agency with bonding authority not under the "faith and credit of the State" provision which requires JBOC approval prior to undertaking refundings.

The bill authorizes the Trust to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving short-term project financing will become part of the annual Financing Program.

The bill provides for the financing of special environmental infrastructure projects, which the Legislature may approve and provide funding for periodically under separate legislation. All special projects will be included in the Financial Plan submitted by the Trust to the Legislature by May 15 of each year, and in the Annual Report submitted to the Legislature by January 15 of each calendar year.

As amended, Assembly Bill No. 3574 Aca is identical to Senate Bill No. 2422.

[First Reprint]

**ASSEMBLY, No. 3574**

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

INTRODUCED MAY 21, 2001

**Sponsored by:**

**Assemblyman JOHN E. ROONEY**

**District 39 (Bergen)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As reported by the Assembly Solid and Hazardous Waste Committee on June 7, 2001 , with amendments.



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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal **[or]**, county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal **[or]**, county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water  
41 for human consumption;

**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:**

<sup>1</sup> Assembly ASH committee amendments adopted June 7, 2001 .

1 "Notes" means notes issued by the trust pursuant to P.L.1985,  
2 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

3 "Project" or "environmental infrastructure project" means the  
4 acquisition, construction, improvement, repair or reconstruction of all  
5 or part of any structure, facility or equipment, or real or personal  
6 property necessary for or ancillary to any (1) wastewater treatment  
7 system project, including any stormwater management or combined  
8 sewer overflow abatement projects; or (2) water supply project, as  
9 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
10 P.L.1997, c.224 (C.58:11B-10.1 et al.);

11 "Public water utility" means any investor-owned water company or  
12 small water company;

13 "Small water company" means any company, purveyor or entity,  
14 other than a governmental agency, that provides water for human  
15 consumption and which regularly serves less than 1,000 customer  
16 connections, including nonprofit, noncommunity water systems owned  
17 or operated by a nonprofit group or organization;

18 "Stormwater management system" means any equipment, plants,  
19 structures, machinery, apparatus, management practices, or land, or  
20 any combination thereof, acquired, used, constructed, implemented or  
21 operated to prevent nonpoint source pollution, abate improper  
22 cross-connections and interconnections between stormwater and sewer  
23 systems, minimize stormwater runoff, reduce soil erosion, or induce  
24 groundwater recharge, or any combination thereof;

25 "Trust" means the New Jersey Environmental Infrastructure Trust  
26 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

27 "Wastewater" means residential, commercial, industrial, or  
28 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
29 combination thereof, or other liquid residue discharged or collected  
30 into a sewer system or stormwater management system, or any  
31 combination thereof;

32 "Wastewater treatment system" means any equipment, plants,  
33 structures, machinery, apparatus, or land, or any combination thereof,  
34 acquired, used, constructed or operated by, or on behalf of, a local  
35 government unit for the storage, collection, reduction, recycling,  
36 reclamation, disposal, separation, or other treatment of wastewater or  
37 sewage sludge, or for the collection or treatment, or both, of  
38 stormwater runoff and wastewater, or for the final disposal of residues  
39 resulting from the treatment of wastewater, including, but not limited  
40 to, pumping and ventilating stations, treatment plants and works,  
41 connections, outfall sewers, interceptors, trunk lines, stormwater  
42 management systems, and other personal property and appurtenances  
43 necessary for their use or operation; "wastewater treatment system"  
44 shall include a stormwater management system or a combined sewer  
45 system;

46 "Wastewater treatment system project" means any work relating to

1 the acquisition, construction, improvement, repair or reconstruction  
2 of all or part of any structure, facility or equipment, or real or personal  
3 property necessary for or ancillary to any wastewater treatment system  
4 that meets the requirements set forth in sections 20, 21 and 22 of  
5 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
6 work relating to any of the stormwater management or combined  
7 sewer overflow abatement projects identified in the stormwater  
8 management and combined sewer overflow abatement project priority  
9 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
10 c.181; or any work relating to any other project eligible for financing  
11 under the Federal Water Pollution Control Act Amendments of 1972  
12 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
13 thereto;

14 "Water supply facilities" means and refers to the real property and  
15 the plants, structures, interconnections between existing water supply  
16 facilities, machinery and equipment and other property, real, personal  
17 and mixed, acquired, constructed or operated, or to be acquired,  
18 constructed or operated, in whole or in part, by or on behalf of a  
19 public water utility, or by or on behalf of the State or a local  
20 government unit, for the purpose of augmenting the natural water  
21 resources of the State and making available an increased supply of  
22 water for all uses, or of conserving existing water resources, and any  
23 and all appurtenances necessary, useful or convenient for the  
24 collecting, impounding, storing, improving, treating, filtering,  
25 conserving or transmitting of water, and for the preservation and  
26 protection of these resources and facilities, whether in public or  
27 private ownership, and providing for the conservation and  
28 development of future water supply resources, and facilitating  
29 incidental recreational uses thereof;

30 "Water supply project" means any work relating to the acquisition,  
31 construction, improvement, repair or reconstruction of all or part of  
32 any structure, facility or equipment, or real or personal property  
33 necessary for or ancillary to water supply facilities that meets the  
34 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
35 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
36 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
37 any work relating to any other project eligible for funding pursuant to  
38 the federal "Safe Drinking Water Act Amendments of 1996"  
39 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
40 (cf: P.L.1999, c.175, s.1)

41

42 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
43 as follows:

44 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
45 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the  
46 trust may:

- 1 a. Make and alter bylaws for its organization and internal  
2 management and, subject to agreements with holders of its bonds,  
3 notes or other obligations, make rules and regulations with respect to  
4 its operations, properties and facilities;
- 5 b. Adopt an official seal and alter it;
- 6 c. Sue and be sued;
- 7 d. Make and enter into all contracts, leases and agreements  
8 necessary or incidental to the performance of its duties and the  
9 exercise of its powers under the provisions of P.L.1985, c.334  
10 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
11 subject to any agreement with the holders of the trust's bonds, notes  
12 or other obligations, consent to any modification, amendment or  
13 revision of any contract, lease or agreement to which the trust is a  
14 party;
- 15 e. Enter into agreements or other transactions with and accept,  
16 subject to the provisions of section 23 of P.L.1985, c.334  
17 (C.58:11B-23), grants, appropriations and the cooperation of the  
18 State, or any State agency, in furtherance of the purposes of P.L.1985,  
19 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
20 and do anything necessary in order to avail itself of that aid and  
21 cooperation;
- 22 f. Receive and accept aid or contributions from any source of  
23 money, property, labor or other things of value, to be held, used and  
24 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
25 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
26 conditions upon which that aid and those contributions may be made,  
27 including, but not limited to, gifts or grants from any department or  
28 agency of the State, or any State agency, for any purpose consistent  
29 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
30 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
31 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 32 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
33 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
34 dispose of real and personal property, or any interest therein, in the  
35 exercise of its powers and the performance of its duties 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.);
- 38 h. Appoint and employ an executive director and any other officers  
39 or employees as it may require for the performance of its duties,  
40 without regard to the provisions of Title 11A of the New Jersey  
41 Statutes;
- 42 i. Borrow money and issue bonds, notes and other obligations, and  
43 secure the same, and provide for the rights of the holders thereof as  
44 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
45 P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 46 j. Subject to any agreement with holders of its bonds, notes or

1 other obligations, invest moneys of the trust not required for  
2 immediate use, including proceeds from the sale of any bonds, notes  
3 or other obligations, in any obligations, securities and other  
4 investments in accordance with the rules and regulations of the State  
5 Investment Council or as may otherwise be approved by the Director  
6 of the Division of Investment in the Department of the Treasury upon  
7 a finding that such investments are consistent with the corporate  
8 purposes of the trust;

9 k. Procure insurance to secure the payment of its bonds, notes or  
10 other obligations or the payment of any guarantees or loans made by  
11 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
12 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
13 in connection with its property and other assets and operations, in any  
14 amounts and from any insurers as it deems desirable;

15 l. Engage the services of attorneys, accountants, engineers, and  
16 financial experts and any other advisors, consultants, experts and  
17 agents as may be necessary in its judgment and fix their compensation;

18 m. (1) Make and contract to make loans to local government  
19 units, or to a local government unit on behalf of another local  
20 government unit, to finance the cost of wastewater treatment system  
21 projects or water supply projects and acquire and contract to acquire  
22 notes, bonds or other obligations issued or to be issued by any local  
23 government units to evidence the loans, all in accordance with the  
24 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
25 (C.58:11B-10.1 et al.);

26 (2) Make and contract to make loans to public water utilities, or to  
27 any other person or local government unit on behalf of a public water  
28 utility, to finance the cost of water supply projects in accordance with  
29 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
30 c.224 (C.58:11B-10.1 et al.);

31 (3) Make and contract to make loans to private persons other than  
32 local government units, or to any other person or local government  
33 unit on behalf of a private person, to finance the cost of stormwater  
34 management systems in accordance with the provisions of P.L.1985,  
35 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

36 n. Subject to any agreement with holders of its bonds, notes or  
37 other obligations, purchase bonds, notes and other obligations of the  
38 trust and hold the same for resale or provide for the cancellation  
39 thereof, all in accordance with the provisions of P.L.1985, c.334  
40 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

41 o. (1) Charge to and collect from local government units, private  
42 persons or public water utilities any fees and charges in connection  
43 with the trust's loans, guarantees or other services, including, but not  
44 limited to, fees and charges sufficient to reimburse the trust for all  
45 reasonable costs necessarily incurred by it in connection with its  
46 financings and the establishment and maintenance of reserve or other

1 funds, as the trust may determine to be reasonable. The fees and  
2 charges shall be in accordance with a uniform schedule published by  
3 the trust for the purpose of providing actual cost reimbursement for  
4 the services rendered;

5 (2) Any fees and charges collected by the trust pursuant to this  
6 subsection may be deposited and maintained in a fund separate from  
7 any other funds held by the trust pursuant to section 10 of P.L.1985,  
8 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
9 et al.) and shall be available for any corporate purposes of the trust;

10 p. Subject to any agreement with holders of its bonds, notes or  
11 other obligations, obtain as security or to provide liquidity for payment  
12 of all or any part of the principal of and interest and premium on the  
13 bonds, notes and other obligations of the trust or for the purchase  
14 upon tender or otherwise of the bonds, notes or other obligations,  
15 lines of credit, letters of credit and other security agreements or  
16 instruments in any amounts and upon any terms as the trust may  
17 determine, and pay any fees and expenses required in connection  
18 therewith;

19 q. Provide to local government units any financial and credit advice  
20 as these local government units may request;

21 r. Make payments to the State from any moneys of the trust  
22 available therefor as may be required pursuant to any agreement with  
23 the State or act appropriating moneys to the trust; and

24 s. Take any action necessary or convenient to the exercise of the  
25 foregoing powers or reasonably implied therefrom.

26 (cf: P.L.1999, c.175, s.2)

27

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

30 6. a. Except as may be otherwise expressly provided in the  
31 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
32 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
33 notes or other obligations in any principal amounts as in the judgment  
34 of the trust shall be necessary to provide sufficient funds for any of its  
35 corporate purposes, including the payment, funding or refunding of the  
36 principal of, or interest or redemption premiums on, any bonds, notes  
37 or other obligations issued by it, whether the bonds, notes or other  
38 obligations or the interest or redemption premiums thereon to be  
39 funded or refunded have or have not become due, the establishment or  
40 increase of reserves or other funds to secure or to pay the bonds, notes  
41 or other obligations or interest thereon and all other costs or expenses  
42 of the trust incident to and necessary to carry out its corporate  
43 purposes and powers.

44 b. Whether or not the bonds, notes or other obligations of the trust  
45 are of a form and character as to be negotiable instruments under the  
46 terms of Title 12A of the New Jersey Statutes, the bonds, notes and



1 other obligations are made negotiable instruments within the meaning  
2 of and for the purposes of Title 12A of the New Jersey Statutes,  
3 subject only to the provisions of the bonds, notes and other obligations  
4 for registration.

5 c. Bonds, notes or other obligations of the trust shall be authorized  
6 by a resolution or resolutions of the trust and may be issued in one or  
7 more series and shall bear any date or dates, mature at any time or  
8 times, bear interest at any rate or rates of interest per annum, be in any  
9 denomination or denominations, be in any form, either coupon,  
10 registered or book entry, carry any conversion or registration  
11 privileges, have any rank or priority, be executed in any manner, be  
12 payable in any coin or currency of the United States which at the time  
13 of payment is legal tender for the payment of public and private debts,  
14 at any place or places within or without the State, and be subject to  
15 any terms of redemption by the trust or the holders thereof, with or  
16 without premium, as the resolution or resolutions may provide. A  
17 resolution of the trust authorizing the issuance of bonds, notes or  
18 other obligations may provide that the bonds, notes or other  
19 obligations be secured by a trust indenture between the trust and a  
20 trustee, vesting in the trustee any property, rights, powers and duties  
21 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
22 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
23 determine.

24 d. Bonds, notes or other obligations of the trust may be sold at any  
25 price or prices and in any manner as the trust may determine. Each  
26 bond, note or other obligation shall mature and be paid not later than  
27 20 years from the effective date thereof, or the certified useful life of  
28 the project or projects to be financed by the bonds, whichever is less.

29 All bonds of the trust shall be sold at such price or prices and in  
30 such manner as the trust shall determine, after notice of sale, a  
31 summary of which shall be published at least once in at least three  
32 newspapers published in the State of New Jersey[,] and at least once  
33 in a publication carrying municipal bond notices and devoted primarily  
34 to financial news[,] published in New Jersey or the city of New York,  
35 the first summary notice to be at least five days prior to the day of  
36 bidding. The notice of sale may contain a provision to the effect that  
37 any or all bids made in pursuance thereof may be rejected. In the event  
38 of such rejection or of failure to receive any acceptable bid, the trust,  
39 at any time within 60 days from the date of such advertised sale, may  
40 sell such bonds at private sale upon terms not less favorable to the  
41 State than the terms offered by any rejected bid. The trust may sell all  
42 or part of the bonds of any series as issued to any State fund or to the  
43 federal government or any agency thereof, at private sale, without  
44 advertisement.

45 e. Bonds, notes or other obligations of the trust may be issued  
46 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or

1 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
2 of any department, division, board, bureau or agency of the State, and  
3 without any other proceedings or the happening of any other  
4 conditions or things, other than those consents, proceedings,  
5 conditions or things which are specifically required by 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.).

7 f. Bonds, notes or other obligations of the trust issued under the  
8 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
9 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
10 any political subdivision thereof other than the trust and shall not  
11 create or constitute any indebtedness, liability or obligation of the  
12 State or any political subdivision, but all these bonds, notes and other  
13 obligations, unless funded or refunded by bonds, notes or other  
14 obligations, shall be payable solely from revenues or funds pledged or  
15 available for their payment as authorized in P.L.1985, c.334  
16 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
17 bond, note and obligation shall contain on its face a statement to the  
18 effect that the trust is obligated to pay the principal thereof or the  
19 interest thereon only from its revenues, receipts or funds pledged or  
20 available for their payment as authorized in P.L.1985, c.334  
21 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
22 that neither the State, nor any political subdivision thereof, is  
23 obligated to pay the principal or interest and that neither the faith and  
24 credit nor the taxing power of the State, or any political subdivision  
25 thereof, is pledged to the payment of the principal of or the interest on  
26 the bonds, notes or other obligations.

27 g. The aggregate principal amount of bonds, notes or other  
28 obligations, including subordinated indebtedness of the trust, shall not  
29 exceed <sup>1</sup>[\$1,000,000,000.00] \$1,350,000,000<sup>1</sup>. In computing the  
30 foregoing limitations there shall be excluded all the bonds, notes or  
31 other obligations, including subordinated indebtedness of the trust,  
32 which shall be issued for refunding purposes, whenever the refunding  
33 shall be determined to result in a [debt service] savings[, as  
34 hereinafter provided:].

35 [(1) Upon the decision by the trust to issue refunding bonds, and  
36 prior to the sale of those bonds, the trust shall transmit to the Joint  
37 Appropriations Committee's Subcommittee on Transfers, or its  
38 successor, a report that a decision has been made, reciting the basis on  
39 which the decision was made, including an estimate of the debt service  
40 savings to be achieved and the calculations upon which the trust relied  
41 when making the decision to issue refunding bonds. The report shall  
42 also disclose the intent of the trust to issue and sell the refunding  
43 bonds at public or private sale and the reasons therefor.

44 (2) The Joint Appropriations Committee's Subcommittee on  
45 Transfers shall have the authority to approve or disapprove the sales  
46 of refunding bonds as included in each report submitted in accordance

1 with paragraph (1) of this subsection. The subcommittee shall notify  
2 the trust in writing of the approval or disapproval as expeditiously as  
3 possible.

4 (3) No refunding bonds shall be issued unless the report has been  
5 submitted to and approved by the Joint Appropriations Committee's  
6 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
7 this subsection.

8 (4) Within 30 days after the sale of the refunding bonds, the trust  
9 shall notify the Subcommittee on Transfers of the result of that sale,  
10 including the prices and terms, conditions and regulations concerning  
11 the refunding bonds, the actual amount of debt service savings to be  
12 realized as a result of the sale of refunding bonds, and the intended use  
13 of the proceeds from the sale of those bonds.

14 (5) The subcommittee shall review all information and reports  
15 submitted in accordance with this subsection and may, on its own  
16 initiative, make observations to the trust, or to the Legislature, or  
17 both, as it deems appropriate.]

18 h. Each issue of bonds, notes or other obligations of the trust may,  
19 if it is determined by the trust, be general obligations thereof payable  
20 out of any revenues, receipts or funds of the trust, or special  
21 obligations thereof payable out of particular revenues, receipts or  
22 funds, subject only to any agreements with the holders of bonds, notes  
23 or other obligations, and may be secured by one or more of the  
24 following:

25 (1) Pledge of revenues and other receipts to be derived from the  
26 payment of the interest on and principal of notes, bonds or other  
27 obligations issued to the trust by one or more local government units,  
28 and any other payment made to the trust pursuant to agreements with  
29 any local government units, or a pledge or assignment of any notes,  
30 bonds or other obligations of any local government unit and the rights  
31 and interest of the trust therein;

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

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

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

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

1 i. The trust shall not issue any bonds, notes or other obligations, or  
2 otherwise incur any additional indebtedness, on or after November 5,  
3 [2005] 2025.

4 j. (Deleted by amendment, P.L.1996, c.88).  
5 (cf: P.L.1997, c.224, s.7)

6  
7 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
8 as follows:

9 9. a. (1) The trust may make and contract to make loans to local  
10 government units, or to a local government unit on behalf of another  
11 local government unit, in accordance with and subject to the  
12 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
13 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment  
14 system project or water supply project, which the local government  
15 unit may lawfully undertake or acquire and for which the local  
16 government unit is authorized by law to borrow money.

17 (2) The trust may make and contract to make loans to public water  
18 utilities, or to any other person or local government unit on behalf of  
19 a public water utility, in accordance with and subject to the provisions  
20 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
21 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
22 which the public water utility may lawfully undertake or acquire.

23 (3) The trust may make and contract to make loans to private  
24 persons other than local government units, or to any other person or  
25 local government unit on behalf of a private person, in accordance  
26 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
27 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
28 stormwater management systems.

29 The loans may be made subject to those terms and conditions as the  
30 trust shall determine to be consistent with the purposes thereof. Each  
31 loan by the trust and the terms and conditions thereof shall be subject  
32 to approval by the State Treasurer, and the trust shall make available  
33 to the State Treasurer all information, statistical data and reports of  
34 independent consultants or experts as the State Treasurer shall deem  
35 necessary in order to evaluate the loan. Each loan to a local  
36 government unit, public water utility or any other person shall be  
37 evidenced by notes, bonds or other obligations thereof issued to the  
38 trust. In the case of each local government unit, notes and bonds to  
39 be issued to the trust by the local government unit (1) shall be  
40 authorized and issued as provided by law for the issuance of notes and  
41 bonds by the local government unit, (2) shall be approved by the Local  
42 Finance Board in the Division of Local Government Services in the  
43 Department of Community Affairs, and (3) notwithstanding the  
44 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
45 any other provisions of law to the contrary, may be sold at private sale  
46 to the trust at any price, whether or not less than par value, and shall

1 be subject to redemption prior to maturity at any times and at any  
2 prices as the trust and local government units may agree. Each loan  
3 to a local government unit, public water utility or any other person and  
4 the notes, bonds or other obligations thereby issued shall bear interest  
5 at a rate or rates per annum as the trust and the local government unit,  
6 public water utility or any other person, as the case may be, may agree.

7 b. The trust is authorized to guarantee or contract to guarantee the  
8 payment of all or any portion of the principal and interest on bonds,  
9 notes or other obligations issued by a local government unit to finance  
10 the cost of any wastewater treatment system project or water supply  
11 project, which the local government unit may lawfully undertake or  
12 acquire and for which the local government unit is authorized by law  
13 to borrow money, and the guarantee shall constitute an obligation of  
14 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
15 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
16 and the terms and conditions thereof shall be subject to approval by  
17 the State Treasurer, and the trust shall make available to the State  
18 Treasurer all information, statistical data and reports of independent  
19 consultants or experts as the State Treasurer shall deem necessary in  
20 order to evaluate the guarantee.

21 c. The trust shall not make or contract to make any loans or  
22 guarantees to local government units, public water utilities or any  
23 other person, or otherwise incur any additional indebtedness, on or  
24 after November 5, [2005] 2025.

25 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
26 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
27 trust may receive funds from any source or issue its bonds, notes or  
28 other obligations in any principal amounts as in the judgment of the  
29 trust shall be necessary to provide sufficient funds to finance or  
30 refinance short-term or temporary loans to local government units,  
31 public water utilities or private persons for any wastewater treatment  
32 system projects included on the project priority list for the ensuing  
33 fiscal year and eligible for approval pursuant to section 20 of  
34 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
35 the project priority list for the ensuing fiscal year and eligible for  
36 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
37 as applicable, without regard to any other provisions of P.L.1985,  
38 c.334 or P.L.1997, c.224, including, without limitation, any  
39 administrative or legislative approvals.

40 Any short-term or temporary loans made by the trust pursuant to  
41 this subsection may only be made in advance of the anticipated loans  
42 the trust may make and contract to make under the provisions of  
43 subsection a. of this section to be financed or refinanced through the  
44 issuance of bonds, notes or other obligations of the trust authorized  
45 under section 6 of P.L.1985, c.334 (C.58:11B-6).

46 (cf: P.L.1999, c.175, s.3)

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

3       20. a. The Commissioner of Environmental Protection shall for  
4 each fiscal year develop a priority system for wastewater treatment  
5 systems and shall establish the ranking criteria and funding policies for  
6 the projects therefor. The commissioner shall set forth a project  
7 priority list for funding by the trust for each fiscal year and shall  
8 include the aggregate amount of funds of the trust to be authorized for  
9 these purposes. The project priority list may include any stormwater  
10 management or combined sewer overflow abatement project identified  
11 in the stormwater management and combined sewer overflow  
12 abatement project priority list adopted by the commissioner pursuant  
13 to section 28 of P.L.1989, c.181.

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

34       b. The Senate Environment Committee and the General Assembly  
35 [Agriculture and Waste Management] Solid and Hazardous Waste  
36 Committee shall, either individually or jointly, consider the legislation  
37 containing the project priority list, and shall report the legislation,  
38 together with any modifications, out of committee for consideration  
39 by each House of the Legislature. On or before July 1 of each year,  
40 the Legislature shall approve an appropriations act containing the  
41 project priority list, including any amendatory or supplementary  
42 provisions thereto, which act shall include the authorization of an  
43 aggregate amount of funds of the trust to be expended for loans and  
44 guarantees for the specific projects, including the individual amounts  
45 therefor, on the list.

46       c. The trust shall not expend any money for a loan or guarantee

1 during a fiscal year for any wastewater treatment system project unless  
2 the expenditure is authorized pursuant to an appropriations act [in  
3 accordance with] as provided in the provisions of this section, or as  
4 otherwise set forth in an appropriations act.

5 (cf: P.L.1997, c.224, s.17)

6  
7 6. Section 24 of P.L.1997, c.224 (C.58:11B-20.1) is amended to  
8 read as follows:

9 24. a. The Commissioner of Environmental Protection shall for  
10 each fiscal year develop a priority system for water supply projects and  
11 shall establish the ranking criteria and funding policies therefor. The  
12 commissioner shall set forth a project priority list for funding by the  
13 trust for each fiscal year and shall include the aggregate amount of  
14 funds of the trust to be authorized for these purposes. The  
15 commissioner may include a water supply project on the project  
16 priority list if it meets the eligibility requirements for funding pursuant  
17 to the federal "Safe Drinking Water Act Amendments of 1996,"  
18 Pub.L.104-182. The project priority list shall include a description of  
19 each project and an explanation of the manner in which priorities were  
20 established. The priority system and project priority list for the ensuing  
21 fiscal year shall be submitted to the Legislature on or before January  
22 15 of each year on a day when both Houses are meeting. The President  
23 of the Senate and the Speaker of the General Assembly shall cause the  
24 date of submission to be entered upon the Senate Journal and the  
25 Minutes of the General Assembly, respectively. On or before May 15  
26 of each year, the trust shall submit the project priority list to be  
27 introduced in each House in the form of legislative appropriations bills,  
28 which shall be referred to the Senate [Natural Resources and  
29 Economic Development] Environment Committee and the General  
30 Assembly [Agriculture and Waste Management] Solid and Hazardous  
31 Waste Committee, or their successors, for their respective  
32 consideration.

33 b. The Senate [Natural Resources and Economic Development]  
34 Environment Committee and the General Assembly [Agriculture and  
35 Waste Management] Solid and Hazardous Waste Committee shall,  
36 either individually or jointly, consider the legislation containing the  
37 project priority list, and shall report the legislation, together with any  
38 modifications, out of committee for consideration by each House of  
39 the Legislature. On or before July 1 of each year, the Legislature shall  
40 approve an appropriations act containing the project priority list,  
41 including any amendatory or supplementary provisions thereto, which  
42 act shall include the authorization of an aggregate amount of funds of  
43 the trust to be expended for loans and guarantees for the specific  
44 water supply projects, including the individual amounts therefor, on  
45 the list.

46 c. The trust shall not expend any money for a loan or guarantee

1 during a fiscal year for any water supply project unless the expenditure  
2 is authorized pursuant to an appropriations act [in accordance with]  
3 as provided in the provisions of this section, or as otherwise set forth  
4 in an appropriations act.

5 (cf: P.L.1997, c.224, s.24)

6

7 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
8 read as follows:

9 21. On or before May 15 of each year, the trust shall submit to the  
10 Legislature a financial plan designed to implement the financing of the  
11 wastewater treatment system projects either on the project priority list  
12 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
13 as otherwise approved by the Legislature. The financial plan shall  
14 contain an enumeration of the bonds, notes or other obligations of the  
15 trust which the trust intends to issue, including the amounts thereof  
16 and the terms and conditions thereof, a list of loans to be made to local  
17 government units or private persons, including the terms and  
18 conditions thereof and the anticipated rate of interest per annum and  
19 repayment schedule therefor, and a list of loan guarantees or contracts  
20 to guarantee the payment of all or a portion of the principal and  
21 interest on bonds, notes or other obligations issued by a local  
22 government unit to finance the cost of a wastewater treatment system  
23 project, and the terms and conditions thereof.

24 The financial plan shall also set forth a complete operating and  
25 financial statement covering its proposed operations during the  
26 forthcoming fiscal year, including amounts of income from all sources,  
27 and the uniform schedule of fees and charges established by the trust  
28 pursuant to subsection o. of section 5 of P.L.1985, c.334  
29 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
30 summarize the status of each wastewater treatment system project for  
31 which loans or guarantees have been made by the trust, and shall  
32 describe major impediments to the accomplishment of the planned  
33 wastewater treatment system projects.

34 (cf: P.L.1997, c.224, s.18)

35

36 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
37 read as follows:

38 25. On or before May 15 of each year, the trust shall submit to the  
39 Legislature a financial plan designed to implement the financing of the  
40 water supply projects either on the project priority list approved  
41 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
42 otherwise approved by the Legislature.

43 The financial plan shall contain an enumeration of the bonds, notes  
44 or other obligations of the trust which the trust intends to issue,  
45 including the amounts thereof and the terms and conditions thereof, a  
46 list of loans to be made to local government units [or], public water



1 utilities, or to any other person or local government unit on behalf of  
2 a public water utility, including the terms and conditions thereof and  
3 the anticipated rate of interest per annum and repayment schedule  
4 therefor, and a list of loan guarantees or contracts to guarantee the  
5 payment of all or a portion of the principal and interest on bonds,  
6 notes or other obligations issued by a local government unit to finance  
7 the cost of a water supply project, and the terms and conditions  
8 thereof.

9 The financial plan shall also set forth a complete operating and  
10 financial statement covering its proposed operations during the  
11 forthcoming fiscal year, including amounts of income from all sources,  
12 and the uniform schedule of fees and charges established by the trust  
13 pursuant to subsection o. of section 5 of P.L.1985, c.334  
14 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
15 summarize the status of each water supply project for which loans or  
16 guarantees have been made by the trust, and shall describe major  
17 impediments to the accomplishment of the planned water supply  
18 projects.

19 (cf: P.L.1997, c.224, s.25)

20

21 9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
22 read as follows:

23 27. As an alternative to the individual annual submissions required  
24 by the provisions of sections 21 and 22 of P.L.1985, c.334  
25 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
26 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
27 submit to the Legislature a consolidated financial plan designed to  
28 implement the financing of the wastewater treatment system projects  
29 on the project priority list approved pursuant to section 20 of  
30 P.L.1985, c.334 (C.58:11B-20) [and], the water supply projects on  
31 the project priority list approved pursuant to section 24 of P.L.1997,  
32 c.224 (C.58:11B-20.1) and any other projects approved by the  
33 Legislature.

34 (cf: P.L.1997, c.224, s.27)

35

36 10. This act shall take effect immediately.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

### **ASSEMBLY, No. 3574**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 21, 2001

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3574 (1R) with committee amendments.

Assembly Bill No. 3574, as amended, makes certain changes to the statute governing the New Jersey Environmental Infrastructure Trust. These changes are needed to permit the Trust's 2001 Financing Program to proceed.

The bill increases the Trust's statutory debt ceiling of \$1 billion to \$1.35 billion, and extends from November 5, 2005 to November 5, 2025 the deadline as of which the Trust may not incur any additional indebtedness, or execute loans or loan guarantee agreements with local governments or other borrowers. Under the existing debt cap, the Trust has sold over \$950 million in bonds.

The bill authorizes the Trust to provide a short-term or temporary loan financing option for those interested participants that receive pre-award approval for an environmental infrastructure project. All projects receiving this will become part of the regular annual financing program.

The bill also provides for the financing of special environmental infrastructure projects, which the Legislature may approve and provide funding for periodically under separate legislation. Any such special projects would be included as part of the annual Financial Plan submitted by the Trust by May 15 yearly, and in the Annual Report submitted to the Legislature.

As amended and reported, this bill is identical to Senate Bill No. 2422 as also amended and reported by the committee.

#### FISCAL IMPACT:

This bill increases the statutory debt ceiling of the New Jersey Environmental Infrastructure Trust from \$1 billion to \$1.35 billion.

#### COMMITTEE AMENDMENTS:

The amendments retain a requirement that the issuance of refunding bonds by the Trust must be approved by the Joint Budget Oversight Committee which the bill would otherwise have deleted.

[Second Reprint]

**ASSEMBLY, No. 3574**

---

**STATE OF NEW JERSEY**  
**209th LEGISLATURE**

---

INTRODUCED MAY 21, 2001

**Sponsored by:**

**Assemblyman JOHN E. ROONEY**

**District 39 (Bergen)**

**SYNOPSIS**

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

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on June 21, 2001, with amendments.



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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal ~~[or]~~, county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal ~~[or]~~, county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water  
41 for human consumption;

**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:**

<sup>1</sup> Assembly ASH committee amendments adopted June 7, 2001 .

<sup>2</sup> Assembly AAP committee amendments adopted June 21, 2001.

1 "Notes" means notes issued by the trust pursuant to P.L.1985,  
2 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

3 "Project" or "environmental infrastructure project" means the  
4 acquisition, construction, improvement, repair or reconstruction of all  
5 or part of any structure, facility or equipment, or real or personal  
6 property necessary for or ancillary to any (1) wastewater treatment  
7 system project, including any stormwater management or combined  
8 sewer overflow abatement projects; or (2) water supply project, as  
9 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
10 P.L.1997, c.224 (C.58:11B-10.1 et al.);

11 "Public water utility" means any investor-owned water company or  
12 small water company;

13 "Small water company" means any company, purveyor or entity,  
14 other than a governmental agency, that provides water for human  
15 consumption and which regularly serves less than 1,000 customer  
16 connections, including nonprofit, noncommunity water systems owned  
17 or operated by a nonprofit group or organization;

18 "Stormwater management system" means any equipment, plants,  
19 structures, machinery, apparatus, management practices, or land, or  
20 any combination thereof, acquired, used, constructed, implemented or  
21 operated to prevent nonpoint source pollution, abate improper  
22 cross-connections and interconnections between stormwater and sewer  
23 systems, minimize stormwater runoff, reduce soil erosion, or induce  
24 groundwater recharge, or any combination thereof;

25 "Trust" means the New Jersey Environmental Infrastructure Trust  
26 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

27 "Wastewater" means residential, commercial, industrial, or  
28 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
29 combination thereof, or other liquid residue discharged or collected  
30 into a sewer system or stormwater management system, or any  
31 combination thereof;

32 "Wastewater treatment system" means any equipment, plants,  
33 structures, machinery, apparatus, or land, or any combination thereof,  
34 acquired, used, constructed or operated by, or on behalf of, a local  
35 government unit for the storage, collection, reduction, recycling,  
36 reclamation, disposal, separation, or other treatment of wastewater or  
37 sewage sludge, or for the collection or treatment, or both, of  
38 stormwater runoff and wastewater, or for the final disposal of residues  
39 resulting from the treatment of wastewater, including, but not limited  
40 to, pumping and ventilating stations, treatment plants and works,  
41 connections, outfall sewers, interceptors, trunk lines, stormwater  
42 management systems, and other personal property and appurtenances  
43 necessary for their use or operation; "wastewater treatment system"  
44 shall include a stormwater management system or a combined sewer  
45 system;

46 "Wastewater treatment system project" means any work relating to

1 the acquisition, construction, improvement, repair or reconstruction  
2 of all or part of any structure, facility or equipment, or real or personal  
3 property necessary for or ancillary to any wastewater treatment system  
4 that meets the requirements set forth in sections 20, 21 and 22 of  
5 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
6 work relating to any of the stormwater management or combined  
7 sewer overflow abatement projects identified in the stormwater  
8 management and combined sewer overflow abatement project priority  
9 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
10 c.181; or any work relating to any other project eligible for financing  
11 under the Federal Water Pollution Control Act Amendments of 1972  
12 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
13 thereto;

14 "Water supply facilities" means and refers to the real property and  
15 the plants, structures, interconnections between existing water supply  
16 facilities, machinery and equipment and other property, real, personal  
17 and mixed, acquired, constructed or operated, or to be acquired,  
18 constructed or operated, in whole or in part, by or on behalf of a  
19 public water utility, or by or on behalf of the State or a local  
20 government unit, for the purpose of augmenting the natural water  
21 resources of the State and making available an increased supply of  
22 water for all uses, or of conserving existing water resources, and any  
23 and all appurtenances necessary, useful or convenient for the  
24 collecting, impounding, storing, improving, treating, filtering,  
25 conserving or transmitting of water, and for the preservation and  
26 protection of these resources and facilities, whether in public or  
27 private ownership, and providing for the conservation and  
28 development of future water supply resources, and facilitating  
29 incidental recreational uses thereof;

30 "Water supply project" means any work relating to the acquisition,  
31 construction, improvement, repair or reconstruction of all or part of  
32 any structure, facility or equipment, or real or personal property  
33 necessary for or ancillary to water supply facilities that meets the  
34 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
35 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
36 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
37 any work relating to any other project eligible for funding pursuant to  
38 the federal "Safe Drinking Water Act Amendments of 1996"  
39 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
40 (cf: P.L.1999, c.175, s.1)

41

42 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
43 as follows:

44 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
45 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the  
46 trust may:

- 1 a. Make and alter bylaws for its organization and internal  
2 management and, subject to agreements with holders of its bonds,  
3 notes or other obligations, make rules and regulations with respect to  
4 its operations, properties and facilities;
- 5 b. Adopt an official seal and alter it;
- 6 c. Sue and be sued;
- 7 d. Make and enter into all contracts, leases and agreements  
8 necessary or incidental to the performance of its duties and the  
9 exercise of its powers under the provisions of P.L.1985, c.334  
10 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
11 subject to any agreement with the holders of the trust's bonds, notes  
12 or other obligations, consent to any modification, amendment or  
13 revision of any contract, lease or agreement to which the trust is a  
14 party;
- 15 e. Enter into agreements or other transactions with and accept,  
16 subject to the provisions of section 23 of P.L.1985, c.334  
17 (C.58:11B-23), grants, appropriations and the cooperation of the  
18 State, or any State agency, in furtherance of the purposes of P.L.1985,  
19 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
20 and do anything necessary in order to avail itself of that aid and  
21 cooperation;
- 22 f. Receive and accept aid or contributions from any source of  
23 money, property, labor or other things of value, to be held, used and  
24 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
25 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
26 conditions upon which that aid and those contributions may be made,  
27 including, but not limited to, gifts or grants from any department or  
28 agency of the State, or any State agency, for any purpose consistent  
29 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
30 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
31 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 32 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
33 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
34 dispose of real and personal property, or any interest therein, in the  
35 exercise of its powers and the performance of its duties 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.);
- 38 h. Appoint and employ an executive director and any other officers  
39 or employees as it may require for the performance of its duties,  
40 without regard to the provisions of Title 11A of the New Jersey  
41 Statutes;
- 42 i. Borrow money and issue bonds, notes and other obligations, and  
43 secure the same, and provide for the rights of the holders thereof as  
44 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
45 P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 46 j. Subject to any agreement with holders of its bonds, notes or

1 other obligations, invest moneys of the trust not required for  
2 immediate use, including proceeds from the sale of any bonds, notes  
3 or other obligations, in any obligations, securities and other  
4 investments in accordance with the rules and regulations of the State  
5 Investment Council or as may otherwise be approved by the Director  
6 of the Division of Investment in the Department of the Treasury upon  
7 a finding that such investments are consistent with the corporate  
8 purposes of the trust;

9 k. Procure insurance to secure the payment of its bonds, notes or  
10 other obligations or the payment of any guarantees or loans made by  
11 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
12 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
13 in connection with its property and other assets and operations, in any  
14 amounts and from any insurers as it deems desirable;

15 l. Engage the services of attorneys, accountants, engineers, and  
16 financial experts and any other advisors, consultants, experts and  
17 agents as may be necessary in its judgment and fix their compensation;

18 m. (1) Make and contract to make loans to local government  
19 units, or to a local government unit on behalf of another local  
20 government unit, to finance the cost of wastewater treatment system  
21 projects or water supply projects and acquire and contract to acquire  
22 notes, bonds or other obligations issued or to be issued by any local  
23 government units to evidence the loans, all in accordance with the  
24 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
25 (C.58:11B-10.1 et al.);

26 (2) Make and contract to make loans to public water utilities, or to  
27 any other person or local government unit on behalf of a public water  
28 utility, to finance the cost of water supply projects in accordance with  
29 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
30 c.224 (C.58:11B-10.1 et al.);

31 (3) Make and contract to make loans to private persons other than  
32 local government units, or to any other person or local government  
33 unit on behalf of a private person, to finance the cost of stormwater  
34 management systems in accordance with the provisions of P.L.1985,  
35 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

36 n. Subject to any agreement with holders of its bonds, notes or  
37 other obligations, purchase bonds, notes and other obligations of the  
38 trust and hold the same for resale or provide for the cancellation  
39 thereof, all in accordance with the provisions of P.L.1985, c.334  
40 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

41 o. (1) Charge to and collect from local government units, private  
42 persons or public water utilities any fees and charges in connection  
43 with the trust's loans, guarantees or other services, including, but not  
44 limited to, fees and charges sufficient to reimburse the trust for all  
45 reasonable costs necessarily incurred by it in connection with its  
46 financings and the establishment and maintenance of reserve or other



1 funds, as the trust may determine to be reasonable. The fees and  
2 charges shall be in accordance with a uniform schedule published by  
3 the trust for the purpose of providing actual cost reimbursement for  
4 the services rendered;

5 (2) Any fees and charges collected by the trust pursuant to this  
6 subsection may be deposited and maintained in a fund separate from  
7 any other funds held by the trust pursuant to section 10 of P.L.1985,  
8 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
9 et al.) and shall be available for any corporate purposes of the trust;

10 p. Subject to any agreement with holders of its bonds, notes or  
11 other obligations, obtain as security or to provide liquidity for payment  
12 of all or any part of the principal of and interest and premium on the  
13 bonds, notes and other obligations of the trust or for the purchase  
14 upon tender or otherwise of the bonds, notes or other obligations,  
15 lines of credit, letters of credit and other security agreements or  
16 instruments in any amounts and upon any terms as the trust may  
17 determine, and pay any fees and expenses required in connection  
18 therewith;

19 q. Provide to local government units any financial and credit advice  
20 as these local government units may request;

21 r. Make payments to the State from any moneys of the trust  
22 available therefor as may be required pursuant to any agreement with  
23 the State or act appropriating moneys to the trust; and

24 s. Take any action necessary or convenient to the exercise of the  
25 foregoing powers or reasonably implied therefrom.

26 (cf: P.L.1999, c.175, s.2)

27

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

30 6. a. Except as may be otherwise expressly provided in the  
31 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
32 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
33 notes or other obligations in any principal amounts as in the judgment  
34 of the trust shall be necessary to provide sufficient funds for any of its  
35 corporate purposes, including the payment, funding or refunding of the  
36 principal of, or interest or redemption premiums on, any bonds, notes  
37 or other obligations issued by it, whether the bonds, notes or other  
38 obligations or the interest or redemption premiums thereon to be  
39 funded or refunded have or have not become due, the establishment or  
40 increase of reserves or other funds to secure or to pay the bonds, notes  
41 or other obligations or interest thereon and all other costs or expenses  
42 of the trust incident to and necessary to carry out its corporate  
43 purposes and powers.

44 b. Whether or not the bonds, notes or other obligations of the trust  
45 are of a form and character as to be negotiable instruments under the  
46 terms of Title 12A of the New Jersey Statutes, the bonds, notes and

1 other obligations are made negotiable instruments within the meaning  
2 of and for the purposes of Title 12A of the New Jersey Statutes,  
3 subject only to the provisions of the bonds, notes and other obligations  
4 for registration.

5 c. Bonds, notes or other obligations of the trust shall be authorized  
6 by a resolution or resolutions of the trust and may be issued in one or  
7 more series and shall bear any date or dates, mature at any time or  
8 times, bear interest at any rate or rates of interest per annum, be in any  
9 denomination or denominations, be in any form, either coupon,  
10 registered or book entry, carry any conversion or registration  
11 privileges, have any rank or priority, be executed in any manner, be  
12 payable in any coin or currency of the United States which at the time  
13 of payment is legal tender for the payment of public and private debts,  
14 at any place or places within or without the State, and be subject to  
15 any terms of redemption by the trust or the holders thereof, with or  
16 without premium, as the resolution or resolutions may provide. A  
17 resolution of the trust authorizing the issuance of bonds, notes or  
18 other obligations may provide that the bonds, notes or other  
19 obligations be secured by a trust indenture between the trust and a  
20 trustee, vesting in the trustee any property, rights, powers and duties  
21 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
22 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
23 determine.

24 d. Bonds, notes or other obligations of the trust may be sold at any  
25 price or prices and in any manner as the trust may determine. Each  
26 bond, note or other obligation shall mature and be paid not later than  
27 20 years from the effective date thereof, or the certified useful life of  
28 the project or projects to be financed by the bonds, whichever is less.

29 All bonds of the trust shall be sold at such price or prices and in  
30 such manner as the trust shall determine, after notice of sale, a  
31 summary of which shall be published at least once in at least three  
32 newspapers published in the State of New Jersey[,] and at least once  
33 in a publication carrying municipal bond notices and devoted primarily  
34 to financial news[,] published in New Jersey or the city of New York,  
35 the first summary notice to be at least five days prior to the day of  
36 bidding. The notice of sale may contain a provision to the effect that  
37 any or all bids made in pursuance thereof may be rejected. In the event  
38 of such rejection or of failure to receive any acceptable bid, the trust,  
39 at any time within 60 days from the date of such advertised sale, may  
40 sell such bonds at private sale upon terms not less favorable to the  
41 State than the terms offered by any rejected bid. The trust may sell all  
42 or part of the bonds of any series as issued to any State fund or to the  
43 federal government or any agency thereof, at private sale, without  
44 advertisement.

45 e. Bonds, notes or other obligations of the trust may be issued  
46 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or

1 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
2 of any department, division, board, bureau or agency of the State, and  
3 without any other proceedings or the happening of any other  
4 conditions or things, other than those consents, proceedings,  
5 conditions or things which are specifically required by 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.).

7 f. Bonds, notes or other obligations of the trust issued under the  
8 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
9 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
10 any political subdivision thereof other than the trust and shall not  
11 create or constitute any indebtedness, liability or obligation of the  
12 State or any political subdivision, but all these bonds, notes and other  
13 obligations, unless funded or refunded by bonds, notes or other  
14 obligations, shall be payable solely from revenues or funds pledged or  
15 available for their payment as authorized in P.L.1985, c.334  
16 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
17 bond, note and obligation shall contain on its face a statement to the  
18 effect that the trust is obligated to pay the principal thereof or the  
19 interest thereon only from its revenues, receipts or funds pledged or  
20 available for their payment as authorized in P.L.1985, c.334  
21 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
22 that neither the State, nor any political subdivision thereof, is  
23 obligated to pay the principal or interest and that neither the faith and  
24 credit nor the taxing power of the State, or any political subdivision  
25 thereof, is pledged to the payment of the principal of or the interest on  
26 the bonds, notes or other obligations.

27 g. The aggregate principal amount of bonds, notes or other  
28 obligations, including subordinated indebtedness of the trust, shall not  
29 exceed <sup>1</sup>[\$1,000,000,000.00] \$1,350,000,000<sup>1</sup>. In computing the  
30 foregoing limitations there shall be excluded all the bonds, notes or  
31 other obligations, including subordinated indebtedness of the trust,  
32 which shall be issued for refunding purposes, whenever the refunding  
33 shall be determined to result in a [debt service] savings[, as  
34 hereinafter provided:].

35 [(1) Upon the decision by the trust to issue refunding bonds, and  
36 prior to the sale of those bonds, the trust shall transmit to the Joint  
37 Appropriations Committee's Subcommittee on Transfers, or its  
38 successor, a report that a decision has been made, reciting the basis on  
39 which the decision was made, including an estimate of the debt service  
40 savings to be achieved and the calculations upon which the trust relied  
41 when making the decision to issue refunding bonds. The report shall  
42 also disclose the intent of the trust to issue and sell the refunding  
43 bonds at public or private sale and the reasons therefor.

44 (2) The Joint Appropriations Committee's Subcommittee on  
45 Transfers shall have the authority to approve or disapprove the sales  
46 of refunding bonds as included in each report submitted in accordance

1 with paragraph (1) of this subsection. The subcommittee shall notify  
2 the trust in writing of the approval or disapproval as expeditiously as  
3 possible.

4 (3) No refunding bonds shall be issued unless the report has been  
5 submitted to and approved by the Joint Appropriations Committee's  
6 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
7 this subsection.

8 (4) Within 30 days after the sale of the refunding bonds, the trust  
9 shall notify the Subcommittee on Transfers of the result of that sale,  
10 including the prices and terms, conditions and regulations concerning  
11 the refunding bonds, the actual amount of debt service savings to be  
12 realized as a result of the sale of refunding bonds, and the intended use  
13 of the proceeds from the sale of those bonds.

14 (5) The subcommittee shall review all information and reports  
15 submitted in accordance with this subsection and may, on its own  
16 initiative, make observations to the trust, or to the Legislature, or  
17 both, as it deems appropriate.]

18 <sup>2</sup>(1) Upon the decision by the trust to issue refunding bonds, and  
19 prior to the sale of those bonds, the trust shall transmit to the Joint  
20 Budget Oversight Committee, or its successor, a report that a decision  
21 has been made, reciting the basis on which the decision was made,  
22 including an estimate of the debt service savings to be achieved and  
23 the calculations upon which the trust relied when making the decision  
24 to issue refunding bonds. The report shall also disclose the intent of  
25 the trust to issue and sell the refunding bonds at public or private sale  
26 and the reasons therefor.

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

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

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

42 (5) The committee shall review all information and reports  
43 submitted in accordance with this subsection and may, on its own  
44 initiative, make observations to the trust, or to the Legislature, or  
45 both, as it deems appropriate.<sup>2</sup>

46 h. Each issue of bonds, notes or other obligations of the trust may,

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

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

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

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

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

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

29 i. The trust shall not issue any bonds, notes or other obligations, or  
30 otherwise incur any additional indebtedness, on or after November 5,  
31 **[2005] 2025**.

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

33 (cf: P.L.1997, c.224, s.7)

34

35 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
36 as follows:

37 9. a. (1) The trust may make and contract to make loans to local  
38 government units, or to a local government unit on behalf of another  
39 local government unit, in accordance with and subject to the  
40 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
41 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment  
42 system project or water supply project, which the local government  
43 unit may lawfully undertake or acquire and for which the local  
44 government unit is authorized by law to borrow money.

45 (2) The trust may make and contract to make loans to public water  
46 utilities, or to any other person or local government unit on behalf of

1 a public water utility, in accordance with and subject to the provisions  
2 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
3 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
4 which the public water utility may lawfully undertake or acquire.

5 (3) The trust may make and contract to make loans to private  
6 persons other than local government units, or to any other person or  
7 local government unit on behalf of a private person, in accordance  
8 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
9 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
10 stormwater management systems.

11 The loans may be made subject to those terms and conditions as the  
12 trust shall determine to be consistent with the purposes thereof. Each  
13 loan by the trust and the terms and conditions thereof shall be subject  
14 to approval by the State Treasurer, and the trust shall make available  
15 to the State Treasurer all information, statistical data and reports of  
16 independent consultants or experts as the State Treasurer shall deem  
17 necessary in order to evaluate the loan. Each loan to a local  
18 government unit, public water utility or any other person shall be  
19 evidenced by notes, bonds or other obligations thereof issued to the  
20 trust. In the case of each local government unit, notes and bonds to  
21 be issued to the trust by the local government unit (1) shall be  
22 authorized and issued as provided by law for the issuance of notes and  
23 bonds by the local government unit, (2) shall be approved by the Local  
24 Finance Board in the Division of Local Government Services in the  
25 Department of Community Affairs, and (3) notwithstanding the  
26 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
27 any other provisions of law to the contrary, may be sold at private sale  
28 to the trust at any price, whether or not less than par value, and shall  
29 be subject to redemption prior to maturity at any times and at any  
30 prices as the trust and local government units may agree. Each loan  
31 to a local government unit, public water utility or any other person and  
32 the notes, bonds or other obligations thereby issued shall bear interest  
33 at a rate or rates per annum as the trust and the local government unit,  
34 public water utility or any other person, as the case may be, may agree.

35 b. The trust is authorized to guarantee or contract to guarantee the  
36 payment of all or any portion of the principal and interest on bonds,  
37 notes or other obligations issued by a local government unit to finance  
38 the cost of any wastewater treatment system project or water supply  
39 project, which the local government unit may lawfully undertake or  
40 acquire and for which the local government unit is authorized by law  
41 to borrow money, and the guarantee shall constitute an obligation of  
42 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
43 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
44 and the terms and conditions thereof shall be subject to approval by  
45 the State Treasurer, and the trust shall make available to the State  
46 Treasurer all information, statistical data and reports of independent

1 consultants or experts as the State Treasurer shall deem necessary in  
2 order to evaluate the guarantee.

3 c. The trust shall not make or contract to make any loans or  
4 guarantees to local government units, public water utilities or any  
5 other person, or otherwise incur any additional indebtedness, on or  
6 after November 5, [2005] 2025.

7 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
8 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
9 trust may receive funds from any source or issue its bonds, notes or  
10 other obligations in any principal amounts as in the judgment of the  
11 trust shall be necessary to provide sufficient funds to finance or  
12 refinance short-term or temporary loans to local government units,  
13 public water utilities or private persons for any wastewater treatment  
14 system projects included on the project priority list for the ensuing  
15 fiscal year and eligible for approval pursuant to section 20 of  
16 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
17 the project priority list for the ensuing fiscal year and eligible for  
18 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
19 as applicable, without regard to any other provisions of P.L.1985,  
20 c.334 or P.L.1997, c.224, including, without limitation, any  
21 administrative or legislative approvals.

22 Any short-term or temporary loans made by the trust pursuant to  
23 this subsection may only be made in advance of the anticipated loans  
24 the trust may make and contract to make under the provisions of  
25 subsection a. of this section to be financed or refinanced through the  
26 issuance of bonds, notes or other obligations of the trust authorized  
27 under section 6 of P.L.1985, c.334 (C.58:11B-6).

28 (cf: P.L.1999, c.175, s.3)

29

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

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

43 The project priority list, which shall include for each wastewater  
44 treatment system the date each project is scheduled to be certified as  
45 ready for funding, shall be in conformance with applicable provisions  
46 of the "Federal Water Pollution Control Act Amendments of 1972,"

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

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

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

34 (cf: P.L.1997, c.224, s.17)

35

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

38 24. a. The Commissioner of Environmental Protection shall for  
39 each fiscal year develop a priority system for water supply projects and  
40 shall establish the ranking criteria and funding policies therefor. The  
41 commissioner shall set forth a project priority list for funding by the  
42 trust for each fiscal year and shall include the aggregate amount of  
43 funds of the trust to be authorized for these purposes. The  
44 commissioner may include a water supply project on the project  
45 priority list if it meets the eligibility requirements for funding pursuant  
46 to the federal "Safe Drinking Water Act Amendments of 1996,"



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

16 b. The Senate [Natural Resources and Economic Development]  
17 Environment Committee and the General Assembly [Agriculture and  
18 Waste Management] Solid and Hazardous Waste Committee shall,  
19 either individually or jointly, consider the legislation containing the  
20 project priority list, and shall report the legislation, together with any  
21 modifications, out of committee for consideration by each House of  
22 the Legislature. On or before July 1 of each year, the Legislature shall  
23 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 [in accordance with]  
32 as provided in the provisions of this section, or as otherwise set forth  
33 in an appropriations act.

34 (cf: P.L.1997, c.224, s.24)

35

36 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
37 read as follows:

38 21. On or before May 15 of each year, the trust shall submit to the  
39 Legislature a financial plan designed to implement the financing of the  
40 wastewater treatment system projects either on the project priority list  
41 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
42 as otherwise approved by the Legislature. The financial plan shall  
43 contain an enumeration of the bonds, notes or other obligations of the  
44 trust which the trust intends to issue, including the amounts thereof  
45 and the terms and conditions thereof, a list of loans to be made to local  
46 government units or private persons, including the terms and

1 conditions thereof and the anticipated rate of interest per annum and  
2 repayment schedule therefor, and a list of loan guarantees or contracts  
3 to guarantee the payment of all or a portion of the principal and  
4 interest on bonds, notes or other obligations issued by a local  
5 government unit to finance the cost of a wastewater treatment system  
6 project, and the terms and conditions thereof.

7 The financial plan shall also set forth a complete operating and  
8 financial statement covering its proposed operations during the  
9 forthcoming fiscal year, including amounts of income from all sources,  
10 and the uniform schedule of fees and charges established by the trust  
11 pursuant to subsection o. of section 5 of P.L.1985, c.334  
12 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
13 summarize the status of each wastewater treatment system project for  
14 which loans or guarantees have been made by the trust, and shall  
15 describe major impediments to the accomplishment of the planned  
16 wastewater treatment system projects.

17 (cf: P.L.1997, c.224, s.18)

18

19 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
20 read as follows:

21 25. On or before May 15 of each year, the trust shall submit to the  
22 Legislature a financial plan designed to implement the financing of the  
23 water supply projects either on the project priority list approved  
24 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
25 otherwise approved by the Legislature.

26 The financial plan shall contain an enumeration of the bonds, notes  
27 or other obligations of the trust which the trust intends to issue,  
28 including the amounts thereof and the terms and conditions thereof, a  
29 list of loans to be made to local government units ~~[or]~~, public water  
30 utilities, or to any other person or local government unit on behalf of  
31 a public water utility, including the terms and conditions thereof and  
32 the anticipated rate of interest per annum and repayment schedule  
33 therefor, and a list of loan guarantees or contracts to guarantee the  
34 payment of all or a portion of the principal and interest on bonds,  
35 notes or other obligations issued by a local government unit to finance  
36 the cost of a water supply project, and the terms and conditions  
37 thereof.

38 The financial plan shall also set forth a complete operating and  
39 financial statement covering its proposed operations during the  
40 forthcoming fiscal year, including amounts of income from all sources,  
41 and the uniform schedule of fees and charges established by the trust  
42 pursuant to subsection o. of section 5 of P.L.1985, c.334  
43 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
44 summarize the status of each water supply project for which loans or  
45 guarantees have been made by the trust, and shall describe major

1 impediments to the accomplishment of the planned water supply  
2 projects.

3 (cf: P.L.1997, c.224, s.25)

4

5 9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
6 read as follows:

7 27. As an alternative to the individual annual submissions required  
8 by the provisions of sections 21 and 22 of P.L.1985, c.334  
9 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
10 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
11 submit to the Legislature a consolidated financial plan designed to  
12 implement the financing of the wastewater treatment system projects  
13 on the project priority list approved pursuant to section 20 of  
14 P.L.1985, c.334 (C.58:11B-20) **[and]**, the water supply projects on  
15 the project priority list approved pursuant to section 24 of P.L.1997,  
16 c.224 (C.58:11B-20.1) and any other projects approved by the  
17 Legislature.

18 (cf: P.L.1997, c.224, s.27)

19

20 10. This act shall take effect immediately.

P.L. 2001, CHAPTER 223, *approved August 24, 2001*

Senate, No. 2422 (*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 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read  
8 as follows:

9 3. As used in sections 1 through 27 of P.L.1985, c.334  
10 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.):

12 "Bonds" means bonds issued by the trust pursuant to P.L.1985,  
13 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

14 "Combined sewer system" means a sewer system designed to carry  
15 sanitary wastewater at all times, which is also designed to collect and  
16 transport stormwater runoff from streets and other sources, thereby  
17 serving a combined purpose;

18 "Combined sewer overflow" means the discharge of untreated or  
19 partially treated stormwater runoff and wastewater from a combined  
20 sewer system into a body of water;

21 "Commissioner" means the Commissioner of the Department of  
22 Environmental Protection;

23 "Cost" means the cost of all labor, materials, machinery and  
24 equipment, lands, property, rights and easements, financing charges,  
25 interest on bonds, notes or other obligations, plans and specifications,  
26 surveys or estimates of costs and revenues, engineering and legal  
27 services, and all other expenses necessary or incident to all or part of  
28 an environmental infrastructure project;

29 "Department" means the Department of Environmental Protection;

30 "Local government unit" means (1) a State authority, county,  
31 municipality, municipal **[or]**, county or regional sewerage or utility  
32 authority, municipal sewerage district, joint meeting, improvement  
33 authority, or any other political subdivision of the State authorized to  
34 construct, operate and maintain wastewater treatment systems; or (2)  
35 a State authority, district water supply commission, county,  
36 municipality, municipal **[or]**, county or regional utilities authority,  
37 municipal water district, joint meeting or any other political  
38 subdivision of the State authorized pursuant to law to operate or  
39 maintain a public water supply system or to construct, rehabilitate,  
40 operate or maintain water supply facilities or otherwise provide water

**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:**

<sup>1</sup> Assembly AAP committee amendments adopted June 21, 2001.

1 for human consumption;

2 "Notes" means notes issued by the trust pursuant to P.L.1985,  
3 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

4 "Project" or "environmental infrastructure project" means the  
5 acquisition, construction, improvement, repair or reconstruction of all  
6 or part of any structure, facility or equipment, or real or personal  
7 property necessary for or ancillary to any (1) wastewater treatment  
8 system project, including any stormwater management or combined  
9 sewer overflow abatement projects; or (2) water supply project, as  
10 authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or  
11 P.L.1997, c.224 (C.58:11B-10.1 et al.);

12 "Public water utility" means any investor-owned water company or  
13 small water company;

14 "Small water company" means any company, purveyor or entity,  
15 other than a governmental agency, that provides water for human  
16 consumption and which regularly serves less than 1,000 customer  
17 connections, including nonprofit, noncommunity water systems owned  
18 or operated by a nonprofit group or organization;

19 "Stormwater management system" means any equipment, plants,  
20 structures, machinery, apparatus, management practices, or land, or  
21 any combination thereof, acquired, used, constructed, implemented or  
22 operated to prevent nonpoint source pollution, abate improper  
23 cross-connections and interconnections between stormwater and sewer  
24 systems, minimize stormwater runoff, reduce soil erosion, or induce  
25 groundwater recharge, or any combination thereof;

26 "Trust" means the New Jersey Environmental Infrastructure Trust  
27 created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

28 "Wastewater" means residential, commercial, industrial, or  
29 agricultural liquid waste, sewage, septage, stormwater runoff, or any  
30 combination thereof, or other liquid residue discharged or collected  
31 into a sewer system or stormwater management system, or any  
32 combination thereof;

33 "Wastewater treatment system" means any equipment, plants,  
34 structures, machinery, apparatus, or land, or any combination thereof,  
35 acquired, used, constructed or operated by, or on behalf of, a local  
36 government unit for the storage, collection, reduction, recycling,  
37 reclamation, disposal, separation, or other treatment of wastewater or  
38 sewage sludge, or for the collection or treatment, or both, of  
39 stormwater runoff and wastewater, or for the final disposal of residues  
40 resulting from the treatment of wastewater, including, but not limited  
41 to, pumping and ventilating stations, treatment plants and works,  
42 connections, outfall sewers, interceptors, trunk lines, stormwater  
43 management systems, and other personal property and appurtenances  
44 necessary for their use or operation; "wastewater treatment system"  
45 shall include a stormwater management system or a combined sewer  
46 system;

1 "Wastewater treatment system project" means any work relating to  
2 the acquisition, construction, improvement, repair or reconstruction  
3 of all or part of any structure, facility or equipment, or real or personal  
4 property necessary for or ancillary to any wastewater treatment system  
5 that meets the requirements set forth in sections 20, 21 and 22 of  
6 P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any  
7 work relating to any of the stormwater management or combined  
8 sewer overflow abatement projects identified in the stormwater  
9 management and combined sewer overflow abatement project priority  
10 list adopted by the commissioner pursuant to section 28 of P.L.1989,  
11 c.181; or any work relating to any other project eligible for financing  
12 under the Federal Water Pollution Control Act Amendments of 1972  
13 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts  
14 thereto;

15 "Water supply facilities" means and refers to the real property and  
16 the plants, structures, interconnections between existing water supply  
17 facilities, machinery and equipment and other property, real, personal  
18 and mixed, acquired, constructed or operated, or to be acquired,  
19 constructed or operated, in whole or in part, by or on behalf of a  
20 public water utility, or by or on behalf of the State or a local  
21 government unit, for the purpose of augmenting the natural water  
22 resources of the State and making available an increased supply of  
23 water for all uses, or of conserving existing water resources, and any  
24 and all appurtenances necessary, useful or convenient for the  
25 collecting, impounding, storing, improving, treating, filtering,  
26 conserving or transmitting of water, and for the preservation and  
27 protection of these resources and facilities, whether in public or  
28 private ownership, and providing for the conservation and  
29 development of future water supply resources, and facilitating  
30 incidental recreational uses thereof;

31 "Water supply project" means any work relating to the acquisition,  
32 construction, improvement, repair or reconstruction of all or part of  
33 any structure, facility or equipment, or real or personal property  
34 necessary for or ancillary to water supply facilities that meets the  
35 requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224  
36 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work  
37 relating to the purposes set forth in section 4 of P.L.1981, c.261; or  
38 any work relating to any other project eligible for funding pursuant to  
39 the federal "Safe Drinking Water Act Amendments of 1996"  
40 Pub.L.104-182, and any amendatory and supplementary acts thereto.  
41 (cf: P.L.1999, c.175, s.1)

42

43 2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read  
44 as follows:

45 5. Except as otherwise limited by the provisions of P.L.1985, c.334  
46 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the

- 1 trust may:
- 2 a. Make and alter bylaws for its organization and internal  
3 management and, subject to agreements with holders of its bonds,  
4 notes or other obligations, make rules and regulations with respect to  
5 its operations, properties and facilities;
- 6 b. Adopt an official seal and alter it;
- 7 c. Sue and be sued;
- 8 d. Make and enter into all contracts, leases and agreements  
9 necessary or incidental to the performance of its duties and the  
10 exercise of its powers under the provisions of P.L.1985, c.334  
11 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
12 subject to any agreement with the holders of the trust's bonds, notes  
13 or other obligations, consent to any modification, amendment or  
14 revision of any contract, lease or agreement to which the trust is a  
15 party;
- 16 e. Enter into agreements or other transactions with and accept,  
17 subject to the provisions of section 23 of P.L.1985, c.334  
18 (C.58:11B-23), grants, appropriations and the cooperation of the  
19 State, or any State agency, in furtherance of the purposes of P.L.1985,  
20 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.),  
21 and do anything necessary in order to avail itself of that aid and  
22 cooperation;
- 23 f. Receive and accept aid or contributions from any source of  
24 money, property, labor or other things of value, to be held, used and  
25 applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et  
26 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the  
27 conditions upon which that aid and those contributions may be made,  
28 including, but not limited to, gifts or grants from any department or  
29 agency of the State, or any State agency, for any purpose consistent  
30 with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
31 P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of  
32 section 23 of P.L.1985, c.334 (C.58:11B-23);
- 33 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,  
34 operate, maintain, sell, assign, exchange, lease, mortgage or otherwise  
35 dispose of real and personal property, or any interest therein, in the  
36 exercise of its powers and the performance of its duties under the  
37 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
38 (C.58:11B-10.1 et al.);
- 39 h. Appoint and employ an executive director and any other officers  
40 or employees as it may require for the performance of its duties,  
41 without regard to the provisions of Title 11A of the New Jersey  
42 Statutes;
- 43 i. Borrow money and issue bonds, notes and other obligations, and  
44 secure the same, and provide for the rights of the holders thereof as  
45 provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
46 P.L.1997, c.224 (C.58:11B-10.1 et al.);

- 1       j. Subject to any agreement with holders of its bonds, notes or  
2 other obligations, invest moneys of the trust not required for  
3 immediate use, including proceeds from the sale of any bonds, notes  
4 or other obligations, in any obligations, securities and other  
5 investments in accordance with the rules and regulations of the State  
6 Investment Council or as may otherwise be approved by the Director  
7 of the Division of Investment in the Department of the Treasury upon  
8 a finding that such investments are consistent with the corporate  
9 purposes of the trust;
- 10       k. Procure insurance to secure the payment of its bonds, notes or  
11 other obligations or the payment of any guarantees or loans made by  
12 it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1  
13 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss  
14 in connection with its property and other assets and operations, in any  
15 amounts and from any insurers as it deems desirable;
- 16       l. Engage the services of attorneys, accountants, engineers, and  
17 financial experts and any other advisors, consultants, experts and  
18 agents as may be necessary in its judgment and fix their compensation;
- 19       m. (1) Make and contract to make loans to local government  
20 units, or to a local government unit on behalf of another local  
21 government unit, to finance the cost of wastewater treatment system  
22 projects or water supply projects and acquire and contract to acquire  
23 notes, bonds or other obligations issued or to be issued by any local  
24 government units to evidence the loans, all in accordance with the  
25 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
26 (C.58:11B-10.1 et al.);
- 27       (2) Make and contract to make loans to public water utilities, or to  
28 any other person or local government unit on behalf of a public water  
29 utility, to finance the cost of water supply projects in accordance with  
30 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,  
31 c.224 (C.58:11B-10.1 et al.);
- 32       (3) Make and contract to make loans to private persons other than  
33 local government units, or to any other person or local government  
34 unit on behalf of a private person, to finance the cost of stormwater  
35 management systems in accordance with the provisions of P.L.1985,  
36 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 37       n. Subject to any agreement with holders of its bonds, notes or  
38 other obligations, purchase bonds, notes and other obligations of the  
39 trust and hold the same for resale or provide for the cancellation  
40 thereof, all in accordance with the provisions of P.L.1985, c.334  
41 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);
- 42       o. (1) Charge to and collect from local government units, private  
43 persons or public water utilities any fees and charges in connection  
44 with the trust's loans, guarantees or other services, including, but not  
45 limited to, fees and charges sufficient to reimburse the trust for all  
46 reasonable costs necessarily incurred by it in connection with its



1 financings and the establishment and maintenance of reserve or other  
2 funds, as the trust may determine to be reasonable. The fees and  
3 charges shall be in accordance with a uniform schedule published by  
4 the trust for the purpose of providing actual cost reimbursement for  
5 the services rendered;

6 (2) Any fees and charges collected by the trust pursuant to this  
7 subsection may be deposited and maintained in a fund separate from  
8 any other funds held by the trust pursuant to section 10 of P.L.1985,  
9 c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1  
10 et al.) and shall be available for any corporate purposes of the trust;

11 p. Subject to any agreement with holders of its bonds, notes or  
12 other obligations, obtain as security or to provide liquidity for payment  
13 of all or any part of the principal of and interest and premium on the  
14 bonds, notes and other obligations of the trust or for the purchase  
15 upon tender or otherwise of the bonds, notes or other obligations,  
16 lines of credit, letters of credit and other security agreements or  
17 instruments in any amounts and upon any terms as the trust may  
18 determine, and pay any fees and expenses required in connection  
19 therewith;

20 q. Provide to local government units any financial and credit advice  
21 as these local government units may request;

22 r. Make payments to the State from any moneys of the trust  
23 available therefor as may be required pursuant to any agreement with  
24 the State or act appropriating moneys to the trust; and

25 s. Take any action necessary or convenient to the exercise of the  
26 foregoing powers or reasonably implied therefrom.

27 (cf: P.L.1999, c.175, s.2)

28

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

31 6. a. Except as may be otherwise expressly provided in the  
32 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
33 (C.58:11B-10.1 et al.), the trust may from time to time issue its bonds,  
34 notes or other obligations in any principal amounts as in the judgment  
35 of the trust shall be necessary to provide sufficient funds for any of its  
36 corporate purposes, including the payment, funding or refunding of the  
37 principal of, or interest or redemption premiums on, any bonds, notes  
38 or other obligations issued by it, whether the bonds, notes or other  
39 obligations or the interest or redemption premiums thereon to be  
40 funded or refunded have or have not become due, the establishment or  
41 increase of reserves or other funds to secure or to pay the bonds, notes  
42 or other obligations or interest thereon and all other costs or expenses  
43 of the trust incident to and necessary to carry out its corporate  
44 purposes and powers.

45 b. Whether or not the bonds, notes or other obligations of the trust  
46 are of a form and character as to be negotiable instruments under the

1 terms of Title 12A of the New Jersey Statutes, the bonds, notes and  
2 other obligations are made negotiable instruments within the meaning  
3 of and for the purposes of Title 12A of the New Jersey Statutes,  
4 subject only to the provisions of the bonds, notes and other obligations  
5 for registration.

6 c. Bonds, notes or other obligations of the trust shall be authorized  
7 by a resolution or resolutions of the trust and may be issued in one or  
8 more series and shall bear any date or dates, mature at any time or  
9 times, bear interest at any rate or rates of interest per annum, be in any  
10 denomination or denominations, be in any form, either coupon,  
11 registered or book entry, carry any conversion or registration  
12 privileges, have any rank or priority, be executed in any manner, be  
13 payable in any coin or currency of the United States which at the time  
14 of payment is legal tender for the payment of public and private debts,  
15 at any place or places within or without the State, and be subject to  
16 any terms of redemption by the trust or the holders thereof, with or  
17 without premium, as the resolution or resolutions may provide. A  
18 resolution of the trust authorizing the issuance of bonds, notes or  
19 other obligations may provide that the bonds, notes or other  
20 obligations be secured by a trust indenture between the trust and a  
21 trustee, vesting in the trustee any property, rights, powers and duties  
22 in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1  
23 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may  
24 determine.

25 d. Bonds, notes or other obligations of the trust may be sold at any  
26 price or prices and in any manner as the trust may determine. Each  
27 bond, note or other obligation shall mature and be paid not later than  
28 20 years from the effective date thereof, or the certified useful life of  
29 the project or projects to be financed by the bonds, whichever is less.

30 All bonds of the trust shall be sold at such price or prices and in  
31 such manner as the trust shall determine, after notice of sale, a  
32 summary of which shall be published at least once in at least three  
33 newspapers published in the State of New Jersey[,] and at least once  
34 in a publication carrying municipal bond notices and devoted primarily  
35 to financial news[,] published in New Jersey or the city of New York,  
36 the first summary notice to be at least five days prior to the day of  
37 bidding. The notice of sale may contain a provision to the effect that  
38 any or all bids made in pursuance thereof may be rejected. In the event  
39 of such rejection or of failure to receive any acceptable bid, the trust,  
40 at any time within 60 days from the date of such advertised sale, may  
41 sell such bonds at private sale upon terms not less favorable to the  
42 State than the terms offered by any rejected bid. The trust may sell all  
43 or part of the bonds of any series as issued to any State fund or to the  
44 federal government or any agency thereof, at private sale, without  
45 advertisement.

46 e. Bonds, notes or other obligations of the trust may be issued

1 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
2 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the consent  
3 of any department, division, board, bureau or agency of the State, and  
4 without any other proceedings or the happening of any other  
5 conditions or things, other than those consents, proceedings,  
6 conditions or things which are specifically required by P.L.1985, c.334  
7 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.).

8 f. Bonds, notes or other obligations of the trust issued under the  
9 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
10 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of  
11 any political subdivision thereof other than the trust and shall not  
12 create or constitute any indebtedness, liability or obligation of the  
13 State or any political subdivision, but all these bonds, notes and other  
14 obligations, unless funded or refunded by bonds, notes or other  
15 obligations, shall be payable solely from revenues or funds pledged or  
16 available for their payment as authorized in P.L.1985, c.334  
17 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each  
18 bond, note and obligation shall contain on its face a statement to the  
19 effect that the trust is obligated to pay the principal thereof or the  
20 interest thereon only from its revenues, receipts or funds pledged or  
21 available for their payment as authorized in P.L.1985, c.334  
22 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and  
23 that neither the State, nor any political subdivision thereof, is  
24 obligated to pay the principal or interest and that neither the faith and  
25 credit nor the taxing power of the State, or any political subdivision  
26 thereof, is pledged to the payment of the principal of or the interest on  
27 the bonds, notes or other obligations.

28 g. The aggregate principal amount of bonds, notes or other  
29 obligations, including subordinated indebtedness of the trust, shall not  
30 exceed ~~[\$1,000,000,000.00]~~ \$1,350,000,000. In computing the  
31 foregoing limitations there shall be excluded all the bonds, notes or  
32 other obligations, including subordinated indebtedness of the trust,  
33 which shall be issued for refunding purposes, whenever the refunding  
34 shall be determined to result in a ~~[debt service]~~ savings[, as  
35 hereinafter provided:].

36 [(1) Upon the decision by the trust to issue refunding bonds, and  
37 prior to the sale of those bonds, the trust shall transmit to the Joint  
38 Appropriations Committee's Subcommittee on Transfers, or its  
39 successor, a report that a decision has been made, reciting the basis on  
40 which the decision was made, including an estimate of the debt service  
41 savings to be achieved and the calculations upon which the trust relied  
42 when making the decision to issue refunding bonds. The report shall  
43 also disclose the intent of the trust to issue and sell the refunding  
44 bonds at public or private sale and the reasons therefor.

45 (2) The Joint Appropriations Committee's Subcommittee on  
46 Transfers shall have the authority to approve or disapprove the sales

1 of refunding bonds as included in each report submitted in accordance  
2 with paragraph (1) of this subsection. The subcommittee shall notify  
3 the trust in writing of the approval or disapproval as expeditiously as  
4 possible.

5 (3) No refunding bonds shall be issued unless the report has been  
6 submitted to and approved by the Joint Appropriations Committee's  
7 Subcommittee on Transfers as set forth in paragraphs (1) and (2) of  
8 this subsection.

9 (4) Within 30 days after the sale of the refunding bonds, the trust  
10 shall notify the Subcommittee on Transfers of the result of that sale,  
11 including the prices and terms, conditions and regulations concerning  
12 the refunding bonds, the actual amount of debt service savings to be  
13 realized as a result of the sale of refunding bonds, and the intended use  
14 of the proceeds from the sale of those bonds.

15 (5) The subcommittee shall review all information and reports  
16 submitted in accordance with this subsection and may, on its own  
17 initiative, make observations to the trust, or to the Legislature, or  
18 both, as it deems appropriate.】

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

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

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

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

43 (5) The committee shall review all information and reports  
44 submitted in accordance with this subsection and may, on its own  
45 initiative, make observations to the trust, or to the Legislature, or  
46 both, as it deems appropriate.<sup>1</sup>

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

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

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

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

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

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

30 i. The trust shall not issue any bonds, notes or other obligations, or  
31 otherwise incur any additional indebtedness, on or after November 5,  
32 ~~[2005]~~ 2025.

33 j. (Deleted by amendment, P.L.1996, c.88).  
34 (cf: P.L.1997, c.224, s.7)

35  
36 4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read  
37 as follows:

38 9. a. (1) The trust may make and contract to make loans to local  
39 government units, or to a local government unit on behalf of another  
40 local government unit, in accordance with and subject to the  
41 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
42 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment  
43 system project or water supply project, which the local government  
44 unit may lawfully undertake or acquire and for which the local  
45 government unit is authorized by law to borrow money.

46 (2) The trust may make and contract to make loans to public water

1 utilities, or to any other person or local government unit on behalf of  
2 a public water utility, in accordance with and subject to the provisions  
3 of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224  
4 (C.58:11B-10.1 et al.) to finance the cost of any water supply project,  
5 which the public water utility may lawfully undertake or acquire.

6 (3) The trust may make and contract to make loans to private  
7 persons other than local government units, or to any other person or  
8 local government unit on behalf of a private person, in accordance  
9 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et  
10 seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of  
11 stormwater management systems.

12 The loans may be made subject to those terms and conditions as the  
13 trust shall determine to be consistent with the purposes thereof. Each  
14 loan by the trust and the terms and conditions thereof shall be subject  
15 to approval by the State Treasurer, and the trust shall make available  
16 to the State Treasurer all information, statistical data and reports of  
17 independent consultants or experts as the State Treasurer shall deem  
18 necessary in order to evaluate the loan. Each loan to a local  
19 government unit, public water utility or any other person shall be  
20 evidenced by notes, bonds or other obligations thereof issued to the  
21 trust. In the case of each local government unit, notes and bonds to  
22 be issued to the trust by the local government unit (1) shall be  
23 authorized and issued as provided by law for the issuance of notes and  
24 bonds by the local government unit, (2) shall be approved by the Local  
25 Finance Board in the Division of Local Government Services in the  
26 Department of Community Affairs, and (3) notwithstanding the  
27 provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or  
28 any other provisions of law to the contrary, may be sold at private sale  
29 to the trust at any price, whether or not less than par value, and shall  
30 be subject to redemption prior to maturity at any times and at any  
31 prices as the trust and local government units may agree. Each loan  
32 to a local government unit, public water utility or any other person and  
33 the notes, bonds or other obligations thereby issued shall bear interest  
34 at a rate or rates per annum as the trust and the local government unit,  
35 public water utility or any other person, as the case may be, may agree.

36 b. The trust is authorized to guarantee or contract to guarantee the  
37 payment of all or any portion of the principal and interest on bonds,  
38 notes or other obligations issued by a local government unit to finance  
39 the cost of any wastewater treatment system project or water supply  
40 project, which the local government unit may lawfully undertake or  
41 acquire and for which the local government unit is authorized by law  
42 to borrow money, and the guarantee shall constitute an obligation of  
43 the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or  
44 P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust  
45 and the terms and conditions thereof shall be subject to approval by  
46 the State Treasurer, and the trust shall make available to the State

1 Treasurer all information, statistical data and reports of independent  
2 consultants or experts as the State Treasurer shall deem necessary in  
3 order to evaluate the guarantee.

4 c. The trust shall not make or contract to make any loans or  
5 guarantees to local government units, public water utilities or any  
6 other person, or otherwise incur any additional indebtedness, on or  
7 after November 5, [2005] 2025.

8 d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1  
9 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the  
10 trust may receive funds from any source or issue its bonds, notes or  
11 other obligations in any principal amounts as in the judgment of the  
12 trust shall be necessary to provide sufficient funds to finance or  
13 refinance short-term or temporary loans to local government units,  
14 public water utilities or private persons for any wastewater treatment  
15 system projects included on the project priority list for the ensuing  
16 fiscal year and eligible for approval pursuant to section 20 of  
17 P.L.1985, c.334 (C.58:11B-20) or water supply projects included on  
18 the project priority list for the ensuing fiscal year and eligible for  
19 approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1),  
20 as applicable, without regard to any other provisions of P.L.1985,  
21 c.334 or P.L.1997, c.224, including, without limitation, any  
22 administrative or legislative approvals.

23 Any short-term or temporary loans made by the trust pursuant to  
24 this subsection may only be made in advance of the anticipated loans  
25 the trust may make and contract to make under the provisions of  
26 subsection a. of this section to be financed or refinanced through the  
27 issuance of bonds, notes or other obligations of the trust authorized  
28 under section 6 of P.L.1985, c.334 (C.58:11B-6).

29 (cf: P.L.1999, c.175, s.3)

30

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

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

44 The project priority list, which shall include for each wastewater  
45 treatment system the date each project is scheduled to be certified as  
46 ready for funding, shall be in conformance with applicable provisions

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

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

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

35 (cf: P.L.1997, c.224, s.17)

36

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

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



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

17 b. The Senate [Natural Resources and Economic Development]  
18 Environment Committee and the General Assembly [Agriculture and  
19 Waste Management] Solid and Hazardous Waste Committee shall,  
20 either individually or jointly, consider the legislation containing the  
21 project priority list, and shall report the legislation, together with any  
22 modifications, out of committee for consideration by each House of  
23 the Legislature. On or before July 1 of each year, the Legislature shall  
24 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 [in accordance with]  
33 as provided in the provisions of this section, or as otherwise set forth  
34 in an appropriations act.

35 (cf: P.L.1997, c.224, s.24)

36

37 7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to  
38 read as follows:

39 21. On or before May 15 of each year, the trust shall submit to the  
40 Legislature a financial plan designed to implement the financing of the  
41 wastewater treatment system projects either on the project priority list  
42 approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or  
43 as otherwise approved by the Legislature. The financial plan shall  
44 contain an enumeration of the bonds, notes or other obligations of the  
45 trust which the trust intends to issue, including the amounts thereof  
46 and the terms and conditions thereof, a list of loans to be made to local

1 government units or private persons, including the terms and  
2 conditions thereof and the anticipated rate of interest per annum and  
3 repayment schedule therefor, and a list of loan guarantees or contracts  
4 to guarantee the payment of all or a portion of the principal and  
5 interest on bonds, notes or other obligations issued by a local  
6 government unit to finance the cost of a wastewater treatment system  
7 project, and the terms and conditions thereof.

8 The financial plan shall also set forth a complete operating and  
9 financial statement covering its proposed operations during the  
10 forthcoming fiscal year, including amounts of income from all sources,  
11 and the uniform schedule of fees and charges established by the trust  
12 pursuant to subsection o. of section 5 of P.L.1985, c.334  
13 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
14 summarize the status of each wastewater treatment system project for  
15 which loans or guarantees have been made by the trust, and shall  
16 describe major impediments to the accomplishment of the planned  
17 wastewater treatment system projects.

18 (cf: P.L.1997, c.224, s.18)

19

20 8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to  
21 read as follows:

22 25. On or before May 15 of each year, the trust shall submit to the  
23 Legislature a financial plan designed to implement the financing of the  
24 water supply projects either on the project priority list approved  
25 pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as  
26 otherwise approved by the Legislature. The financial plan shall  
27 contain an enumeration of the bonds, notes or other obligations of the  
28 trust which the trust intends to issue, including the amounts thereof  
29 and the terms and conditions thereof, a list of loans to be made to local  
30 government units ~~[or]~~, public water utilities, or to any other person  
31 or local government unit on behalf of a public water utility, including  
32 the terms and conditions thereof and the anticipated rate of interest per  
33 annum and repayment schedule therefor, and a list of loan guarantees  
34 or contracts to guarantee the payment of all or a portion of the  
35 principal and interest on bonds, notes or other obligations issued by a  
36 local government unit to finance the cost of a water supply project,  
37 and the terms and conditions thereof.

38 The financial plan shall also set forth a complete operating and  
39 financial statement covering its proposed operations during the  
40 forthcoming fiscal year, including amounts of income from all sources,  
41 and the uniform schedule of fees and charges established by the trust  
42 pursuant to subsection o. of section 5 of P.L.1985, c.334  
43 (C.58:11B-5), and the amounts to be derived therefrom, and shall  
44 summarize the status of each water supply project for which loans or  
45 guarantees have been made by the trust, and shall describe major  
46 impediments to the accomplishment of the planned water supply

1 projects.

2 (cf: P.L.1997, c.224, s.25)

3

4 9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to  
5 read as follows:

6 27. As an alternative to the individual annual submissions required  
7 by the provisions of sections 21 and 22 of P.L.1985, c.334  
8 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997,  
9 c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and  
10 submit to the Legislature a consolidated financial plan designed to  
11 implement the financing of the wastewater treatment system projects  
12 on the project priority list approved pursuant to section 20 of  
13 P.L.1985, c.334 (C.58:11B-20) [and], the water supply projects on  
14 the project priority list approved pursuant to section 24 of P.L.1997,  
15 c.224 (C.58:11B-20.1) and any other projects approved by the  
16 Legislature.

17 (cf: P.L.1997, c.224, s.27)

18

19 10. This act shall take effect immediately.

20

21

22

23

24 \_\_\_\_\_  
25 Makes certain changes to procedures governing New Jersey  
Environmental Infrastructure Trust Financing Program.

## CHAPTER 223

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

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

1. Section 3 of P.L.1985, c.334 (C.58:11B-3) is amended to read as follows:

C.58:11B-3 Definitions relative to the New Jersey Environmental Infrastructure Trust.

3. As used in sections 1 through 27 of P.L.1985, c.334 (C.58:11B-1 through 58:11B-27) and sections 23 through 27 of P.L.1997, c.224 (C.58:11B-10.1 et al.):

"Bonds" means bonds issued by the trust pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

"Combined sewer system" means a sewer system designed to carry sanitary wastewater at all times, which is also designed to collect and transport stormwater runoff from streets and other sources, thereby serving a combined purpose;

"Combined sewer overflow" means the discharge of untreated or partially treated stormwater runoff and wastewater from a combined sewer system into a body of water;

"Commissioner" means the Commissioner of the Department of Environmental Protection;

"Cost" means the cost of all labor, materials, machinery and equipment, lands, property, rights and easements, financing charges, interest on bonds, notes or other obligations, plans and specifications, surveys or estimates of costs and revenues, engineering and legal services, and all other expenses necessary or incident to all or part of an environmental infrastructure project;

"Department" means the Department of Environmental Protection;

"Local government unit" means (1) a State authority, county, municipality, municipal, county or regional sewerage or utility authority, municipal sewerage district, joint meeting, improvement authority, or any other political subdivision of the State authorized to construct, operate and maintain wastewater treatment systems; or (2) a State authority, district water supply commission, county, municipality, municipal, county or regional utilities authority, municipal water district, joint meeting or any other political subdivision of the State authorized pursuant to law to operate or maintain a public water supply system or to construct, rehabilitate, operate or maintain water supply facilities or otherwise provide water for human consumption;

"Notes" means notes issued by the trust pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

"Project" or "environmental infrastructure project" means the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any (1) wastewater treatment system project, including any stormwater management or combined sewer overflow abatement projects; or (2) water supply project, as authorized pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

"Public water utility" means any investor-owned water company or small water company;

"Small water company" means any company, purveyor or entity, other than a governmental agency, that provides water for human consumption and which regularly serves less than 1,000 customer connections, including nonprofit, noncommunity water systems owned or operated by a nonprofit group or organization;

"Stormwater management system" means any equipment, plants, structures, machinery, apparatus, management practices, or land, or any combination thereof, acquired, used, constructed, implemented or operated to prevent nonpoint source pollution, abate improper cross-connections and interconnections between stormwater and sewer systems, minimize stormwater runoff, reduce soil erosion, or induce groundwater recharge, or any combination thereof;

"Trust" means the New Jersey Environmental Infrastructure Trust created pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

"Wastewater" means residential, commercial, industrial, or agricultural liquid waste, sewage, septage, stormwater runoff, or any combination thereof, or other liquid residue discharged or collected into a sewer system or stormwater management system, or any combination thereof;

"Wastewater treatment system" means any equipment, plants, structures, machinery, apparatus, or land, or any combination thereof, acquired, used, constructed or operated by, or

on behalf of, a local government unit for the storage, collection, reduction, recycling, reclamation, disposal, separation, or other treatment of wastewater or sewage sludge, or for the collection or treatment, or both, of stormwater runoff and wastewater, or for the final disposal of residues resulting from the treatment of wastewater, including, but not limited to, pumping and ventilating stations, treatment plants and works, connections, outfall sewers, interceptors, trunk lines, stormwater management systems, and other personal property and appurtenances necessary for their use or operation; "wastewater treatment system" shall include a stormwater management system or a combined sewer system;

"Wastewater treatment system project" means any work relating to the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to any wastewater treatment system that meets the requirements set forth in sections 20, 21 and 22 of P.L.1985, c.334 (C.58:11B-20, 58:11B-21 and 58:11B-22); or any work relating to any of the stormwater management or combined sewer overflow abatement projects identified in the stormwater management and combined sewer overflow abatement project priority list adopted by the commissioner pursuant to section 28 of P.L.1989, c.181; or any work relating to any other project eligible for financing under the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. s.1251 et seq.), or any amendatory or supplementary acts thereto;

"Water supply facilities" means and refers to the real property and the plants, structures, interconnections between existing water supply facilities, machinery and equipment and other property, real, personal and mixed, acquired, constructed or operated, or to be acquired, constructed or operated, in whole or in part, by or on behalf of a public water utility, or by or on behalf of the State or a local government unit, for the purpose of augmenting the natural water resources of the State and making available an increased supply of water for all uses, or of conserving existing water resources, and any and all appurtenances necessary, useful or convenient for the collecting, impounding, storing, improving, treating, filtering, conserving or transmitting of water, and for the preservation and protection of these resources and facilities, whether in public or private ownership, and providing for the conservation and development of future water supply resources, and facilitating incidental recreational uses thereof;

"Water supply project" means any work relating to the acquisition, construction, improvement, repair or reconstruction of all or part of any structure, facility or equipment, or real or personal property necessary for or ancillary to water supply facilities that meets the requirements set forth in sections 24, 25 and 26 of P.L.1997, c.224 (C.58:11B-20.1, C.58:11B-21.1 and C.58:11B-22.1); or any work relating to the purposes set forth in section 4 of P.L.1981, c.261; or any work relating to any other project eligible for funding pursuant to the federal "Safe Drinking Water Act Amendments of 1996" Pub.L.104-182, and any amendatory and supplementary acts thereto.

2. Section 5 of P.L.1985, c.334 (C.58:11B-5) is amended to read as follows:

C.58:11B-5 Powers of authority.

5. Except as otherwise limited by the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), the trust may:

a. Make and alter bylaws for its organization and internal management and, subject to agreements with holders of its bonds, notes or other obligations, make rules and regulations with respect to its operations, properties and facilities;

b. Adopt an official seal and alter it;

c. Sue and be sued;

d. Make and enter into all contracts, leases and agreements necessary or incidental to the performance of its duties and the exercise of its powers under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and subject to any agreement with the holders of the trust's bonds, notes or other obligations, consent to any modification, amendment or revision of any contract, lease or agreement to which the trust is a party;

e. Enter into agreements or other transactions with and accept, subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23), grants, appropriations and the cooperation of the

State, or any State agency, in furtherance of the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and do anything necessary in order to avail itself of that aid and cooperation;

f. Receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied to carry out the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the conditions upon which that aid and those contributions may be made, including, but not limited to, gifts or grants from any department or agency of the State, or any State agency, for any purpose consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), subject to the provisions of section 23 of P.L.1985, c.334 (C.58:11B-23);

g. Acquire, own, hold, construct, improve, rehabilitate, renovate, operate, maintain, sell, assign, exchange, lease, mortgage or otherwise dispose of real and personal property, or any interest therein, in the exercise of its powers and the performance of its duties under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

h. Appoint and employ an executive director and any other officers or employees as it may require for the performance of its duties, without regard to the provisions of Title 11A of the New Jersey Statutes;

i. Borrow money and issue bonds, notes and other obligations, and secure the same, and provide for the rights of the holders thereof as provided in the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

j. Subject to any agreement with holders of its bonds, notes or other obligations, invest moneys of the trust not required for immediate use, including proceeds from the sale of any bonds, notes or other obligations, in any obligations, securities and other investments in accordance with the rules and regulations of the State Investment Council or as may otherwise be approved by the Director of the Division of Investment in the Department of the Treasury upon a finding that such investments are consistent with the corporate purposes of the trust;

k. Procure insurance to secure the payment of its bonds, notes or other obligations or the payment of any guarantees or loans made by it in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), or against any loss in connection with its property and other assets and operations, in any amounts and from any insurers as it deems desirable;

l. Engage the services of attorneys, accountants, engineers, and financial experts and any other advisors, consultants, experts and agents as may be necessary in its judgment and fix their compensation;

m. (1) Make and contract to make loans to local government units, or to a local government unit on behalf of another local government unit, to finance the cost of wastewater treatment system projects or water supply projects and acquire and contract to acquire notes, bonds or other obligations issued or to be issued by any local government units to evidence the loans, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

(2) Make and contract to make loans to public water utilities, or to any other person or local government unit on behalf of a public water utility, to finance the cost of water supply projects in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

(3) Make and contract to make loans to private persons other than local government units, or to any other person or local government unit on behalf of a private person, to finance the cost of stormwater management systems in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

n. Subject to any agreement with holders of its bonds, notes or other obligations, purchase bonds, notes and other obligations of the trust and hold the same for resale or provide for the cancellation thereof, all in accordance with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.);

o. (1) Charge to and collect from local government units, private persons or public water utilities any fees and charges in connection with the trust's loans, guarantees or other services, including, but not limited to, fees and charges sufficient to reimburse the trust for all reasonable

costs necessarily incurred by it in connection with its financings and the establishment and maintenance of reserve or other funds, as the trust may determine to be reasonable. The fees and charges shall be in accordance with a uniform schedule published by the trust for the purpose of providing actual cost reimbursement for the services rendered;

(2) Any fees and charges collected by the trust pursuant to this subsection may be deposited and maintained in a fund separate from any other funds held by the trust pursuant to section 10 of P.L.1985, c.334 (C.58:11B-10) or section 23 of P.L.1997, c.224 (C.58:11B-10.1 et al.) and shall be available for any corporate purposes of the trust;

p. Subject to any agreement with holders of its bonds, notes or other obligations, obtain as security or to provide liquidity for payment of all or any part of the principal of and interest and premium on the bonds, notes and other obligations of the trust or for the purchase upon tender or otherwise of the bonds, notes or other obligations, lines of credit, letters of credit and other security agreements or instruments in any amounts and upon any terms as the trust may determine, and pay any fees and expenses required in connection therewith;

q. Provide to local government units any financial and credit advice as these local government units may request;

r. Make payments to the State from any moneys of the trust available therefor as may be required pursuant to any agreement with the State or act appropriating moneys to the trust; and

s. Take any action necessary or convenient to the exercise of the foregoing powers or reasonably implied therefrom.

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

C.58:11B-6 Issuance of bonds, notes, other obligations.

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

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

c. Bonds, notes or other obligations of the trust shall be authorized by a resolution or resolutions of the trust and may be issued in one or more series and shall bear any date or dates, mature at any time or times, bear interest at any rate or rates of interest per annum, be in any denomination or denominations, be in any form, either coupon, registered or book entry, carry any conversion or registration privileges, have any rank or priority, be executed in any manner, be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts, at any place or places within or without the State, and be subject to any terms of redemption by the trust or the holders thereof, with or without premium, as the resolution or resolutions may provide. A resolution of the trust authorizing the issuance of bonds, notes or other obligations may provide that the bonds, notes or other obligations be secured by a trust indenture between the trust and a trustee, vesting in the trustee any property, rights, powers and duties in trust consistent with the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) as the trust may determine.

d. Bonds, notes or other obligations of the trust may be sold at any price or prices and in any manner as the trust may determine. Each bond, note or other obligation shall mature and be

paid not later than 20 years from the effective date thereof, or the certified useful life of the project or projects to be financed by the bonds, whichever is less.

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

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

f. Bonds, notes or other obligations of the trust issued under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) shall not be a debt or liability of the State or of any political subdivision thereof other than the trust and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision, but all these bonds, notes and other obligations, unless funded or refunded by bonds, notes or other obligations, shall be payable solely from revenues or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each bond, note and obligation shall contain on its face a statement to the effect that the trust is obligated to pay the principal thereof or the interest thereon only from its revenues, receipts or funds pledged or available for their payment as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.), and that neither the State, nor any political subdivision thereof, is obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the State, or any political subdivision thereof, is pledged to the payment of the principal of or the interest on the bonds, notes or other obligations.

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

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

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

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

(4) Within 30 days after the sale of the refunding bonds, the trust shall notify the committee of the result of that sale, including the prices and terms, conditions and regulations concerning



the refunding bonds, the actual amount of debt service savings to be realized as a result of the sale of refunding bonds, and the intended use of the proceeds from the sale of those bonds.

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

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

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

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

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

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

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

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

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

4. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read as follows:

C.58:11B-9 Loans to local government units.

9. a. (1) The trust may make and contract to make loans to local government units, or to a local government unit on behalf of another local government unit, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money.

(2) The trust may make and contract to make loans to public water utilities, or to any other person or local government unit on behalf of a public water utility, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply project, which the public water utility may lawfully undertake or acquire.

(3) The trust may make and contract to make loans to private persons other than local government units, or to any other person or local government unit on behalf of a private person, in accordance with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost of stormwater management systems.

The loans may be made subject to those terms and conditions as the trust shall determine to be consistent with the purposes thereof. Each loan by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the loan. Each loan to a local government unit, public water utility or any other person shall be evidenced by notes,

bonds or other obligations thereof issued to the trust. In the case of each local government unit, notes and bonds to be issued to the trust by the local government unit (1) shall be authorized and issued as provided by law for the issuance of notes and bonds by the local government unit, (2) shall be approved by the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs, and (3) notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28 and N.J.S.40A:2-29 or any other provisions of law to the contrary, may be sold at private sale to the trust at any price, whether or not less than par value, and shall be subject to redemption prior to maturity at any times and at any prices as the trust and local government units may agree. Each loan to a local government unit, public water utility or any other person and the notes, bonds or other obligations thereby issued shall bear interest at a rate or rates per annum as the trust and the local government unit, public water utility or any other person, as the case may be, may agree.

b. The trust is authorized to guarantee or contract to guarantee the payment of all or any portion of the principal and interest on bonds, notes or other obligations issued by a local government unit to finance the cost of any wastewater treatment system project or water supply project, which the local government unit may lawfully undertake or acquire and for which the local government unit is authorized by law to borrow money, and the guarantee shall constitute an obligation of the trust for the purposes of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.). Each guarantee by the trust and the terms and conditions thereof shall be subject to approval by the State Treasurer, and the trust shall make available to the State Treasurer all information, statistical data and reports of independent consultants or experts as the State Treasurer shall deem necessary in order to evaluate the guarantee.

c. The trust shall not make or contract to make any loans or guarantees to local government units, public water utilities or any other person, or otherwise incur any additional indebtedness, on or after November 5, 2025.

d. Notwithstanding any provision of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to the contrary, the trust may receive funds from any source or issue its bonds, notes or other obligations in any principal amounts as in the judgment of the trust shall be necessary to provide sufficient funds to finance or refinance short-term or temporary loans to local government units, public water utilities or private persons for any wastewater treatment system projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water supply projects included on the project priority list for the ensuing fiscal year and eligible for approval pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to any other provisions of P.L.1985, c.334 or P.L.1997, c.224, including, without limitation, any administrative or legislative approvals.

Any short-term or temporary loans made by the trust pursuant to this subsection may only be made in advance of the anticipated loans the trust may make and contract to make under the provisions of subsection a. of this section to be financed or refinanced through the issuance of bonds, notes or other obligations of the trust authorized under section 6 of P.L.1985, c.334 (C.58:11B-6).

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

C.58:11B-20 Project priority list.

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

The project priority list, which shall include for each wastewater treatment system the date each project is scheduled to be certified as ready for funding, shall be in conformance with

applicable provisions of the "Federal Water Pollution Control Act Amendments of 1972," Pub.L. 92-500 (33 U.S.C. s.1251 et al.), and any amendatory or supplementary acts thereto, and State law. The project priority list shall include a description of each project and its purpose, impact, cost, and construction schedule, and an explanation of the manner in which priorities were established. The priority system and project priority list for the ensuing fiscal year shall be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. On or before May 15 of each year, the trust shall submit the project priority list to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment Committee and the General Assembly Solid and Hazardous Waste Committee, or their successors, for their respective consideration.

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

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

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

C.58:11B-20.1 Priority system for water supply projects; policies.

24. a. The Commissioner of Environmental Protection shall for each fiscal year develop a priority system for water supply projects and shall establish the ranking criteria and funding policies therefor. The commissioner shall set forth a project priority list for funding by the trust for each fiscal year and shall include the aggregate amount of funds of the trust to be authorized for these purposes. The commissioner may include a water supply project on the project priority list if it meets the eligibility requirements for funding pursuant to the federal "Safe Drinking Water Act Amendments of 1996," Pub.L.104-182. The project priority list shall include a description of each project and an explanation of the manner in which priorities were established. The priority system and project priority list for the ensuing fiscal year shall be submitted to the Legislature on or before January 15 of each year on a day when both Houses are meeting. The President of the Senate and the Speaker of the General Assembly shall cause the date of submission to be entered upon the Senate Journal and the Minutes of the General Assembly, respectively. On or before May 15 of each year, the trust shall submit the project priority list to be introduced in each House in the form of legislative appropriations bills, which shall be referred to the Senate Environment Committee and the General Assembly Solid and Hazardous Waste Committee, or their successors, for their respective consideration.

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

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

7. Section 21 of P.L.1985, c.334 (C.58:11B-21) is amended to read as follows:

C.58:11B-21 Financial plan.

21. On or before May 15 of each year, the trust shall submit to the Legislature a financial plan designed to implement the financing of the wastewater treatment system projects either on the project priority list approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or as otherwise approved by the Legislature. The financial plan shall contain an enumeration of the bonds, notes or other obligations of the trust which the trust intends to issue, including the amounts thereof and the terms and conditions thereof, a list of loans to be made to local government units or private persons, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefor, and a list of loan guarantees or contracts to guarantee the payment of all or a portion of the principal and interest on bonds, notes or other obligations issued by a local government unit to finance the cost of a wastewater treatment system project, and the terms and conditions thereof.

The financial plan shall also set forth a complete operating and financial statement covering its proposed operations during the forthcoming fiscal year, including amounts of income from all sources, and the uniform schedule of fees and charges established by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5), and the amounts to be derived therefrom, and shall summarize the status of each wastewater treatment system project for which loans or guarantees have been made by the trust, and shall describe major impediments to the accomplishment of the planned wastewater treatment system projects.

8. Section 25 of P.L.1997, c.224 (C.58:11B-21.1) is amended to read as follows:

C.58:11B-21.1 Submission of financial plan to Legislature.

25. On or before May 15 of each year, the trust shall submit to the Legislature a financial plan designed to implement the financing of the water supply projects either on the project priority list approved pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) or as otherwise approved by the Legislature. The financial plan shall contain an enumeration of the bonds, notes or other obligations of the trust which the trust intends to issue, including the amounts thereof and the terms and conditions thereof, a list of loans to be made to local government units, public water utilities, or to any other person or local government unit on behalf of a public water utility, including the terms and conditions thereof and the anticipated rate of interest per annum and repayment schedule therefor, and a list of loan guarantees or contracts to guarantee the payment of all or a portion of the principal and interest on bonds, notes or other obligations issued by a local government unit to finance the cost of a water supply project, and the terms and conditions thereof.

The financial plan shall also set forth a complete operating and financial statement covering its proposed operations during the forthcoming fiscal year, including amounts of income from all sources, and the uniform schedule of fees and charges established by the trust pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5), and the amounts to be derived therefrom, and shall summarize the status of each water supply project for which loans or guarantees have been made by the trust, and shall describe major impediments to the accomplishment of the planned water supply projects.

9. Section 27 of P.L.1997, c.224 (C.58:11B-22.2) is amended to read as follows:

C.58:11B-22.2 Submission of consolidated financial plan.

27. As an alternative to the individual annual submissions required by the provisions of sections 21 and 22 of P.L.1985, c.334 (C.58:11B-21 and 58:11B-22) and sections 25 and 26 of P.L.1997, c.224 (C.58:11B-21.1 and C.58:11B-22.1), the trust may develop and submit to the Legislature a consolidated financial plan designed to implement the financing of the wastewater treatment system projects on the project priority list approved pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20), the water supply projects on the project priority list approved pursuant to section 24 of P.L.1997, c.224 (C.58:11B-20.1) and any other projects approved by

the Legislature.

10. This act shall take effect immediately.

Approved August 24, 2001.