

58:11B-1 to 58:11B-27 ✓

LEGISLATIVE HISTORY CHECKLIST

NJSA: 58:11B-1 to 58:11B-27 "New Jersey Wastewater Treatment Trust"

LAWS OF: 1985 CHAPTER: 334

BILL NO: A4188

Sponsor(s): Herman and Pankok

Date Introduced: September 12, 1985

Committee: Assembly: -----
Senate: -----

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Following statements are attached if available:

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ASSEMBLY, No. 4188

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 12, 1985

By Assemblymen HERMAN and PANKOK

AN ACT establishing the New Jersey Wastewater Treatment Trust, defining the functions, duties and powers thereof, including the authorization to issue bonds, notes and other obligations and to establish any reserve funds necessary therefor, and to make loans to and guarantee debt incurred by local government units for wastewater treatment system projects.

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

1 1. This act shall be known and may be cited as the "New Jersey
2 Wastewater Treatment Trust Act."

1 2. The Legislature finds that the steady deterioration of older
2 sewage and sewer systems and wastewater treatment plants en-
3 dangers the availability and quality of uncontaminated water re-
4 sources of the State, thereby posing a grave danger to the health,
5 safety and welfare of the residents of the concerned communities
6 and the State; that the construction, rehabilitation, operation, and
7 maintenance of modern and efficient sewer systems and wastewater
8 treatment plants are essential to protecting and improving the
9 State's water quality; that in addition to protecting and improving
10 water quality, adequate wastewater treatment systems are essen-
11 tial to economic growth and development; that many of the waste-
12 water treatment systems in New Jersey must be replaced or
13 upgraded if an inexorable decline in water quality is to be avoided
14 during the coming decades; that the United States Congress in
15 recognition of the crucial role wastewater treatment systems and
16 plants play in maintaining and improving water quality, and with
17 an understanding that the cost of financing and constructing these

18 systems must be borne by local governments and authorities with
19 limited sources of revenues, established in the "Federal Water
20 Pollution Control Act Amendments of 1972," P. L. 92-500 (33
21 U. S. C. § 1251 et al.) a program to provide local governments
22 with grants for constructing these systems; that during the last
23 several years the amount of federal grant money available to
24 states and local governments for assistance in constructing and
25 improving wastewater treatment systems has sharply diminished;
26 that the current level of federal grant funding is inadequate to
27 meet the cost of upgrading the State's wastewater treatment ca-
28 pacity to comply with State water quality standards; that the
29 collective needs of the State and local governments for capital
30 financing of wastewater treatment systems far exceed the sums
31 of money presently available through revenue initiatives and
32 State and federal aid programs; and that it is fitting and proper
33 for the State to encourage local governments to undertake waste-
34 water treatment projects through the establishment of a State
35 mechanism to provide loans at the lowest reasonable interest rates
36 and to guarantee or insure local capital improvement bonds.

37 The Legislature therefore determines that it is in the public
38 interest to establish a State authority authorized to issue bonds,
39 notes and other obligations and to establish any reserve funds
40 necessary therefor, and to make loans to and guarantee debt in-
41 curred by local government units for wastewater treatment system
42 projects.

1 3. As used in this act:

2 a. "Bonds" means bonds issued by the trust pursuant to this act;

3 b. "Commissioner" means the Commissioner of the Department
4 of Environmental Protection;

5 c. "Cost" means the cost of all labor, materials, machinery and
6 equipment, lands, property, rights and easements, financing
7 charges, interest on bonds, notes or other obligations, plans and
8 specifications, surveys or estimates of costs and revenues, engi-
9 neering and legal services, and all other expenses necessary or
10 incident to all or part of a wastewater treatment system project;

11 d. "Department" means the Department of Environmental Pro-
12 tection;

13 e. "Local government unit" means a county, municipality, mu-
14 nicipal or county sewerage or utility authority, municipal sewerage
15 district, joint meeting, improvement authority, or any other
16 political subdivision authorized to construct, operate and maintain
17 wastewater treatment systems;

18 f. "Notes" means notes issued by the trust pursuant to this act;

19 g. "Project" means the acquisition, construction, improvement,
20 repair or reconstruction of all or part of any structure, facility or
21 equipment, or real or personal property necessary for or ancillary
22 to any wastewater treatment system which meets the requirements
23 set forth in sections 20, 21 and 22 of this act;

24 h. "Trust" means the New Jersey Wastewater Treatment Trust
25 created pursuant to section 4 of this act;

26 i. "Wastewater" means residential, commercial, industrial, or
27 agricultural liquid waste, sewerage, stormwater runoff, or any
28 combination thereof, or other liquid residue discharged or col-
29 lected into a sewer system or stormwater runoff system, or any
30 combination thereof;

31 j. "Wastewater treatment system" means any equipment, plants,
32 structures, machinery, apparatus, or land, or any combination
33 thereof, acquired, used, constructed or operated by a local govern-
34 ment unit for the storage, collection, reduction, recycling, reclama-
35 tion, disposal, separation, or other treatment of wastewater or
36 sewer sludge, or for the separate collection or treatment, or both,
37 of stormwater runoff and sewerage, or for the final disposal of
38 residues resulting from the treatment of wastewater, including,
39 but not limited to, pumping and ventilating stations, treatment
40 plants and works, connections, outfall sewers, interceptors, trunk
41 lines, stormwater runoff collection systems, and other personal
42 property and appurtenances necessary for their use or operation.

1 4. a. There is established in, but not of, the Department of En-
2 vironmental Protection a body corporate and politic, with corporate
3 succession, to be known as the "New Jersey Wastewater Treat-
4 ment Trust." The trust is constituted as an instrumentality of
5 the State exercising public and essential governmental functions
6 no part of whose revenues shall accrue to the benefit of any indi-
7 vidual, and the exercise by the trust of the powers conferred by
8 this act shall be deemed and held to be an essential governmental
9 function of the State.

10 b. The trust shall consist of a seven-member board of directors
11 composed of the State Treasurer, the Commissioner of the Depart-
12 ment of Community Affairs, and the Commissioner of the Depart-
13 ment of Environmental Protection, who shall be members ex officio;
14 one person appointed by the Governor upon the recommendation
15 of the President of the Senate and one person appointed by the
16 Governor upon the recommendation of the Speaker of the General
17 Assembly, who shall serve during the two-year legislative term
18 in which they are appointed; and two residents of the State
19 appointed by the Governor with the advice and consent of the

20 Senate, who shall serve for terms of four years, except that the
21 first two appointed shall serve terms of two and three years re-
22 spectively. Each appointed director shall serve until his successor
23 has been appointed and qualified. A director is eligible for re-
24 appointment. Any vacancy shall be filled in the same manner as
25 the original appointment, but for the unexpired term only.

26 With respect to those public members first appointed by the
27 Governor; the appointment of each of the two members upon the
28 advice and consent of the Senate shall become effective 30 days
29 after their nomination by the Governor if the Senate has not given
30 advice and consent on those nominations within that time period;
31 the President of the Senate and the Speaker of the General Assem-
32 bly each shall recommend to the Governor a public member for
33 appointment within 20 days following the effective date of this act,
34 and a recommendation made in this manner shall become effective
35 if the Governor makes the appointment in accordance with the
36 recommendation, in writing, within 10 days of the Governor's
37 receipt thereof. In each instance where the Governor fails to make
38 the appointment, the President of the Senate and the Speaker of
39 the General Assembly shall make new recommendations subject
40 to appointment by the Governor as determined in this section.

41 c. Each appointed director may be removed from office by the
42 Governor for cause, upon the Governor's consideration of the
43 findings and recommendations of an administrative law judge
44 after a public hearing before the judge, and may be suspended by
45 the Governor pending the completion of the hearing. Each director,
46 before entering upon his duties, shall take and subscribe an oath
47 to perform the duties of his office faithfully, impartially and justly
48 to the best of his ability. A record of oaths shall be filed in the
49 Office of the Secretary of State.

50 d. The Governor shall designate one of the appointed members
51 to be the chairman and chief executive officer of the trust and the
52 directors shall biannually elect a vice-chairman from among the
53 appointed directors. The chairman shall serve as such for a term
54 of one year and until a successor has been designated. A chairman
55 shall not be eligible to succeed himself. The directors shall elect
56 a secretary and treasurer who need not be directors, and the same
57 person may be elected to serve as both secretary and treasurer.
58 The powers of the trust are vested in the directors in office from
59 time to time and four directors shall constitute a quorum at any
60 meeting. Action may be taken and motions and resolutions adopted
61 by the trust by the affirmative majority vote of those directors

62 present, but in no event shall any action be taken or motions or
63 resolutions adopted without the affirmative vote of at least four
64 members. No vacancy on the board of directors of the trust shall
65 impair the right of a quorum of the directors to exercise the powers
66 and perform the duties of the trust.

67 e. Each director and the treasurer of the trust shall execute a
68 bond to be conditioned upon the faithful performance of the duties
69 of the director or treasurer in a form and amount as may be pre-
70 scribed by the State Treasurer. Bonds shall be filed in the Office
71 of the Secretary of State. At all times thereafter, the directors
72 and treasurer shall maintain these bonds in full effect. All costs
73 of the bonds shall be borne by the trust.

74 f. The directors of the trust shall serve without compensation,
75 but the trust shall reimburse the directors for actual and necessary
76 expenses incurred in the performance of their duties. Notwith-
77 standing the provisions of any other law to the contrary, no officer
78 or employee of the State shall be deemed to have forfeited or shall
79 forfeit his office or employment or any benefits or emoluments
80 thereof by reason of his acceptance of the office of ex officio director
81 of the trust or his services thereon.

82 g. Each ex officio director may designate an officer of his depart-
83 ment to represent him at meetings of the trust. Each designee may
84 lawfully vote and otherwise act on behalf of the director for whom
85 he constitutes the designee. The designation shall be delivered in
86 writing to the trust and shall continue in effect until revoked or
87 amended in writing and delivered to the trust.

88 h. The trust may be dissolved by law provided the trust has no
89 debts or obligations outstanding or that provision has been made
90 for the payment or retirement of these debts or obligations. The
91 trust shall continue in existence until dissolved by act of the Legis-
92 lature. Upon any dissolution of the trust all property, funds and
93 assets of the trust shall be vested in the State.

94 i. A true copy of the minutes of every meeting of the trust shall
95 be forthwith delivered by and under the certification of the secre-
96 tary therefor to the Governor and at the same time to the Senate
97 and General Assembly. The time and act of this delivery shall be
98 duly recorded on a delivery receipt. No action taken or motion
99 or resolution adopted at a meeting by the trust shall have effect
100 until 10 days, exclusive of Saturdays, Sundays and public holidays,
101 after a copy of the minutes has been delivered to the Governor
102 unless during the 10-day period the Governor shall approve all
103 or part of the actions taken or motions or resolutions adopted,

104 in which case the action or motion or resolution shall become
105 effective upon the approval. If, in the 10-day period, the Governor
106 returns the copy of the minutes with a veto of any action taken by
107 the trust or any member thereof at that meeting, the action shall
108 be of no effect. The Senate or General Assembly shall have
109 the right to provide written comments concerning the minutes to
110 the Governor within the 10-day period, which comments shall be
111 returned to the trust by the Governor with his approval or veto
112 of the minutes. The powers conferred in this subsection upon the
113 Governor shall be exercised with due regard for the rights of the
114 holders of bonds, notes and other obligations of the trust at any
115 time outstanding, and nothing in, or done pursuant to, this sub-
116 section shall in any way limit, restrict or alter the obligation or
117 powers of the trust or any representative or officer of the trust
118 to carry out and perform each covenant, agreement or contract
119 made or entered into by or on behalf of the trust with respect
120 to its bonds, notes or other obligations or for the benefit, pro-
121 tection or security of the holders thereof.

122 j. No resolution or other action of the trust providing for the
123 issuance of bonds, refunding bonds, notes or other obligations
124 shall be adopted or otherwise made effective by the trust without
125 the prior approval in writing of the Governor and the State Trea-
126 surer. The trust shall provide the Senate and General Assembly
127 with written notice of any request for approval of the Governor
128 and State Treasurer at the time the request is made, and shall
129 also provide the Senate and General Assembly written notice of
130 the response of the Governor and State Treasurer at the time that
131 the response is received by the trust.

1 5. Except as otherwise limited by this act, the trust may:

2 a. Make and alter bylaws for its organization and internal man-
3 agement and, subject to agreements with holders of its bonds, notes
4 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 this act, and subject to any agree-
11 ment with the holders of the trust's bonds, notes or other obliga-
12 tions, consent to any modification, amendment or revision of any
13 contract, lease or agreement to which the trust is a party;

14 e. Enter into agreements or other transactions with and accept,
15 subject to the provisions of section 23 of this act, grants, appro-

16 priations and the cooperation of the State, or any State agency,
17 in furtherance of the purposes of this act, and do anything
18 necessary in order to avail itself of that aid and cooperation;

19 f. Receive and accept aid or contributions from any source of
20 money, property, labor or other things of value, to be held, used
21 and applied to carry out the purposes of this act subject to the
22 conditions upon which that aid and those contributions may be
23 made, including but not limited to, gifts or grants from any de-
24 partment or agency of the State, or any State agency, for any
25 purpose consistent with this act, subject to the provisions of
26 section 23 of this act;

27 g. Acquire, own, hold, construct, improve, rehabilitate, renovate,
28 operate, maintain, sell, assign, exchange, lease, mortgage or other-
29 wise dispose of real and personal property, or any interest
30 therein, in the exercise of its powers and the performance of its
31 duties under this act;

32 h. Appoint and employ an executive director and any other
33 officers or employees as it may require for the performance of its
34 duties without regard to the provisions of Title 11 of the Revised
35 Statutes;

36 i. Borrow money and issue bonds, notes and other obligations,
37 and secure the same, and provide for the rights of the holders
38 thereof as provided in this act;

39 j. Subject to any agreement with holders of its bonds, notes or
40 other obligations, invest moneys of the trust not required for
41 immediate use, including proceeds from the sale of any bonds,
42 notes or other obligations, in any obligations, securities and other
43 investments in accordance with the rules and regulations of the
44 State Investment Council;

45 k. Procure insurance to secure the payment of its bonds, notes
46 or other obligations or the payment of any guarantees or loans
47 made by it in accordance with the act, or against any loss in con-
48 nection with its property and other assets and operations, in any
49 amounts and from any insurers as it deems desirable;

50 l. Engage the services of attorneys, accountants, engineers, and
51 financial experts and any other advisors, consultants, experts and
52 agents as may be necessary in its judgment and fix their com-
53 pensation;

54 m. Make and contract to make loans to local government units
55 to finance the cost of wastewater treatment system projects and
56 acquire and contract to acquire notes, bonds or other obligations
57 issued or to be issued by local government units to evidence
58 the loans, all in accordance with the provisions of this act;

59 n. Subject to any agreement with holders of its bonds, notes
60 or other obligations, purchase bonds, notes and other obligations
61 of the trust and hold the same for resale or provide for the can-
62 cellation thereof, all in accordance with the provisions of this act;

63 o. Charge to and collect from local government units any fees
64 and charges in connection with the trust's loans, guarantees or
65 other services, including, but not limited to, fees and charges
66 sufficient to reimburse the trust for all reasonable costs neces-
67 sarily incurred by it in connection with its financings and the
68 establishment and maintenance of reserve or other funds, as the
69 trust may determine to be reasonable. The fees and charges shall
70 be in accordance with a uniform schedule published by the trust
71 for the purpose of providing actual cost reimbursement for the
72 service rendered;

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

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

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

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

1 6. a. Except as may be otherwise expressly provided in this
2 act, the trust may from time to time issue its bonds, notes or
3 other obligations in any principal amounts as in the judgment of
4 the trust shall be necessary to provide sufficient funds for any of
5 its corporate purposes, including the payment, funding or refund-
6 ing of the principal of, or interest or redemption premiums on,
7 any bonds, notes or other obligations issued by it whether the
8 bonds, notes or other obligations or the interest or redemption
9 premiums thereon to be funded or refunded have or have not
10 become due, the establishment or increase of reserves or other
11 funds to secure or to pay the bonds, notes or other obligations
12 or interest thereon and all other costs or expenses of the trust
13 incident to and necessary to carry out its corporate purposes
14 and powers.

15 b. Whether or not the bonds, notes or other obligations of the
16 trust are of a form and character as to be negotiable instruments
17 under the terms of Title 12A of the New Jersey Statutes, the
18 bonds, notes and other obligations are made negotiable instru-
19 ments within the meaning of and for the purposes of Title 12A,
20 subject only to the provisions of the bonds, notes and other obli-
21 gations for registration.

22 c. Bonds, notes or other obligations of the trust shall be autho-
23 rized by a resolution or resolutions of the trust and may be issued
24 in one or more series and shall bear any date or dates, mature at
25 any time or times, bear interest at any rate or rates of interest
26 per annum, be in any denomination or denominations, be in any
27 form, either coupon, registered or book entry, carry any conver-
28 sion or registration privileges, have any rank or priority, be exe-
29 cuted in any manner, be payable in any coin or currency of the
30 United States which at the time of payment is legal tender for the
31 payment of public and private debts at any place or places within
32 or without the State, and be subject to any terms of redemption
33 by the trust or the holders thereof, with or without premium, as
34 the resolution or resolutions may provide. A resolution of the
35 trust authorizing the issuance of bonds, notes or other obligations
36 may provide that the bonds, notes or other obligations be secured
37 by a trust indenture between the trust and a trustee, vesting in
38 the trustee any property, rights, powers and duties in trust con-
39 sistent with the provisions of this act as the trust may determine.

40 d. Bonds, notes or other obligations of the trust may be sold at
41 public or private sale at any price or prices and in any manner as
42 the trust may determine. Each bond, note or other obligation shall
43 mature and be paid not later than 20 years from the effective date
44 thereof, or the certified useful life of the project or projects to be
45 financed by the bonds, whichever is less, nor shall any refunding
46 of such obligations mature or be paid later than that date.

47 All bonds of the trust shall be sold at such price or prices and
48 in such manner as the trust shall determine, after notice of sale,
49 published at least three times in at least three newspapers pub-
50 lished in the State of New Jersey, and at least once in a pub-
51 lication carrying municipal bond notices and devoted primarily
52 to financial news, published in New Jersey or the city of New York,
53 the first notice to be at least five days prior to the day of bidding.
54 The notice of sale may contain a provision to the effect that
55 any or all bids made in pursuance thereof may be rejected. In
56 the event of such rejection or of failure to receive any acceptable
57 bid, the trust, at any time within 60 days from the date of such

58 advertised sale, may sell such bonds at private sale upon terms
59 not less favorable to the State than the terms offered by any
60 rejected bid. The trust may sell all or part of the bonds of any
61 series as issued to any State fund or to the federal government
62 or any agency thereof, at private sale, without advertisement.

63 e. Bonds, notes or other obligations of the trust may be issued
64 under the provisions of this act without obtaining the consent of
65 any department, division, board, bureau or agency of the State,
66 and without any other proceedings or the happening of any other
67 conditions or things, other than those consents, proceedings, con-
68 ditions or things which are specifically required by this act.

69 f. Bonds, notes or other obligations of the trust issued under
70 the provisions of this act shall not be a debt or liability of the
71 State or of any political subdivision thereof other than the trust
72 and shall not create or constitute any indebtedness, liability or
73 obligation of the State or any political subdivision, but all these
74 bonds, notes and other obligations, unless funded or refunded by
75 bonds, notes or other obligations, shall be payable solely from
76 revenues or funds pledged or available for their payment as au-
77 thorized in this act. Each bond, note and other obligation shall
78 contain on its face a statement to the effect that the trust is obli-
79 gated to pay the principal thereof or the interest thereon only
80 from its revenues, receipts or funds pledged or available for their
81 payment as authorized in this act and that neither the State, nor
82 any political subdivision thereof, is obligated to pay the principal
83 or interest and that neither the faith and credit nor the taxing
84 power of the State, or any political subdivision thereof, is pledged
85 to the payment of the principal of or the interest on the bonds,
86 notes or other obligations.

87 g. The aggregate principal amount of bonds, notes or other
88 obligations, including subordinated indebtedness of the trust, shall
89 not exceed \$600,000,000.00. In computing the foregoing limitations
90 there shall be excluded all the bonds, notes or other obligations,
91 including subordinated indebtedness of the trust, which shall be
92 issued for refunding purposes, whenever the refunding shall be
93 determined to result in a debt service savings, as hereinafter
94 provided:

95 (1) Upon the decision by the trust to issue refunding bonds,
96 and prior to the sale of those bonds, the trust shall transmit
97 to the Joint Appropriations Committee's Subcommittee on Trans-
98 fers, or its successor, a report that a decision has been made,
99 reciting the basis on which the decision was made, including an
100 estimate of the debt service savings to be achieved and the cal-

101 culations upon which the trust relied when making the decision
102 to issue refunding bonds. The report shall also disclose the intent
103 of the trust to issue and sell the refunding bonds at public or
104 private sale and the reasons therefor.

105 (2) The Joint Appropriations Committee's Subcommittee on
106 Transfers shall have the authority to approve or disapprove the
107 sales of refunding bonds as included in each report submitted
108 in accordance with paragraph (1) of this subsection. The sub-
109 committee shall notify the trust in writing of the approval or
110 disapproval as expeditiously as possible.

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

115 (4) Within 30 days after the sale of the refunding bonds, the
116 trust shall notify the Subcommittee on Transfers of the result
117 of that sale, including the prices and terms, conditions and regu-
118 lations concerning the refunding bonds, the actual amount of debt
119 service savings to be realized as a result of the sale of refunding
120 bonds, and the intended use of the proceeds from the sale of
121 those bonds.

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

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

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

140 (2) Pledge of rentals, receipts and other revenues to be derived
141 from leases or other contractual arrangements with any person
142 or entity, public or private, including one or more local govern-
143 ment units, or a pledge or assignment of those leases or other

144 contractual arrangements and the rights and interest of the trust
145 therein;

146 (3) Pledge of all moneys, funds, accounts, securities and other
147 funds, including the proceeds of the bonds, notes or other obli-
148 gations;

149 (4) Pledge of the receipts to be derived from the payments
150 of State aid, payable to the trust pursuant to section 12 of this act;

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

156 i. The trust shall not issue any bonds, notes or other obliga-
157 tions, or otherwise incur any additional indebtedness, on or after
158 20 years from the effective date of this act.

1 7. In any resolution of the trust authorizing or relating to the
2 issuance of any of its bonds, notes or other obligations, the trust,
3 in order to secure the payment of the bonds, notes or other obliga-
4 tions and in addition to its other powers, may by provisions therein
5 which shall constitute covenants by the trust and contracts with
6 the holders of the bonds, notes or other obligations:

7 a. Secure the bonds, notes or other obligations as provided in
8 section 6 of this act;

9 b. Covenant against pledging all or part of its revenues or re-
10 ceipts;

11 c. Covenant with respect to limitations on any right to sell,
12 mortgage, lease or otherwise dispose of any notes, bonds or other
13 obligations of local governmental units, or any part thereof, or
14 any property of any kind;

15 d. Covenant as to any bonds, notes or other obligations to be
16 issued by the trust, and the limitations thereon, and the terms and
17 conditions thereof, and as to the custody, application, investment
18 and disposition of the proceeds thereof;

19 e. Covenant as to the issuance of additional bonds, notes or other
20 obligations of the trust or as to limitations on the issuance of ad-
21 ditional bonds, notes or other obligations and on the incurring of
22 other debts by it;

23 f. Covenant as to the payment of the principal of or interest on
24 bonds, notes or other obligations of the trust, as to the sources and
25 methods of payment, as to the rank or priority of the bonds, notes
26 or other obligations with respect to any lien or security or as to
27 the acceleration of the maturity of the bonds, notes or other obli-
28 gations;

29 g. Provide for the replacement of lost, stolen, destroyed or
30 mutilated bonds, notes or other obligations of the trust;

31 h. Covenant against extending the time for the payment of bonds,
32 notes or other obligations of the trust or interest thereon;

33 i. Covenant as to the redemption of bonds, notes and other obli-
34 gations by the trust or the holders thereof and privileges of ex-
35 change thereof for other bonds, notes or other obligations of the
36 trust;

37 j. Covenant to create or authorize the creation of special funds
38 or accounts to be held in trust or otherwise for the benefit of holders
39 of bonds, notes and other obligations of the trust, or reserves for
40 other purposes and as to the use, investment, and disposition of
41 moneys held in those funds, accounts or reserves;

42 k. Provide for the rights and liabilities, powers and duties aris-
43 ing upon the breach of any covenant, condition or obligation and
44 prescribe the events of default and terms and conditions upon
45 which any or all of the bonds, notes or other obligations of the
46 trust shall become or may be declared due and payable before
47 maturity and the terms and conditions upon which the declaration
48 and its consequences may be waived;

49 l. Vest in a trustee or trustees within or without the State any
50 property, rights, powers and duties in trust as the trust may de-
51 termine which may include any or all of the rights, powers and
52 duties of any trustee appointed by the holders of any bonds, notes
53 or other obligations of the trust pursuant to section 18 of this act,
54 including rights with respect to the sale or other disposition of
55 notes, bonds or other obligations of local government units pledged
56 pursuant to a resolution or trust indenture for the benefit of the
57 holders of bonds, notes or other obligations of the trust and the
58 right by suit or action to foreclose any mortgage pledged pursuant
59 to the resolution or trust indenture for the benefit of the holders
60 of the bonds, notes or other obligations, and to limit or abrogate
61 the right of the holders of any bonds, notes or other obligations of
62 the trust to appoint a trustee under this act, and to limit the rights,
63 duties and powers of the trustee;

64 m. Pay the costs or expenses incident to the enforcement of the
65 bonds, notes or other obligations of the trust or of the provisions
66 of the resolution authorizing the issuance of those bonds, notes or
67 other obligations or of any covenant or agreement of the trust
68 with the holders of the bonds, notes or other obligations;

69 n. Limit the rights of the holders of any bonds, notes or other
70 obligations of the trust to enforce any pledge or covenant securing
71 the bonds, notes or other obligations; and

72 o. Make covenants other than or in addition to the covenants
73 authorized by this act of like or different character, and make
74 covenants to do or refrain from doing any acts and things as may
75 be necessary, or convenient and desirable, in order to better secure
76 the bonds, notes or other obligations of the trust, or which, in the
77 absolute discretion of the trust, would make the bonds, notes or
78 other obligations more marketable, notwithstanding that the cove-
79 nants, acts or things may not be enumerated herein.

1 8. Any pledge of revenues, receipts, moneys, funds, or other
2 property or instruments made by the trust shall be valid and bind-
3 ing from time when the pledge is made. The revenues, receipts,
4 moneys, funds or other property so pledged and thereafter re-
5 ceived by the trust shall immediately be subject to the lien of the
6 pledge without any physical delivery thereof or further act, and
7 the lien of any pledge shall be valid and binding as against all
8 parties having claims of any kind in tort, contract or otherwise
9 against the trust irrespective of whether the parties have notice
10 thereof. Neither the resolution nor any other instrument by which
11 a pledge under this section is created need be filed or recorded,
12 except in the records of the trust.

1 9. a. The trust may make and contract to make loans to local
2 government units in accordance with and subject to the provisions
3 of this act to finance the cost of wastewater treatment system proj-
4 ects which the local government unit may lawfully undertake or
5 acquire and for which the local government unit is authorized by
6 law to borrow money. The loans may be made subject to those
7 terms and conditions as the trust shall determine to be consistent
8 with the purposes thereof. Each loan by the trust and the terms
9 and conditions thereof shall be subject to approval by the State
10 Treasurer, and the trust shall make available to the State Trea-
11 surer all information, statistical data and reports of independent
12 consultants or experts as the State Treasurer shall deem necessary
13 in order to evaluate the loan. Each loan to a local government
14 unit shall be evidenced by notes, bonds or other obligations
15 thereof issued to the trust. In the case of each local government
16 unit, notes and bonds to be issued to the trust by the local govern-
17 ment unit (1) shall be authorized and issued as provided by law
18 for the issuance of notes and bonds by the local government unit,
19 (2) shall be approved by the Local Finance Board in the Division
20 of Local Government Services in the Department of Community
21 Affairs, and (3) notwithstanding the provisions of N. J. S.
22 40A :2-27, N. J. S. 40A :2-28 and N. J. S. 40A :2-29 or any other

23 provisions of law to the contrary, may be sold at private sale to
24 the trust at any price, whether or not less than par value, and
25 shall be subject to redemption prior to maturity at any times and
26 at any prices as the trust and local government units may agree.
27 Each loan to a local government unit and the notes, bonds or other
28 obligations thereby issued shall bear interest at a rate or rates per
29 annum as the trust and the local government unit may agree.

30 b. The trust is authorized to guarantee or contract to guarantee
31 the payment of all or any portion of the principal and interest on
32 bonds, notes or other obligations issued by a local government unit
33 to finance the cost of any wastewater treatment system project
34 which the local government unit may lawfully undertake or acquire
35 and for which the local government unit is authorized by law to
36 borrow money, and the guarantee shall constitute an obligation of
37 the trust for the purposes of this act. Each guarantee by the trust
38 and the terms and conditions thereof shall be subject to approval
39 by the State Treasurer, and the trust shall make available to the
40 State Treasurer all information, statistical data and report of
41 independent consultants or experts as the State Treasurer shall
42 deem necessary in order to evaluate the guarantee.

43 c. The trust shall not make or contract to make any loans or
44 guarantees to local government units, or otherwise incur any addi-
45 tional indebtedness, on or after 20 years from the effective date
46 of this act.

1 10. The trust shall create and establish a special fund to be
2 known as the "general loan fund."

3 Subject to the provisions of the legislation appropriating moneys
4 to the trust, subject to any other provision of this act providing
5 otherwise and subject to agreements with the holders of bonds,
6 notes and other obligations of the trust, the trust shall deposit into
7 the general loan fund all revenues and receipts of the trust,
8 including moneys received by the trust as payment of the principal
9 of and the interest or premium on loans made from moneys in any
10 fund or account held by the trust under the act and the earnings
11 on the moneys in any fund or account of the trust, and all grants,
12 appropriations, other than those referred to in section 11 of this
13 act, contributions, or other moneys from any source, available
14 for the making of loans to local government units. The amounts
15 in the general loan fund shall be available for application by the
16 trust for loans to local government units for the cost of waste-
17 water treatment system projects, and for other corporate purposes
18 of the trust, subject to agreements with the holders of bonds, notes
19 or other obligations of the trust.

1 11. a. The trust shall establish a reserve and guarantee fund
2 into which shall be deposited the proceeds from any State bond
3 issue authorized for deposit in the trust or other funds appro-
4 priated by law to the trust for deposit in the reserve and guarantee
5 fund. The reserve and guarantee fund shall be used by the trust
6 to guarantee debt issued by the trust or a local government unit.

7 b. The trust may establish any reserves, funds or accounts as it
8 may determine necessary or desirable to further the accomplish-
9 ment of the purposes of the trust or to comply with the provisions
10 of any agreement made by or authorized in any resolution of the
11 trust.

1 12. a. To assure the continued operation and solvency of the
2 trust, the trust may require that if a local government unit fails
3 or is unable to pay to the trust in full when due any obligations
4 of the local government unit to the trust, an amount sufficient
5 to satisfy the deficiency shall be paid by the State Treasurer to
6 the trust from State aid payable to the local government unit.
7 As used in this section, obligations of the local government unit
8 include the principal of or interest on bonds, notes or other obli-
9 gations of a local government unit issued to or guaranteed by
10 the trust, including the subrogation of the trust to the right of
11 the holders of those obligations, any fees or charges payable to
12 the trust, and any amounts payable by a local government unit
13 under any service contract or other contractual arrangement the
14 payments under which are pledged to secure any bonds or notes
15 issued to the trust by another local government unit. State aid
16 includes business personal property tax replacement revenues,
17 State urban aid and State revenue sharing, as these terms are
18 defined in section 2 of P. L. 1976, c. 38 (C. 40A:3-3), or other
19 similar forms of State aid payable to the local government unit
20 and to the extent permitted by federal law, federal moneys ap-
21 propriated or apportioned to the local government unit by the
22 State.

23 (1) If the trust requires, and there has been a failure or in-
24 ability by a local government unit to pay its obligations to the
25 trust remaining uncured for a period of 30 days, the chairman
26 of the trust shall certify to the State Treasurer, with written
27 notice to the fiscal officer of the local government unit and to
28 the Legislature, the amount remaining unpaid, and the State
29 Treasurer shall pay that amount to the trust, or if the right to
30 receive those payments has been pledged or assigned to a trustee
31 for benefit of the holders of bonds, notes or other obligations of
32 the trust, to that trustee, out of the State aid payable to the
33 local government unit, until the amount so certified is paid.

34 (2) The amount paid over to the trust shall be deducted from
35 the corresponding appropriation or apportionment of State aid
36 payable to the local government unit and shall not obligate the
37 State to make, nor entitle the local government unit to receive,
38 any additional appropriation or apportionment. The obligation
39 of the State Treasurer to make payments to the trust or trustee
40 and the right of the trust or trustee to receive those payments
41 shall be subject and subordinate to the rights of holders of qual-
42 ified bonds issued or to be issued pursuant to P. L. 1976, c. 38
43 (C. 40A:3-1 et seq.).

44 (3) In those instances where the local government units are
45 municipal or county sewerage, utility or improvement authorities
46 created pursuant to P. L. 1946, c. 138 (C. 40:14A-1 et seq.) or
47 P. L. 1957, c. 183 (C. 40:14B-1 et seq.), the trust may require
48 the municipalities or counties which receive service or other bene-
49 fits from the districts or authorities to enter into service contracts
50 or other contractual arrangements under which they would be
51 required to make payments which would satisfy any deficiencies
52 in the revenues of the districts or authorities to repay the loans
53 made by the trust, which contracts would be pledged to secure
54 the payment of the loans of the trust.

55 b. Whenever a local government unit covenants or pledges to
56 or secures the payment of its obligations to the trust by, in whole
57 or in part, certain revenues of the local government unit derived
58 by the local government unit from the imposition of rates, fees
59 and charges, and the local government unit, and if payments by
60 another local government unit under a service contract or other
61 contractual arrangement are pledged to the payment of the obli-
62 gations, the other local government unit, fails or is unable to
63 pay in full when due any of the obligations and the State aid
64 revenues for any reason have not been made available for the
65 payment of the obligations or have not been made available in
66 sufficient amounts to pay the obligations in full, the trust is
67 authorized during the period of such failure to cause the local
68 government unit, in accordance with the covenants or pledges
69 established in any loan or other agreement relating thereto, to
70 establish and collect rates, fees and charges in the amounts re-
71 quired to pay the obligations in accordance with the covenants
72 or pledges established in the loan or other agreement relating
73 thereto.

1 13. Neither the directors of the trust nor any person executing
2 bonds, notes or other obligations of the trust issued pursuant to
3 this act shall be liable personally on the bonds, notes or other
4 obligations by reason of the issuance thereof.

1 14. The State does pledge to and covenant and agree with the
2 holders of any bonds, notes or other obligations of the trust issued
3 pursuant to authorization of this act that the State shall not limit
4 or alter the rights or powers vested in the trust to perform and
5 fulfill the terms of any agreement made with the holders of the
6 bonds, notes or other obligations or to fix, establish, charge and
7 collect any rents, fees, rates, payments or other charges as may
8 be convenient or necessary to produce sufficient revenues to meet
9 all expenses of the trust and to fulfill the terms of any agreement
10 made with the holders of bonds, notes or other obligations includ-
11 ing the obligations to pay the principal of and interest and pre-
12 mium on those bonds, notes or other obligations, with interest on
13 any unpaid installments of interest, and all costs and expenses in
14 connection with any action or proceedings by or on behalf of the
15 holders, and shall not limit or alter the rights and powers of any
16 local government unit to pay and perform its obligations owed to
17 the trust in connection with loans received from the trust, until
18 the bonds, notes and other obligations of the trust, together with
19 interest thereon, are fully met and discharged or provided for.

1 15. The State and all public officers, governmental units and
2 agencies thereof, all banks, trust companies, savings banks and
3 institutions, building and loan associations, savings and loan asso-
4 ciations, investment companies, and other persons carrying on a
5 banking business, all insurance companies, insurance associations
6 and other persons carrying on an insurance business, ad all
7 executors, administrators, guardians, trustees and other fiduciaries,
8 may legally invest any sinking funds, moneys or other funds
9 belonging to them or within their control in any bonds, notes or
10 other obligations issued pursuant to this act, and those bonds,
11 notes or other obligations shall be authorized security for any and
12 all public deposits.

1 16. All State agencies and governmental units, notwithstanding
2 any contrary provision of law, may lease, lend, grant or convey
3 to the trust at its request upon any terms and conditions as the
4 governing body or other proper authorities of the State agencies
5 or governmental units may deem reasonable and fair and without
6 the necessity for any advertisement, order of court or other actions
7 or formality, other than the authorizing ordinance of the governing
8 body concerned, any real property or interest which may be neces-
9 sary or convenient to the effectuation of the purposes of the trust.

1 17. All property of the trust is declared to be public property
2 devoted to an essential public and governmental function and
3 purpose and the revenues, income and other moneys received or

4 to be received by the trust shall be exempt from all taxes of the
5 State or any political subdivision thereof. All bonds, notes and
6 other obligations of the trust issued pursuant to this act are
7 declared to be issued by a body corporate and politic of the State
8 and for an essential public and governmental purpose and those
9 bonds, notes and other obligations, and interest thereon and the
10 income therefrom and from the sale, exchange or other transfer
11 thereof shall at all times be exempt from taxation, except for
12 transfer, inheritance and estate taxes.

1 18. a. If the trust defaults in the payment of principal of, or
2 interest on, any issue of its bonds, notes or other obligations after
3 these are due, whether at maturity or upon call for redemption,
4 and the default continues for a period of 30 days or if the trust
5 defaults in any agreement made with the holders of any issue of
6 bonds, notes or other obligations, the holders of 25% in aggregate
7 principal amount of the bonds, notes or other obligations of the
8 issue then outstanding, by instrument or instruments filed in the
9 office of the clerk of any county in which the trust operates and
10 has an office and proved or acknowledged in the same manner as
11 required for a deed to be recorded, may direct a trustee to repre-
12 sent the holders of the bonds, notes or other obligations of the
13 issuers for the purposes herein provided.

14 b. Upon default, the trustee may, and upon written request of
15 the holders of 25% in principal amount of the bonds, notes or
16 other obligations of the trust of a particular issue then outstand-
17 ing shall, in his or its own name:

18 (1) By suit, action or proceeding enforce all rights of the
19 holders of bonds, notes or other obligations of the issue, to require
20 the trust to carry out any other agreements with the holders of the
21 bonds, notes or other obligations of the issue and to perform its
22 duties under this act;

23 (2) Bring suit upon the bonds, notes or other obligations of the
24 issue;

25 (3) By action or suit, require the trust to account as if it were
26 the trustee of an express trust for the holders of the bonds, notes
27 or other obligations of the issue;

28 (4) By action or suit, enjoin any acts or things which may be
29 unlawful or in violation of the rights of the holders of the bonds,
30 notes or other obligations of the issue;

31 (5) Sell or otherwise dispose of bonds and notes of local gov-
32 ernment units pledged pursuant to resolution or trust indenture
33 for benefit of holders of bonds, notes, or other obligations of the
34 issue on any terms as resolution or trust indenture may provide;

35 (6) By action or suit, foreclose any mortgagae pledged pursuant

36 to the resolution or trust indenture for the benefit of the holders
37 of the bonds, notes or other obligations of the issue;

38 (7) Declare all bonds, notes or other obligations of the issue due
39 and payable, and if all defaults are made good, then with the
40 consent of the holders of 50% of the principal amount of the
41 bonds, notes or other obligations of the issue then outstanding,
42 to annul the declaration and its consequences.

43 c. The trustee shall, in addition to the foregoing, have those
44 powers necessary or appropriate for the exercise of any function
45 specifically set forth herein or incident to the general representa-
46 tion of holders of bonds, notes or other obligations of the trust
47 in the enforcement and protection of their rights.

48 d. The Superior Court shall have jurisdiction over any suit,
49 action or proceeding by the trustees on behalf of the holders of
50 bonds, notes or other obligations of the trust. The venue of any
51 suit, action or proceeding shall be in the county in which the
52 principal office of the trust is located.

53 e. Before declaring the principal of bonds, notes or other obliga-
54 tions of the trust due and payable as a result of a trust default
55 on any of its bonds, notes or other obligations, the trustee shall
56 first give 30 days notice in writing to the trust and to the Governor,
57 State Treasurer, President of the Senate and Speaker of the
58 General Assembly.

1 19. Sums of money received pursuant to the authority of this
2 act, whether as proceeds from the sale of particular bonds, notes
3 or other obligations of the trust or as particular revenues or re-
4 ceipts of the trust, are deemed to be trust funds, to be held and
5 applied solely as provided in the resolution or trust indenture
6 under which the bonds, notes or obligations are authorized or
7 secured. Any officer with whom or any bank or trust company
8 with which those sums of money are deposited as trustee thereof
9 shall hold and apply the same for the purposes thereof, subject to
10 any provision as this act and the resolution or trust indenture
11 authorizing or securing the bonds, notes or other obligations of
12 the trust may provide.

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
4 policies for the projects therefor. The commissioner shall set
5 forth a project priority list for funding by the trust for each fiscal
6 year and shall include the aggregate amount of funds of the trust
7 to be authorized for these purposes. The project priority list,
8 which shall include for each wastewater treatment system the date

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

28 b. Within 60 days of the referral thereof, the Senate Energy
29 and Environment Committee and the General Assembly Agri-
30 culture and Environment Committee shall, either individually or
31 jointly, consider the legislation containing the project priority
32 list, and shall report the legislation, together with any modifica-
33 tions, out of committee for consideration by each House of the
34 Legislature. On or before April 1 of each year, the Legislature
35 shall approve an appropriations act containing the project priority
36 list, including any amendatory or supplementary provisions
37 thereto, which act shall include the authorization of an aggregate
38 amount of funds of the trust to be expended for loans and guar-
39 antees for the specific projects, including the individual amounts
40 therefor, on the list, as modified by the Senate Energy and Environ-
41 ment Committee and the General Assmby Agriculture and En-
42 vironment Committee.

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

1 21. On or before May 15 of each year, the trust shall submit to
2 the Legislature a financial plan designed to implement the financ-
3 ing of the projects on the project priority list approved pursuant
4 to section 20 of this act. The financial plan shall contain an
5 enumeration of the bonds, notes or other obligations of the trust

6 which the trust intends to issue, including the amounts thereof and
7 the terms and conditions therefor, a list of loans to be made to
8 local government units, including the terms and conditions thereof
9 and the anticipated rate of interest per annum and repayment
10 schedule therefor, and a list of loan guarantees or contracts to
11 guarantee the payment of all or a portion of the principal and
12 interest on bonds, notes or other obligations issued by a local
13 government unit to finance the cost of a wastewater treatment
14 system project, and the terms and conditions thereof. The financial
15 plan shall also set forth a complete operating and financial state-
16 ment covering its proposed operations during the forthcoming
17 fiscal year, including amounts of income from all sources, and the
18 uniform schedule of fees and charges established by the trust pur-
19 suant to subsection o. of section 5 of this act, and the amounts to be
20 derived therefrom, and shall summarize the status of each waste-
21 water treatment system project for which loans or guarantees
22 have been made by the trust, and shall describe major impediments
23 to the accomplishment of the planned wastewater treatment system
24 projects.

1 22. a. The trust shall submit the financial plan required pur-
2 suant to section 21 of this act to the President of the Senate and
3 the Speaker of the General Assembly on a day when both houses
4 are meeting. The President and the Speaker shall cause the date of
5 submission to be entered upon the Senate Journal and the Minutes
6 of the General Assembly, respectively.

7 b. Unless the financial plan as described in the submission is
8 approved by adoption of a concurrent resolution of both houses
9 within the time period prescribed in this subsection, the financial
10 plan shall be deemed disapproved and the trust shall not undertake
11 any of the proposed activities contained therein. The President
12 and the Speaker shall cause a concurrent resolution of approval of
13 the trust's financial plan to be placed before the members of the
14 respective houses for a recorded vote within the time period. The
15 time period shall commence on the day of submission and expire
16 on the forty-fifth day after submission or for a house not meeting
17 on the forty-fifth day, on the next meeting day of that house.

1 23. No funds from State sources or State bond issues used to
2 capitalize the trust shall be available for use by the trust unless
3 appropriated by law to the trust. No funds shall be expended by
4 the trust for its annual operating expenses unless appropriated
5 by law to the trust. Unless required to be otherwise applied pur-
6 suant to law, funds generated by the operation of the trust, in-
7 cluding, but not limited to: proceeds from the sale of the trust's

8 bonds, notes or other obligations; revenues derived from invest-
9 ments by the trust; loan repayments from local government units;
10 and fees and charges levied by the trust, may thereafter be
11 applied in accordance with the provisions of this act for any
12 corporate purpose of the trust without appropriation; except that
13 the funds shall only be used to make loans or guarantees approved
14 by the Legislature in accordance with the provisions of sections
15 20, 21 and 22 of this act. The trust shall not apply for, receive,
16 accept or utilize any federal funds, including funds which are
17 authorized pursuant to the "Federal Water Pollution Control Act
18 Amendments of 1972," Pub.L. 92-500 (33 U. S. C. § 1251 et al.), and
19 any amendatory or supplementary acts thereto.

1 24. a. The trust shall cause an audit of its books and accounts
2 to be made at least once in each year by certified public accountants
3 selected by the State Treasurer and the cost thereof shall be con-
4 sidered as an expense of the trust and a copy thereof shall be filed
5 with the Governor, State Treasurer, Senate and General Assembly.
6 Notwithstanding the provision of any law to the contrary, the
7 State Auditor or his legally authorized representative may examine
8 the accounts of books of the trust.

9 b. All officers, departments, boards, units, divisions and com-
10 missions of the State are authorized to render any services to the
11 trust as may be within the area of their respective governmental
12 functions as fixed or established by law, and as may be requested
13 by the trust. The cost and expense of those services shall be met
14 and provided for by the State governmental units rendering the
15 services.

1 25. The trust shall establish the rules and regulations governing
2 the making and use of loans or guarantees, including, but not
3 limited to, procedures for the submission of loan guarantee re-
4 quests, standards for the evaluation of requests, provisions imple-
5 menting priority systems for projects, reporting requirements of
6 the recipient of any loan or guarantee concerning the progress and
7 the expenditure of funds, and limitations, restrictions or require-
8 ments concerning the use of loan funds as the trust shall prescribe;
9 provided that the rules and regulations shall be in compliance with
10 the terms and provisions of this act relating to the making of or
11 eligibility for loans or guarantees for projects generally or for any
12 particular type or class of projects.

1 26. a. The trust shall adopt the rules and regulations requiring
2 a local government unit which receives a loan or guarantee for a
3 project to establish an affirmative action program for the hiring
4 of minority workers in the performance of any construction con-

5 tract for that project and to establish a program to provide
6 opportunities for socially and economically disadvantaged contrac-
7 tors and vendors to supply materials and services for the contract,
8 consistent with the provisions of the "Law Against Discrimination,"
9 P. L. 1945, c. 169 (C. 10:5-1 et seq.). Not less than 10% of the
10 amount of any contract for construction, materials or services for
11 a project shall be awarded to small business concerns owned and
12 controlled by socially and economically disadvantaged individuals
13 as defined in section 8(a) and 8(d) of the "Small Business Act,"
14 Pub.L. 75-536 (15 U. S. C. § 637(a) and (d)), and any regulations
15 promulgated pursuant thereto.

16 b. The trust shall adopt the rules and regulations requiring a
17 local government unit which receives a loan or guarantee for a
18 project to pay not less than the prevailing wage rate to workers
19 employed in the performance of any construction contract for that
20 project, in accordance with the rate determined by the Commis-
21 sioner of Labor pursuant to P. L. 1963, c. 150 (C. 34:11-56.25 et
22 seq.).

1 27. The trust shall adopt such rules and regulations as it deems
2 necessary to effectuate the purposes of this act, including those
3 required pursuant to sections 25 and 26 of this act, in accordance
4 with the "Administrative Procedure Act," P. L. 1968, c. 410 (C.
5 52:14B-1 et seq.).

1 28. It is the intent of the Legislature that if there is any conflict
2 or inconsistency between the provisions of this act and the pro-
3 visions of any other laws pertaining to matters herein established
4 or provided for, or between any rules and regulations adopted
5 under this act and the rules and regulations adopted under any
6 other law, to the extent of the conflict or inconsistency, the pro-
7 visions of this act and the rules and regulations adopted hereunder,
8 shall be enforced and the provisions of the other laws, and the
9 rules and regulations adopted thereunder, shall be of no effect.

1 29. There is appropriated from the General Fund to the New
2 Jersey Wastewater Treatment Trust, the sum of \$250,000.00 to
3 effectuate the purposes of this act.

1 30. This act shall take effect upon the approval by the people
2 of the "Wastewater Treatment Bond Act of 1985," P. L. ,
3 c. . . . (now pending before the Legislature as Senate Bill No. 3342
4 of 1985 and Assembly Bill No. 4193 of 1985).

STATEMENT

This bill would create the New Jersey Wastewater Treatment Trust, a streamlined State financing authority empowered to maximize the use of available State funds for paying the costs of wastewater treatment facilities. The trust, which would be capitalized with State appropriations, proceeds of State general obligation bond issues and related revenues, would provide low-interest loans and loan guarantees to local governments from both its equity capital and additional revenues (bond proceeds) generated through the issuance of trust revenue bonds backed by partial use of its equity capital and pledge of its loan repayments.

The bill provides for extensive legislative oversight of the trust, including fiscal control over its operating expenditures and loan and local debt guarantee activities.

Subject to the availability of funds, the Legislature may appropriate up to \$40,000,000.00 per year in additional funding to strengthen the trust's financial position.

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OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: CARL GOLDEN
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TRENTON, N.J. 08625

Release: MONDAY, SEPT. 23, 1985

Governor Thomas H. Kean today signed a package of legislation creating an Environmental Trust Fund program which, the Governor said, "represents the most comprehensive and innovative approach to solving New Jersey's environmental problems in the history of our State."

"This program, for the first time in New Jersey, provides the mechanism and --- most importantly --- the money to address our wastewater treatment problems and to move New Jersey into a broad program of resource recovery and recycling,," Kean said.

The Governor signed eight bills in the package during a ceremony at The Riverview Sewerage Treatment Plant in Totowa --- a treatment facility which must be upgraded and which could qualify for the necessary funds under the newly-enacted trust program.

"When I first proposed the establishment of an Environmental Trust Fund in my State of the State address to the Legislature this past January, I described it as the centerpiece of my designation of 1985 as the Year of the Environment," Kean said. "Today, with these bills now law, we can see tangible evidence of our commitment to making 1985 a year to be remembered by future generations as one in which we acted with courage and foresight to protect the environment."

Kean said the trust will generate a total of \$2.5 billion over the next 15 years to help in the construction of sewerage treatment plants.

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"With this sum, we can finance all of the 286 plants which will be needed and we can avoid the imposition of economically-harmful building bans which threaten many areas because of an inability to comply with Federal clean water standards," Kean said. "Moreover, the trust will enable us to carry out the construction programs without huge increases in local property taxes and without the imposition of enormous user fees."

"With this package, New Jersey is in a position to lead the nation in keeping its water clean and in disposing of its solid waste safely," Kean said. "Its' financing techniques are unique, but the problems we faced in this State were such that conventional or old-fashioned methods would have been inadequate to meet them."

"All of us can take a great deal of pride in this program and all of us can tell the people of New Jersey that we truly acted in their best interest," the Governor said.

The bills Kean signed today are:

A-4188, sponsored by Assemblyman Martin Herman, D-Gloucester, which creates the Environmental Trust Fund.

S-3342, sponsored by Senator John Russo, D-Ocean, to place on the General Election ballot a \$190 million bond issue to capitalize a revolving loan fund for loans and grants for the construction of wastewater treatment facilities.

S-3343, sponsored by Senator Paul Contillo, D-Bergen, to place on the General Election ballot an \$85 million bond issue to capitalize a revolving loan fund to help build resource recovery facilities.

S-3346, sponsored by Senator Carmen Orechio, D-Essex, which provides for a \$33 million interest-free loan to Essex County for the construction of a resource recovery facility.

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A-4187, sponsored by Assemblyman Harry McEnroe, D-Essex, which transfers \$50 million allocated to the Natural Resources Bond Act of 1980 to a fund for loans and grants to counties and the Hackensack Meadowlands Development Commission for the construction of resource recovery facilities.

S-3344, sponsored by Senator Catherine Costa, D-Burlington, which places on the General Election ballot a question seeking permission for repayments of funds allocated from the 1980 bond issue to be made to the resource recovery fund.

S-3389, sponsored by Senator John Russo, D-Ocean, and S-3390, sponsored by Senator Daniel Dalton, D-Camden, both of which make technical amendments to the trust fund act.

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