

58:11B-6, 58:11B-11

LEGISLATIVE HISTORY CHECKLIST

**NJSA:** 58:11B-6, 58:11B-11 (Technical amendments to A4188--wastewater treatment fund)

**LAWS OF:** 1985 **CHAPTER:** 336

**BILL NO:** S3390

**Sponsor(s):** Dalton

**Date Introduced:** September 12, 1985

**Committee: Assembly:** -----

**Senate:** -----

**Amended during passage:** No

**Date of Passage: Assembly:** September 12, 1985

**Senate:** September 12, 1985

**Date of Approval:** September 23, 1985

**Following statements are attached if available:**

**Sponsor statement:** Yes (Below)

**Committee statement: Assembly** No

**Senate** No

**Fiscal Note:** No

**Veto Message:** No

**Message on Signing:** Yes

**Following were printed:**

**Reports:** No

**Hearings:** No

**Sponsor's statement:**

This act makes technical amendments to P. L. . . . ., c. . . . (now pending before the Legislature as Senate Bill No. 3341 of 1985 or Assembly Bill No. 4188 of 1985).

SENATE, No. 3390

STATE OF NEW JERSEY

INTRODUCED SEPTEMBER 12, 1985

By Senator DALTON

(without reference)

AN ACT concerning the "New Jersey Wastewater Treatment Trust,"  
and amending P. L. . . . , c. . . . (now pending before the Legisla-  
ture as Senate Bill No. 3341 of 1985 or Assembly Bill No. 4188  
of 1985).

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

1 1. Section 6 of P. L. . . . , c. . . . (C. . . . .) (now pending  
2 before the Legislature as Senate Bill No. 3341 of 1985 or Assembly  
3 Bill No. 4188 of 1985) is amended to read as follows:

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

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

**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 printed in italics *thus* is new matter.

22 the provisions of the bonds, notes and other obligations for regis-  
23 tration.

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

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

49 All bonds of the trust shall be sold at such price or prices and in  
50 such manner as the trust shall determine, after notice of sale,  
51 published at least three times in at least three newspapers published  
52 in the State of New Jersey, and at least once in a publication  
53 carrying municipal bond notices and devoted primarily to financial  
54 news, published in New Jersey or the city of New York, the first  
55 notice to be at least five days prior to the day of bidding. The  
55A notice of sale may contain a provision to the effect that any or all  
56 bids made in pursuance thereof may be rejected. In the event of  
57 such rejection or of failure to receive any acceptable bid, the trust,  
58 at any time within 60 days from the date of such advertised sale,  
59 may sell such bonds at private sale upon terms not less favorable  
60 to the State than the terms offered by any rejected bid. The trust  
61 may sell all or part of the bonds of any series as issued to any State  
62 fund or to the federal government or any agency thereof, at private  
63 sale, without advertisement.

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

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

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

94 (1) Upon the decision by the trust to issue refunding bonds, and  
95 prior to the sale of those bonds, the trust shall transmit to the  
96 Joint Appropriations Committee's Subcommittee on Transfers, or  
97 its successor, a report that a decision has been made, reciting the  
98 basis on which the decision was made, including an estimate of the  
99 debt service savings to be achieved and the calculations upon which  
100 the trust relied when making the decision to issue refunding bonds.  
101 The report shall also disclose the intent of the trust to issue and sell  
102 the refunding bonds at public [or private] sale and the reasons  
103 therefor.

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

107 accordance with paragraph (1) of this subsection. The subcommit-  
108 tee shall notify the trust in writing of the approval or disapproval  
109 as expeditiously as possible.

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

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

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

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

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

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

143 (3) Pledge of all moneys, funds, accounts, securities and other  
144 funds, including the proceeds of the bonds, notes or other obliga-  
145 tions;

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

148 (5) A mortgage on all or any part of the property, real or per-  
149 sonal, of the trust then owned or thereafter to be acquired, or a

150 pledge or assignment of mortgages made to the trust by any person  
 151 or entity, public or private, including one or more local government  
 152 units and the rights and interest of the trust therein.

153 i. The trust shall not issue any bonds, notes or other obligations,  
 154 or otherwise incur any additional indebtedness, on or after 20 years  
 155 from the effective date of this act.

1 2. Section 11 of P. L. . . . , c. . . . (C. . . . .) (now pending  
 2 before the Legislature as Senate Bill No. 3341 of 1985 or Assembly  
 3 Bill No. 4188 of 1985) is amended to read as follows:

4 11. a. The trust shall establish **[a]** reserve and guarantee **[fund]**  
 5 *funds* into which shall be deposited the proceeds from any State  
 6 bond issue authorized for deposit in the trust or other funds appro-  
 7 priated by law to the trust for deposit in the reserve **[and]** *or*  
 8 guarantee **[fund]** *funds*. The reserve **[and guarantee]** fund shall  
 9 be used by the trust to **[guarantee]** *secure* debt issued by the trust  
 10 **[or a local government unit]**. *The guararntee fund shall be used by*  
 11 *the trust to secure debt issued by a local government unit.*

12 b. The trust may establish any reserves, funds or accounts as it  
 13 may determine necessary or desirable to further the accomplish-  
 14 ment of the purposes of the trust or to comply with the provisions  
 15 of any agreement made by or authorized in any resolution of the  
 16 trust.

1 3. This act shall take effect immediately.

---

#### STATEMENT

This act makes technical amendments to P. L. . . . , c. . . . (now  
 pending before the Legislature as Senate Bill No. 3341 of 1985 or  
 Assembly Bill No. 4188 of 1985).

---

717,901  
661



# OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: CARL GOLDEN  
609-292-8956

TRENTON, N.J. 08625

Release: MONDAY, SEPT. 23, 1985

S3390

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.

-more-

"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.



ENVIRONMENTAL TRUST FUND BILL SIGNING  
PAGE THREE  
SEPTEMBER 23, 1985

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.

# # #

PROPERTY OF  
NEW JERSEY STATE LIBRARY

SEP 25 1985

185 W. State Street  
Trenton, N. J.